

# APPENDIX

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BUDGET OF THE UNITED STATES GOVERNMENT

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*Fiscal Year 2004*

## THE BUDGET DOCUMENTS

*Budget of the United States Government, Fiscal Year 2004* contains the Budget Message of the President and information on the President's budget and management priorities, including assessments of agencies' performance.

*Analytical Perspectives, Budget of the United States Government, Fiscal Year 2004* contains analyses that are designed to highlight specified subject areas or provide other significant presentations of budget data that place the budget in perspective.

The *Analytical Perspectives* volume includes economic and accounting analyses; information on Federal receipts and collections; analyses of Federal spending; detailed information on Federal borrowing and debt; baseline or current services estimates; and other technical presentations. It also includes information on the budget system and concepts and a list of Federal programs by agency and account, as well as by budget function.

*Historical Tables, Budget of the United States Government, Fiscal Year 2004* provides data on budget receipts, outlays, surpluses or deficits, Federal debt, and Federal employment over an extended time period, generally from 1940 or earlier to 2008. To the extent feasible, the data have been adjusted to provide consistency with the 2004 Budget and to provide comparability over time.

*Budget of the United States Government, Fiscal Year 2004—Appendix* contains detailed information on the various appropriations and funds that constitute the budget and is designed primarily for the use of the Appropriations Committee. The *Appendix* contains more detailed financial information on individual programs and appropriation accounts than any of the other budget documents. It includes for each agency: the proposed text of appropriations lan-

guage, budget schedules for each account, new legislative proposals, explanations of the work to be performed and the funds needed, and proposed general provisions applicable to the appropriations of entire agencies or group of agencies. Information is also provided on certain activities whose outlays are not part of the budget totals.

*Performance and Management Assessments, Budget of the United States Government, Fiscal Year 2004* contains evaluations and analyses of programs and management at federal departments and agencies.

### AUTOMATED SOURCES OF BUDGET INFORMATION

The information contained in these documents is available in electronic format from the following sources:

**CD-ROM.** The CD-ROM contains all of the budget documents and software to support reading, printing, and searching the documents. The CD-ROM also has many of the tables in the budget in spreadsheet format.

**Internet.** All budget documents, including documents that are released at a future date, will be available for downloading in several formats from the Internet. To access documents through the *World Wide Web*, use the following address:

<http://www.whitehouse.gov/omb/budget>

For more information on access to electronic versions of the budget documents (except CD-ROMs), call (202) 512-1530 in the D.C. area or toll-free (888) 293-6498. To purchase a CD-ROM or printed documents call (202) 512-1800.

### GENERAL NOTES

1. All years referred to are fiscal years, unless otherwise noted.
2. Detail in this document may not add to the totals due to rounding.
3. At the time of this writing, 11 of the 13 appropriations bills for 2003 were not enacted, and the programs covered by them were operating under a continuing resolution. For these programs, references to 2003 spending, excluding current services or baseline estimates, in the text and tables reflect the Administration's 2003 policy proposals. The baseline estimates for the programs covered by the unenacted bills reflect the levels provided by the continuing resolution.

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# DETAILED BUDGET ESTIMATES

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## EXPLANATION OF ESTIMATES

“DETAILED BUDGET ESTIMATES” contains various tables and schedules in support of the budget. It includes explanations of the work to be performed and the money needed. It includes the language proposed for enactment by Congress on each item that requires congressional action in an appropriations bill. It also contains the language proposed for the general provisions of appropriations acts that apply to entire agencies or groups of agencies. The chapter, “Budget System and Concepts and Glossary,” in the *Analytical Perspectives* volume of the budget, explains the terms and budget concepts used in this volume.

### ARRANGEMENT

The first section of this chapter presents general provisions of law that apply to all government activities (see explanation below). Sections for the Legislative Branch and the Judiciary follow. These are followed by sections for the Executive Branch. The cabinet departments appear first in alphabetical order. They are followed by the larger nondepartmental agencies, groupings for “International Assistance Programs” and “Other Defense Civil Programs,” the Executive Office of the President, and the remaining agencies, under the heading “Other Independent Agencies.” If the amounts in the individual accounts for other independent agencies are below the million-dollar reporting threshold applicable to data in the *Appendix*, the data are consolidated into a single set of schedules under “Other Commissions and Boards.” Appropriation language for these agencies is presented individually under the same heading.

A section for a large agency is usually organized by major subordinate organizations within the agency (usually bureaus) or by major program area.

Within each bureau or major program area, accounts usually appear in the following order:

- general fund accounts in the following order: accounts for which appropriations are requested for the budget year; accounts for which appropriations were made in the current year and not requested in the budget year; other unexpired accounts; expired accounts;
- special fund accounts in the following order: accounts for which appropriations are requested for the budget year;

- accounts for which appropriations were made in the current year and not requested in the budget year; other unexpired accounts; expired accounts;
- public enterprise funds;
- intragovernmental revolving funds and management funds;
- credit reform accounts, in the following order: program account, financing account, and liquidating account;
- trust funds;
- trust revolving funds.

By law, the Old-Age and Survivors Insurance and Disability Insurance trust funds (Social Security) are outside the budget totals. These accounts are presented in the Social Security Administration section. Also, by law the Postal Service Fund is outside the budget totals. A presentation for the Fund is included in the Other Independent Agencies section.

General provisions are provisions in appropriations acts that apply to more than one appropriation. They usually appear in sets, often in separate titles of the appropriations acts. In some instances, they apply only to the appropriations for one agency. In other instances, they apply to the appropriations for two or more agencies covered by the act. The general provisions in one set apply to all appropriations Government-wide. In the *Appendix*, the proposed language for general provisions that are only applicable to one agency appears at the end of the section for that agency. The general provisions that apply to two or more agencies appear at the end of the section for one of the agencies. The general provisions that are Government-wide in scope (identified “Departments, Agencies, and Corporations”), normally contained in the Treasury and General Government Appropriations Act, appear in a separate section following this one.

The following table indicates the location of all general provisions. The second column of the table lists the most recently enacted appropriations and the major agencies responsible for programs funded by each act. The third column provides the location of the general provisions that apply to the agencies listed in the second column. Proposed changes to general provisions are presented in the manner described below for appropriations language.

<i>Appropriation Act</i>	<i>Section in which general provisions appear</i>
1. Legislative Branch Appropriations Act .....	Legislative Branch
2. Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act. Department of Agriculture Department of Health and Human Services	Department of Agriculture.
3. Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act. Department of Commerce Department of Justice Department of State The Judiciary Department of Transportation Small Business Administration	Department of Commerce.
4. Department of Defense Appropriations Act .....	Department of Defense.
5. Military Construction Appropriations Act .....	Department of Defense.
6. Energy and Water Development Appropriations Act .....	Department of Energy.
Department of Energy Corps of Engineers Department of the Interior	
7. Department of the Interior and Related Agencies Appropriations Act .....	Department of the Interior.

	<i>Appropriation Act</i>	<i>Section in which general provisions appear</i>
8.	Department of the Interior Department of Agriculture Department of Energy Department of Education Department of Health and Human Services Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act. Department of Labor Department of Health and Human Services Department of Education	Department of Labor.
9.	Department of Transportation and Related Agencies Appropriations Act .....	Department of Transportation.
10.	Treasury and General Government Appropriations Act .....	Department of the Treasury.
11.	All departments, agencies, and corporations Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act. Housing and Urban Development NASA Veterans Affairs Environmental Protection Agency General Services Administration	Government-wide General Provisions. Department of Veterans Affairs.
12.	Foreign Operations, Export Financing, and Related Programs Appropriations Act .... Department of Defense Department of State Agency for International Development Department of Agriculture	International Assistance Programs.
13.	District of Columbia Appropriations Act .....	Other Independent Agencies.

**FORM OF DETAILED MATERIAL**

**APPROPRIATIONS LANGUAGE**

The language proposed for inclusion in the 2004 appropriations acts appears following the account title. Language for enacted 2003 appropriations, printed in roman type, is used as a base. Brackets enclose material that is proposed for deletion; italic type indicates proposed new language. If the appropriation is being proposed for the first time, all of the language is printed in italics. At the time the budget was prepared, several appropriations acts for 2003 had not been enacted. The proposed language for accounts normally funded in these appropriations acts is presented as new language. A note following the language identifies the account as one that did not receive a regular appropriation for 2003. The amounts in appropriations language are stated in dollars. Citations to any relevant authorizing legislation and to the specific appropriations act from which the basic text of the 2003 language is taken appear at the end of the final language paragraph, printed in italic within parentheses. An illustration of proposed appropriations language for 2004 follows:

**OPERATING EXPENSES**

For necessary expenses of the Office of Climate Information, **[\$30,290,000]** \$28,870,000 of which **[\$150,000]** \$400,000 shall remain available until expended. (34 U.S.C. 218 et seq.; Department of Government Appropriation Act, 2003.)

**BASIS FOR SCHEDULES**

Dollar amounts in *Appendix* schedules are stated in millions, unless otherwise specified.

The 2002 column of the budget presents the actual transactions and balances for that year, as recorded in agency accounts.

For 2003, the regular schedules include enacted appropriations. They also include indefinite appropriations on the basis of amounts likely to be required.

The 2004 column of the regular schedules includes proposed appropriations for all programs under existing legislation, in-

cluding those that require extension or renewal of expiring laws.

Amounts for proposed new legislation are shown generally in separate schedules, following the regular schedules or in budget sequence in the respective bureau. These schedules are identified as “Legislative proposals, subject to PAYGO” or “Legislative proposals not subject to PAYGO.” The term “PAYGO” refers to the “pay-as-you-go” requirements of the Budget Enforcement Act of 1990. Appropriations language is included with the regular schedules, but usually not with the separate schedules for proposed legislation. Usually the necessary appropriations language is transmitted later upon enactment of the proposed legislation.

**PROGRAM AND FINANCING SCHEDULE**

This schedule provides the following information:

- obligations by program activity;
- budgetary resources available for obligation;
- detailed information on new budget authority (gross);
- change in obligated balances;
- detailed information on outlays (gross);
- offsets to gross budget authority and outlays;
- net budget authority and outlays; and
- additional net budget authority and outlays to cover cost of fully accruing retirement.

The “Obligations by program activity” section shows obligations for specific activities or projects. The activity structure is developed for each appropriation or fund account to provide a meaningful presentation of information for the program. Where the amounts are significant, this section distinguishes between operating expenses and capital investment and between direct and reimbursable programs. The last entry, “Total new obligations,” indicates the amount of budgetary resources required to finance the activities of the account.

The “Budgetary resources available for obligation” section shows the budgetary resources available or estimated to be available to finance the obligations. The resources available for obligation include the start-of-year unobligated balances of a prior year that have not expired, new budget authority, and adjusting entries, such as recoveries from prior year obli-

gations. New obligations are subtracted from these resources, resulting in the end-of-year unobligated balances.

The "New budget authority (gross), detail" section provides detailed information on the total new budget authority available to finance the program. It includes information on the type of budget authority that is available, rescissions, reductions, and amounts precluded from obligation. It indicates whether the budget authority is discretionary (controlled by appropriations acts) or mandatory (controlled by other laws).

The "Change in obligated balances" section shows the difference between obligations and outlays. New obligations are added to the obligations that were incurred in a previous year but not liquidated. Total disbursements (outlays, gross) are subtracted from these amounts. Adjusting entries, such as adjustments in expired accounts, are included, as appropriate, resulting in the end-of-year obligated balance.

The "Outlays (gross), detail" section indicates whether the outlays pertain to discretionary or mandatory budget authority and to balances or new authority.

The "Offsets" and "Net budget authority and outlays" sections indicate the amounts to be deducted from gross budget authority and outlays and the resulting net budget authority and outlay amounts. Offsetting collections (cash) and the change in orders on hand from Federal sources are deducted from gross budget authority; only offsetting collections (cash) are deducted from gross outlays.

The "Additional net budget authority and outlays to cover cost of fully accruing retirement" section identifies a proposal in the budget that would require agencies to pay the full share of accruing employee pensions and annuitant health benefits. The impact of this proposal has been presented on a three-year comparable basis (i.e., as if the legislation had been enacted and implemented in 2002) as a memorandum entry.

**Program and Financing** (in millions of dollars)

Identification code 16-1186-0-1-755	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Policy and program development .....	38	39	42
00.02 Departmental management and administration .....	39	38	38
00.03 Facilities operations, maintenance, and repair .....	11	12	15
01.01 Reimbursable program .....	42	44	45
10.00 Total new obligations .....	130	133	140
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	132	133	140
23.95 Total new obligations .....	-130	-133	-140
23.98 Unobligated balance expiring or withdrawn .....	-2		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	90	89	95
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash) .....	43	43	45
69.10 Change in uncollected customer payments from Federal sources .....	-1	1	
69.90 Spending authority from offsetting collections (total) .....	42	44	45
70.00 Total new budget authority (gross) .....	132	133	140
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	6	9
73.10 Total new obligations .....	130	133	140
73.20 Total outlays (gross) .....	-127	-129	-134
73.40 Adjustments in expired accounts (net) .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	1	-1	
74.40 Obligated balance, end of year .....	6	9	15

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	83	82	87
86.93 Outlays from discretionary balances .....	2	3	2
86.97 Outlays from new mandatory authority .....	42	44	45
87.00 Total outlays (gross) .....	127	129	134
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	43	43	45
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1	1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	90	89	95
90.00 Outlays .....	84	86	89
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

A schedule entitled "Summary of Budget Authority and Outlays" immediately follows the first program and financing schedule for any account that has additional program and financing schedules for supplemental requests, legislative proposals, or rescission proposals.

**NARRATIVE STATEMENT OF PROGRAM AND PERFORMANCE**

Narrative statements present briefly the objectives of the program and the work to be financed primarily for 2004. They may include measures of expected performance and describe relationship to the financial estimates.

**SCHEDULE OF OBJECT CLASSIFICATION AND PERSONNEL SUMMARY**

The object classification schedule for an account shows obligations according to the following uniform list of object classifications:

10 PERSONAL SERVICES AND BENEFITS	services from Government accounts
11.1 Full-time permanent	25.4 Operation and maintenance of facilities
11.3 Other than full-time permanent	25.5 Research and development contracts
11.5 Other personnel compensation	25.6 Medical care
11.7 Military personnel	25.7 Operations and maintenance of equipment
11.8 Special personal services payments	25.8 Subsistence and support of persons
11.9 Total personnel compensation	26.0 Supplies and materials
12.1 Civilian personnel benefits	30 ACQUISITION OF ASSETS
12.2 Military personnel benefits	31.0 Equipment
13.0 Benefits for former personnel	32.0 Land and structures
20 CONTRACTUAL SERVICES AND SUPPLIES	33.0 Investments and loans
21.0 Travel and transportation of persons	40 GRANTS AND FIXED CHARGES
22.0 Transportation of things	41.0 Grants, subsidies, and contributions
23.1 Rental payments to GSA	42.0 Insurance claims and indemnities
23.2 Rental payments to others	43.0 Interest and dividends
23.3 Communications, utilities, and miscellaneous charges	44.0 Refunds
24.0 Printing and reproduction	90 OTHER
25.1 Advisory and assistance services	91.0 Unvouchered
25.2 Other services	92.0 Undistributed
25.3 Purchases of goods and	93.0 Limitation on expenses
	99.0 SUBTOTAL DIRECT OBLIGATIONS

99.0 Reimbursable obligations 99.9 TOTAL GROSS  
99.5 Below reporting threshold OBLIGATIONS

Object classes reflect the nature of the things or services purchased, regardless of the purpose of the program for which they are used. Object class entry 11.9, Total personnel compensation, sums the amounts in object classes 11.1 through 11.8. Except for revolving funds, reimbursable obligations are aggregated in a single line and not identified by object class. Amounts for any object class that are below the reporting threshold (i.e., amounts that are \$500 thousand or less) are reported together as a single entry. If all of the obligations for an account are in a single object class, the schedule is omitted and the object class code is printed in the Program and Financing Schedule on the "Total new obligations" line. Data, classified by object, are illustrated in the following schedule:

Object Classification (in millions of dollars)				
Identification code 17-0643-0-1-452	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent .....	60	60	66	
11.3 Other than full-time permanent .....	1	1	1	
11.9 Total personnel compensation .....	61	61	67	
12.1 Civilian personnel benefits .....	20	20	21	
23.1 Rental payments to GSA .....	5	5	5	
26.0 Supplies and materials .....	1	1	1	
99.0 Subtotal, direct obligations .....	87	87	93	
99.0 Reimbursable obligations .....	42	44	45	
99.5 Below reporting threshold .....	1	2	2	
99.9 Total new obligations .....	130	133	140	

When obligations for personnel compensation are shown in the object classification schedule, a personnel summary generally follows the object classification schedule, as illustrated below:

Personnel Summary				
Identification code 17-0643-0-1-452	2002 actual	2003 est.	2004 est.	
Direct: Total compensable workyears:				
1001 Full-time equivalent employment .....	774	748	762	
Reimbursable: Total compensable workyears:				
2001 Full-time equivalent employment .....	8	12	12	

Federal civilian employment generally is stated on a full-time equivalent (FTE) basis for the executive branch. It is the total number of hours worked (or to be worked) divided by the number of compensable hours applicable to each fiscal year.

#### FINANCIAL STATEMENTS

Financial statements are presented for all direct and guaranteed loan liquidating and financing accounts (balance sheets only), all Government-sponsored enterprises, and certain revolving and trust revolving funds conducting business with the public. They are occasionally presented for funds conducting business within the Government.

##### Statement of Operations

The statement of operations shows net income or loss for the year. This statement usually includes accrued revenue (e.g., revenue earned) and accrued expenditures (e.g., including costs incurred but not yet paid), whether funded or unfunded. The amounts in the 2001 column are audited.

Statement of Operations (in millions of dollars)				
Identification code 16-4023-0-3-754	2001 actual	2002 actual	2003 est.	2004 est.
Industrial Program:				
0111 Revenue .....	9	14	6	10
0112 Expense .....	-7	-8	-8	-8

0119 Net income of loss (-) .....	2	6	-2	2
Sales program:				
0121 Revenue .....	25	27	18	15
0122 Expense .....	-15	-20	-11	-10
0129 Net Income or loss (-) .....	10	7	7	5
Power program:				
0131 Revenue .....	39	28	34	22
0132 Expense .....	-13	-18	-20	-14
0139 Net income of loss (-) .....	26	10	14	8
0191 Total revenues .....	73	69	58	47
0192 Total expenses .....	-35	-46	-39	-32
0195 Total income or loss (-) .....	38	23	19	15

#### Balance Sheet

The balance sheets show assets, liabilities, and equity for the fund at the close of each fiscal year. In addition to this information, which is similar to commercial balance sheet data, budget needs also require additional information, such as appropriated capital, which is shown in the equity section. The amounts in the 2001 column are audited. Other amounts are unaudited and subject to change.

#### Balance Sheet (in millions of dollars)

Identification code 16-4023-0-3-754	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
Investments in US securities				
1102 Treasury securities, net .....	4	4	4	4
1104 Agency securities, net .....	1	2	2	2
1106 Receivables, net .....	1	1	1	1
Non-Federal assets:				
1201 Investments in non-Federal securities, net .....	1	2	2	2
1999 Total assets .....	7	9	9	9
LIABILITIES:				
Federal liabilities:				
2103 Debt .....	2	2	2	2
Non-Federal liabilities:				
2203 Debt .....	3	3	3	3
2999 Total liabilities .....	6	6	6	6
NET POSITION:				
3100 Unexpended appropriations .....	3	3	3	3
3999 Total net position .....	2	3	3	3
4999 Total liabilities and net position .....	7	9	9	9

#### FEDERAL CREDIT SCHEDULES

Federal credit programs provide benefits to the public in the form of direct loans and loan guarantees. The Federal Credit Reform Act of 1990 requires that the costs of direct and guaranteed loans of a program be calculated on a net present value basis, excluding administrative costs. For most programs, direct loan obligations and loan guarantee commitments cannot be made unless appropriations for the cost have been provided in advance in annual appropriations acts. In addition, annual limitations on the amount of obligations and commitments may be enacted in appropriations language.

Appropriations for costs are recorded as budget authority in credit program accounts. The administrative expenses associated with a credit program are also financed in the program account, but on a cash basis. All cash flows arising from direct loan obligations and loan guarantee commitments are recorded in separate financing accounts. The transactions of the financing accounts are not included in the budget totals. Program accounts make subsidy payments, recorded as budget outlays, to the financing accounts at the time of the disbursement of the direct or guaranteed loans.

The transactions associated with direct loan obligations and loan guarantee commitments made prior to 1992 continue to be accounted for on a cash flow basis and are recorded in liquidating accounts. In most cases, the liquidating account is the account that was used for the program prior to the enactment of the new requirements.

Program and Financing schedules (described above) are shown for program, financing, and liquidating accounts. In addition, a Summary of Loan Levels, Subsidy Budget Authority, and Outlays by Program schedule is shown for program accounts. Status of Direct Loans and Status of Guaranteed Loans schedules (as applicable) are shown for liquidating accounts and financing accounts. Examples of these schedules are shown below. Summary information on Federal credit programs is provided in the chapter entitled "Credit and Insurance" in the *Analytical Perspectives* volume.

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program**  
(in millions of dollars)

Identification code 83-0100-0-1-155	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1150 Economic opportunity loans .....	301	250	225
1150 Handicapped loans .....	199	150	150
1150 Minority enterprise loans .....	215	200	195
1159 Total direct loan levels .....	715	600	570
<b>Direct loan subsidy rates (in percent):</b>			
1320 Economic opportunity loans .....	8.00	8.00	8.00
1320 Handicapped loans .....	3.01	2.66	2.66
1320 Minority enterprise loans .....	4.20	4.00	3.59
1329 Weighted average subsidy rate .....	5.45	5.39	5.19
<b>Direct loan subsidy budget authority:</b>			
1330 Economic opportunity loans .....	24	20	18
1330 Handicapped loans .....	6	4	4
1330 Minority enterprise loans .....	9	8	7
1339 Total subsidy budget authority .....	39	32	29
<b>Direct loan subsidy outlays:</b>			
1340 Economic opportunity loans .....	12	10	9
1340 Handicapped loans .....	3	4	4
1340 Minority enterprise loans .....	4	7	8
1349 Total, subsidy outlays .....	19	21	21
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
2150 General business loans .....	1,120	1,200	1,215
2150 Minority enterprise loans .....	8,790	9,000	9,250
2159 Total guaranteed loan levels .....	10,000	10,200	10,465
<b>Guaranteed loan subsidy rates (in percent):</b>			
2320 General business loans .....	2.41	2.42	2.47
2320 Minority enterprise loans .....	0.91	0.90	0.92
2329 Weighted average subsidy rate .....	1.07	1.08	1.10
<b>Guaranteed loan subsidy budget authority:</b>			
2330 General business loans .....	27	29	30
2330 Minority enterprise loans .....	80	81	85
2339 Total subsidy budget authority .....	107	110	115
<b>Guaranteed loan subsidy outlays:</b>			
2340 General business loans .....	13	25	29
2340 Minority enterprise loans .....	40	72	83
2349 Total subsidy outlays .....	53	97	112
<b>Administrative expense data:</b>			
3510 Budget authority .....	19	18	17
3590 Outlays from new authority .....	19	18	17

**Status of Direct Loans** (in millions of dollars)

Identification code 83-4200-0-3-155	2002 actual	2003 est.	2004 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans .....	650	600	570
1150 Total direct loan obligations .....	650	600	570
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	200	525	1,105
1231 Disbursements: Direct loan disbursements .....	338	586	597
1251 Repayments: Repayments and prepayments .....	-3	-6	-7
<b>Write-offs for default:</b>			
1263 Direct loans .....	-10		
1290 Outstanding, end of year .....	525	1,105	1,695

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 83-4100-0-3-155	2002 actual	2003 est.	2004 est.
<b>Position with respect to appropriations act limitations on commitments:</b>			
2111 Limitations on guaranteed loans made by private lenders .....	10,000	10,200	10,465
2150 Total guaranteed loan commitments .....	10,000	10,200	10,465
<b>MEMORANDUM</b>			
2199 Guaranteed amount of guaranteed loan commitments .....	7,500	7,650	7,849
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Disbursements: Outstanding start of year .....		5,000	13,895
2231 Repayments: Disbursements of new guaranteed loans .....	5,000	9,100	10,312
2251 Repayments and prepayments .....		-200	-375
<b>Adjustments:</b>			
2261 Terminations for default that result in a loan receivable .....		-5	-13
2290 Outstanding, end of year .....	5,000	13,895	23,820
<b>MEMORANDUM</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	3,750	10,421	17,865
<b>ADDENDUM</b>			
<b>Cumulative balance of defaulted guaranteed loans that result in loans receivable:</b>			
2310 Outstanding, start of year .....			5
2331 Disbursements for guaranteed loan claims .....		5	13
2351 Repayments of loans receivable .....			-3
2361 Write-off of loans receivable .....			-2
2390 Outstanding, start of year .....		5	13

**UNAVAILABLE COLLECTIONS SCHEDULE**

This schedule is printed for special fund and trust fund accounts to show the amount of receipts that are credited to them. It also shows any balances of unappropriated receipts or receipts that are precluded from obligation because of a provision of law, such as a benefit formula or limitation on obligations. The schedule also is printed for other types of accounts with offsetting collections that are unavailable for obligation because of limitations on obligations.

**STATUS OF CONTRACT AUTHORITY SCHEDULE**

Contract authority is a form of budget authority that permits obligations to be incurred but requires a subsequent appropriation to liquidate (pay) the obligation. Where applicable, this schedule follows the program and financing schedule and reports the amount of contract authority for which appropriations to liquidate have not been provided or requested.

## BUDGET PLAN SCHEDULE

This schedule is printed only for certain accounts in the Department of Defense—Military chapter. It shows obligations incurred or estimated to be incurred from an appropriation, regardless of the timing of the obligation.

## STATUS OF FUNDS SCHEDULE

This schedule reports balances, cash income, and cash outgo for major trust funds and certain other accounts. When present, it appears after the narrative statement for the fund or account.

## GENERAL FUND RECEIPT ACCOUNTS SCHEDULE

This schedule shows the amount of receipts attributed to an agency that are credited to the general fund of the Treasury. It is printed at the end of the presentation for the agency, before any general provisions. (Receipts that are credited to a special fund or trust fund for which the agency is responsible are shown in an Unavailable Collections schedule presented with other schedules for the fund.)

## ALLOCATIONS BETWEEN AGENCIES

In some cases, funds appropriated to the President or to an agency are allocated to one or more agencies that help to carry out a program. Obligations incurred under such allocations are included in the data for the account to which the appropriation is made in the allocating agency. The object classification schedule for such accounts identifies the amount of such obligations by performing agency. A note at the end of a bureau or equivalent grouping identifies allocations received from other agencies.

## BUDGETS NOT SUBJECT TO REVIEW

In accordance with law or established practice, the presentations for the Legislative Branch, the Judiciary, the Milk Market Orders Assessment Fund of the Department of Agriculture, and the International Trade Commission have been included, without review, in the amounts submitted by the agencies.

The budgets of the privately owned Government-sponsored enterprises and the Board of Governors of the Federal Reserve System, are not subject to review; they are included for information purposes only.

## GOVERNMENT-WIDE GENERAL PROVISIONS

### TITLE VI—GENERAL PROVISIONS

#### DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 601. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of said employee.

SEC. 602. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for fiscal year 2004 shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act) by the officers and employees of such department, agency, or instrumentality.

SEC. 603. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses, ambulances, law enforcement, and undercover surveillance vehicles), is hereby fixed at \$8,100 except station wagons for which the maximum shall be \$9,100: Provided, That these limits may be exceeded by not to exceed \$3,700 for police-type vehicles, and by not to exceed \$4,000 for special heavy-duty vehicles: Provided further, That the limits set forth in this section may not be exceeded by more than 5 percent for electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976: Provided further, That the limits set forth in this section may be exceeded by the incremental cost of clean alternative fuels vehicles acquired pursuant to Public Law 101-549 over the cost of comparable conventionally fueled vehicles.

SEC. 604. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel, or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5922-5924.

SEC. 605. Unless otherwise specified during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person: (1) is a citizen of the United States; (2) is a person in the service of the United States on the date of the enactment of this Act who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States; (3) is a person who owes allegiance to the United States; (4) is an alien from Cuba, Poland, South Vietnam, the countries of the former Soviet Union, or the Baltic countries lawfully admitted to the United States for permanent residence; (5) is a South Vietnamese, Cambodian, or Laotian refugee paroled in the United States after January 1, 1975; or (6) is a national of the People's Republic of China who qualifies for adjustment of status pursuant to the Chinese Student Protection Act of 1992: Provided, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his or her status have been complied with: Provided further, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than \$4,000 or imprisoned for not more than 1 year, or both: Provided further, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: Provided further, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, or the Republic of the Philippines, or to nationals of those countries allied with the United States in a current defense effort, or to international broadcasters employed by the United States Information Agency, or to temporary employment

of translators, or to temporary employment in the field service (not to exceed 60 days) as a result of emergencies.

SEC. 606. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (87 Stat. 216), or other applicable law.

SEC. 607. In addition to funds provided in this or any other Act, all Federal agencies are authorized to receive and use funds resulting from the sale of materials, including Federal records disposed of pursuant to a records schedule recovered through recycling or waste prevention programs. Such funds shall be available until expended for the following purposes:

(1) Acquisition, waste reduction and prevention, and recycling programs as described in Executive Order No. 13101 (September 14, 1998), including any such programs adopted prior to the effective date of the Executive order.

(2) Other Federal agency environmental management programs, including, but not limited to, the development and implementation of hazardous waste management and pollution prevention programs.

(3) Other employee programs as authorized by law or as deemed appropriate by the head of the Federal agency.

SEC. 608. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: Provided, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 609. No part of any appropriation contained in this or any other Act shall be available for interagency financing of boards (except Federal Executive Boards), commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

SEC. 610. Funds made available by this or any other Act to the Postal Service Fund (39 U.S.C. 2003) shall be available for employment of guards for all buildings and areas owned or occupied by the Postal Service and under the charge and control of the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318), and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318a and 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318c).

SEC. 611. (a) Notwithstanding any other provision of law, and except as otherwise provided in this section, no part of any of the funds appropriated for fiscal year 2004, by this or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code—

(1) during the period from the date of expiration of the limitation imposed by the comparable section for the previous fiscal year until the normal effective date of the applicable wage survey adjustment that is to take effect in fiscal year 2004, in an amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section and

(2) during the period consisting of the remainder of fiscal year 2004, in an amount that exceeds, as a result of a wage survey

## DEPARTMENTS, AGENCIES, AND CORPORATIONS—Continued

adjustment, the rate payable under paragraph (1) by more than the sum of—

(A) the percentage adjustment taking effect in fiscal year 2004 under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule; and

(B) the difference between the overall average percentage of the locality-based comparability payments taking effect in fiscal year 2004 under section 5304 of such title (whether by adjustment or otherwise), and the overall average percentage of such payments which was effective in the previous fiscal year under such section.

(b) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, and no employee covered by section 5348 of such title, may be paid during the periods for which subsection (a) is in effect at a rate that exceeds the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

(c) For the purposes of this section, the rates payable to an employee who is covered by this section and who is paid from a schedule not in existence on September 30, 2003, shall be determined under regulations prescribed by the Office of Personnel Management.

(d) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section may not be changed from the rates in effect on September 30, 2003, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(e) This section shall apply with respect to pay for service performed after September 30, 2003.

(f) For the purpose of administering any provision of law (including any rule or regulation that provides premium pay, retirement, life insurance, or any other employee benefit) that requires any deduction or contribution, or that imposes any requirement or limitation on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(g) Nothing in this section shall be considered to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(h) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment or retention of qualified employees.

SEC. 612. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of \$5,000 to furnish or redecorate the office of such department head, agency head, officer, or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is transmitted to the Committees on Appropriations. For the purposes of this section, the word "office" shall include the entire suite of offices assigned to the individual, as well as any other space used primarily by the individual or the use of which is directly controlled by the individual.

SEC. 613. Notwithstanding any other provision of law, no executive branch agency shall purchase, construct, and/or lease any additional facilities, except within or contiguous to existing locations, to be used for the purpose of conducting Federal law enforcement training without advance notice transmitted to the Committees on Appropriations, except that the Federal Law Enforcement Training Center is authorized to obtain the temporary use of additional facilities by lease, contract, or other agreement for training which cannot be accommodated in existing Center facilities.

SEC. 614. Notwithstanding section 1346 of title 31, United States Code, or section 609 of this Act, funds made available for the current fiscal year by this or any other Act shall be available for the inter-agency funding of national security and emergency preparedness telecommunications initiatives which benefit multiple Federal departments, agencies, or entities, as provided by Executive Order No. 12472 (April 3, 1984).

SEC. 615. (a) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality for the salaries or expenses of any employee appointed to a position of a confidential or policy-determining character excepted from the competitive service pursuant to section 3302 of title 5, United States Code, without a certification to the Office

of Personnel Management from the head of the Federal department, agency, or other instrumentality employing the Schedule C appointee that the Schedule C position was not created solely or primarily in order to detail the employee to the White House.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Central Intelligence Agency;

(2) the National Security Agency;

(3) the Defense Intelligence Agency;

(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) the Bureau of Intelligence and Research of the Department of State;

(6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Department of Homeland Security, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of Transportation, the Department of the Treasury, and the Department of Energy performing intelligence functions; and

(7) the Director of Central Intelligence.

SEC. 616. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for the current fiscal year shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment and that all of its workplaces are not in violation of title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, and the Rehabilitation Act of 1973.

SEC. 617. No part of any appropriation contained in this or any other Act shall be available for the payment of the salary of any officer or employee of the Federal Government, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any other officer or employee of the Federal Government from having any direct oral or written communication or contact with any Member, committee, or subcommittee of the Congress in connection with any matter pertaining to the employment of such other officer or employee or pertaining to the department or agency of such other officer or employee in any way, irrespective of whether such communication or contact is at the initiative of such other officer or employee or in response to the request or inquiry of such Member, committee, or subcommittee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any other officer or employee of the Federal Government, or attempts or threatens to commit any of the foregoing actions with respect to such other officer or employee, by reason of any communication or contact of such other officer or employee with any Member, committee, or subcommittee of the Congress as described in paragraph (1).

SEC. 618. No part of any funds appropriated in this or any other Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

SEC. 619. None of the funds appropriated by this or any other Act may be used by an agency to provide a Federal employee's home address to any labor organization except when the employee has authorized such disclosure or when such disclosure has been ordered by a court of competent jurisdiction.

SEC. 620. No part of any appropriation contained in this or any other Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 621. Notwithstanding 31 U.S.C. 1346 and section 609 of this Act, funds made available for the current fiscal year by this or any other Act to any department or agency, which is a member of the Joint Financial Management Improvement Program (JFMIP), shall be available to finance an appropriate share of JFMIP administrative costs, as determined by the JFMIP, but not to exceed a total of \$800,000 including the salary of the Executive Director and staff support.

SEC. 622. Notwithstanding any other provision of law, a woman may breastfeed her child at any location in a Federal building or on Federal property, if the woman and her child are otherwise authorized to be present at the location.

SEC. 623. Notwithstanding section 1346 of title 31, United States Code, or section 609 of this Act, funds made available for the current fiscal year by this or any other Act shall be available for the inter-agency funding of specific projects, workshops, studies, and similar efforts to carry out the purposes of the National Science and Technology Council (authorized by Executive Order No. 12881), which benefit multiple Federal departments, agencies, or entities: Provided, That the Office of Management and Budget shall provide a report describing the budget of and resources connected with the National Science and Technology Council to the Committees on Appropriations, the House Committee on Science; and the Senate Committee on Commerce, Science, and Transportation 90 days after enactment of this Act.

SEC. 624. Any request for proposals, solicitation, grant application, form, notification, press release, or other publications involving the distribution of Federal funds shall indicate the agency providing the funds, the Catalog of Federal Domestic Assistance Number, as applicable, and the amount provided. This provision shall apply to direct payments, formula funds, and grants received by a State receiving Federal funds.

SEC. 625. Subsection (f) of section 403 of Public Law 103-356 (31 U.S.C. 501 note) is amended by striking "October 1, 2001" and inserting "October 1, 2004".

SEC. 626. (a) PROHIBITION OF FEDERAL AGENCY MONITORING OF PERSONAL INFORMATION ON USE OF INTERNET.—None of the funds made available in this or any other Act may be used by any Federal agency—

(1) to collect, review, or create any aggregate list, derived from any means, that includes the collection of any personally identifiable information relating to an individual's access to or use of any Federal Government Internet site of the agency; or

(2) to enter into any agreement with a third party (including another government agency) to collect, review, or obtain any aggregate list, derived from any means, that includes the collection of any personally identifiable information relating to an individual's access to or use of any nongovernmental Internet site.

(b) EXCEPTIONS.—The limitations established in subsection (a) shall not apply to—

(1) any record of aggregate data that does not identify particular persons;

(2) any voluntary submission of personally identifiable information;

(3) any action taken for law enforcement, regulatory, or supervisory purposes, in accordance with applicable law; or

(4) any action described in subsection (a)(1) that is a system security action taken by the operator of an Internet site and is necessarily incident to the rendition of the Internet site services or to the protection of the rights or property of the provider of the Internet site.

(c) DEFINITIONS.—For the purposes of this section:

(1) The term "regulatory" means agency actions to implement, interpret or enforce authorities provided in law.

(2) The term "supervisory" means examinations of the agency's supervised institutions, including assessing safety and soundness, overall financial condition, management practices and policies and compliance with applicable standards as provided in law.

SEC. 627. (a) None of the funds appropriated by this Act may be used to enter into or renew a contract which includes a provision providing prescription drug coverage, except where the contract also includes a provision for contraceptive coverage.

(b) Nothing in this section shall apply to a contract with—

(1) any of the following religious plans:

(A) Personal Care's HMO; and

(B) OSF Health Plans, Inc.; and

(2) any existing or future plan, if the carrier for the plan objects to such coverage on the basis of religious beliefs.

(c) In implementing this section, any plan that enters into or renews a contract under this section may not subject any individual to discrimination on the basis that the individual refuses to prescribe or otherwise provide for contraceptives because such activities would be contrary to the individual's religious beliefs or moral convictions.

(d) Nothing in this section shall be construed to require coverage of abortion or abortion-related services.

SEC. 628. The Congress of the United States recognizes the United States Anti-Doping Agency (USADA) as the official anti-doping agency

for Olympic, Pan American, and Paralympic sport in the United States.

SEC. 629. Not later than 6 months after the date of enactment of this Act, the Inspector General of each applicable department or agency shall submit to the Committee on Appropriations a report detailing what policies and procedures are in place for each department or agency to give first priority to the location of new offices and other facilities in rural areas, as directed by the Rural Development Act of 1972.

SEC. 630. ESTABLISHMENT OF AGENCY FEES FOR FECA ADMINISTRATION.

(a) AMENDMENTS TO EMPLOYEES' COMPENSATION FUND.—Section 8147 of title 5 of the United States Code is amended by—

(1) amending subsections (a) and (b) to read as follows:

"(a)(1) There is in the Treasury of the United States the Employees' Compensation Fund, which consists of sums that Congress, from time to time, may appropriate for or transfer to it, and amounts that otherwise accrue to it under this subchapter or other statute.

"(2) The Fund is available without time limit for the payment of compensation and other benefits and expenses authorized by this subchapter or any extension or application thereof, except expenses of the Employees' Compensation Appeals Board established under section 8149 of this subchapter and costs of administration not specified in this paragraph, or as otherwise provided by this subchapter or other statute. For purposes of this paragraph, the "cost of administration" shall refer to expenses for management, operation, and legal support of the program under this subchapter (other than for legal services performed by or for the Secretary under sections 8131 and 8132 of this title), and the amounts determined pursuant to subsection (d) of this section.

"(3) There is an Administrative Expenses Account within the Fund, which consists of funds deposited pursuant to subsection (c)(3) of this section. The funds in the Account shall remain available until expended. There are hereby authorized to be appropriated out of the Administrative Expenses Account for each fiscal year such sums as may be necessary for the payment of the cost of administration referred to in paragraph (2), except the amounts determined pursuant to subsection (d) of this section.

"(4) The Secretary of Labor shall submit annually to the Office of Management and Budget for review and approval estimates of—

"(A) appropriations necessary for the maintenance of the Fund,

"(B) an estimate of the amounts needed for the Administrative Expenses Account, and

"(C) an estimate of the amounts to be collected pursuant to subsection (d) of this subsection and to be used by the Secretary for the cost of administration as authorized in the appropriate annual appropriations Act.

"(b)(1) Before August 15 of each year, the Secretary shall furnish to the Secretary of the Treasury a statement for each agency and instrumentality of the United States having an employee who is or may be entitled to compensation benefits under this subchapter, or any extension or application thereof, showing—

"(A) the total cost of benefits and other payments made from the Employees' Compensation Fund during the preceding July 1 through June 30 expense period on account of the injury or death of employees or individuals under the jurisdiction of the agency or instrumentality; and

"(B)(i) a surcharge on the amount reflected in subparagraph (A), as determined by the Secretary of Labor, reflecting each agency's portion of the estimate of the total amount needed for the Administrative Expenses Account for the fiscal year beginning in the next calendar year, or

"(ii) the amount owed pursuant to subsection (d) of this section.

"(2) Upon submission of the statement required under paragraph (1), the Secretary shall furnish to each applicable agency a copy of such statement reflecting the amount owed by the agency.

"(3) If an agency or instrumentality (or part or function thereof) is transferred to another agency or instrumentality, the cost of compensation benefits and other expenses paid from the Fund on account of the injury or death of employees of the transferred agency or instrumentality (or part or function) shall be included in costs of the receiving agency or instrumentality."

(2) redesignating subsection (c) as subsection (d);

(3) adding the following new subsection (c):

"(c)(1)(A) Except as provided in subparagraph (B), each agency and instrumentality shall include in its annual budget estimates for the fiscal year beginning in the next calendar year, a request for an

## DEPARTMENTS, AGENCIES, AND CORPORATIONS—Continued

appropriation in an amount equal to the costs and the surcharge specified in the statement provided under subsection (b) of this section.

“(B) An agency or instrumentality not dependent on an annual appropriation shall deposit in the Treasury to the credit of the Fund a sum equal to its costs and surcharge, if applicable, from available funds during the first fifteen days of October following the furnishing of the statement required under subsection (b)(2) of this section.

“(2) The Secretary of the Treasury shall credit to the Fund the sums specified in the statements furnished pursuant to subsection (b)(1)(A) and (B)(i) when such funds become available.

“(3) The Secretary of the Treasury shall transfer to the credit of the Administrative Expenses Account therein, the amounts specified in subsection (b)(1)(B)(i).”; and

(4) adding the following new subsection (e) after subsection (d) (as redesignated):

“(e)(1) Upon determination of the Secretary that funds available in the Administrative Expenses Account are less than the limitation established on the amount to be expended from such account by the applicable appropriation for the current year, and that amounts in addition to the amounts currently in the Administrative Expenses Account are needed, the Secretary shall request, and the Secretary of the Treasury shall advance from the Fund to the Administrative Expenses Account, such sums as may be necessary, not to exceed the amount of the limitation established under such appropriation.

“(2)(A) Sums advanced pursuant to paragraph (1) shall be repaid from the Administrative Expenses Account without interest. Except as provided in subparagraph (B), such sums shall be paid in the second quarter of the fiscal year following that in which the advance was made.

“(B)(i) Repayment may be deferred for any amount that the Secretary determines would reduce the account below the limitation established for the fiscal year in which repayment is due as provided in subparagraph (A).

“(ii) Deferred payments shall be made in the second quarter of the first fiscal year subsequent to that provided in subparagraph (A) to the extent that the Secretary determines that such payment would not reduce the account below the limitation established for that subsequent year.”.

(b) TRANSITION PROVISION.—

(1)(A) Upon enactment of this section, the Secretary of Labor shall furnish to the Secretary of the Treasury a supplemental statement for each agency and instrumentality of the United States having an employee who is or may be entitled to compensation benefits under this subchapter, or any extension or application thereof, showing each agency's portion, as determined by the Secretary of Labor, of the amount transferred from the Administrative Expenses Account to the Employment Standards Administration, “Salaries and Expenses” account for fiscal year 2004.

(B) Upon submission of the statement required under subparagraph (A), the Secretary of Labor shall furnish to each applicable agency a copy of such statement reflecting the amount owed by the agency.

(C)(i) Except as provided in clause (ii), the Secretary of the Treasury shall transfer the sums specified in the statements furnished pursuant to subparagraph (A) to the credit of the Administrative Expenses Account when such funds become available.

(ii) An agency or instrumentality not dependent on an annual appropriation shall deposit a sum equal to the amount of its supplemental statement, if applicable, in the Treasury to the credit of the Administrative Expenses Account from available funds.

(2) During fiscal year 2004, the cost of administration, as defined in 5 U.S.C. 8147(a), shall not include any legal services.

SEC. 631. Funds provided for personnel benefits by this or any other appropriations Act shall be available to pay the cost of accruals for pension and post-retirement health benefits as specified in the Managerial Flexibility Act of 2001 (S. 1612, 107th Congress, as introduced in the Senate on November 1, 2001), contingent upon enactment of such legislation.

SEC. 632. Not to exceed 5 percent of any appropriation made under any heading in this or any other Act may be transferred by the President to any other account, to be merged with and available for the same time and the same purposes as the account to which transferred: Provided, That no account to which amounts are transferred shall be increased by more than 50 percent by any such transfers: Provided further, That any such transfer shall become effective 15 days after notice thereof is transmitted to the Committees on Appropriations of the House and Senate.

SEC. 633. Each Executive department and agency shall evaluate the creditworthiness of an individual before issuing the individual a government purchase charge card or government travel charge card. The department or agency may not issue a government purchase charge card or government travel charge card to an individual that either lacks a credit history or is found to have an unsatisfactory credit history as a result of this evaluation: Provided, That this restriction shall not preclude issuance of a restricted-use charge, debit, or stored value card made in accordance with agency procedures to (a) an individual with an unsatisfactory credit history where such card is used to pay travel expenses and the agency determines there is no suitable alternative payment mechanism available before issuing the card, or (b) an individual who lacks a credit history. Each Executive department and agency shall establish guidelines and procedures for disciplinary actions to be taken against agency personnel for improper, fraudulent, or abusive use of government charge cards, which shall include appropriate disciplinary actions for use of charge cards for purposes, and at establishments, that are inconsistent with the official business of the Department or agency or with applicable standards of conduct. Disciplinary actions may include, but are not limited to, the review of the security clearance of the individual involved and the modification or revocation of such security clearance in light of the review.

SEC. 634. Notwithstanding section 1346 of title 31, United States Code, or section 609 of this Act, funds made available for the current fiscal year by this or any other Act shall be available for the inter-agency funding of the National Oceanographic Partnership Program Office, authorized by 10 U.S.C. 7902, and the Coastal America program, which benefit multiple Federal departments, agencies, or entities.

SEC. 635. From funds made available in this or any other Act under the headings, “The White House,” “Office of Management and Budget,” “Office of National Drug Control Policy,” “Special Assistance to the President and the Official Residence of the Vice President,” “Council on Environmental Quality and Office of Environmental Quality,” “Office of Science and Technology Policy,” and “Office of the United States Trade Representative,” the Director of the Office of Management and Budget (or such other officer as the President may designate in writing), may, fifteen days after giving notice to the Committees on Appropriations of the Senate and the House of Representatives, transfer not to exceed ten percent of any such appropriation to any other such appropriation, to be merged with and available for the same time and for the same purposes as the appropriation to which transferred: Provided, That the amount of an appropriation shall not be increased by more than fifty percent by such transfers: Provided further, That no amount shall be transferred from an appropriation under the heading, “Special Assistance to the President and the Official Residence of the Vice President,” without the approval of the Vice President.

SEC. 636. HUMAN CAPITAL PERFORMANCE FUND.—(a) There is hereby established the Human Capital Performance Fund, to be administered by the Office of Personnel Management for the purpose described in subsection (b). An agency shall submit a plan as described in subsection (d) to be eligible for consideration by the Office for an allocation under this section. Ninety percent of amounts appropriated to the Fund may be allocated by the Office to the agencies on a pro rata basis. An allocation shall be made only upon approval by the Office of an agency's plan. The remainder of the amounts available under this section shall be allocated to agencies at the discretion of the Office.

(b) The Office may authorize an agency to provide targeted pay increases to individual employees based on performance. In addition, if an agency demonstrates in its plan a critical staffing need or other factors that affect the agency's performance, the Office may authorize targeted pay increases.

(c) The Office shall issue such regulations as it determines to be necessary to implement this section, including the administration of the Fund. The Office's regulations shall include criteria governing—

(1) agency plans under subsection (d);

(2) the allocation of monies from the Fund to agencies;

(3) the nature, extent, duration, and adjustment of payments to individual employees under this section; and

(4) the circumstances under which funds may be allocated by the Office to an agency in amounts below or in excess of the agency's pro rata share.

(d) To be eligible for consideration by the Office for an allocation under this section, an agency shall—

(1) submit a plan, subject to review and approval by the Office;

(2) upon approval, receive an allocation of funding from the Office;  
 (3) make payments to individual employees in accordance with the agency's approved plan; and

(4) provide such information to the Office regarding payments made and use of funds received under this section as the Office may specify.

(e) Any payment to an employee under this section shall be part of the employee's basic pay for the purposes of subchapter III of chapter 83, and chapters 84 and 87 of title 5, United States Code, and for such other purposes (other than chapter 75 of that title) as the Office shall determine by regulation.

(f) "Agency" means an Executive agency under section 105 of title 5, United States Code, but does not include the General Accounting Office.

(g) AUTHORIZATION OF APPROPRIATIONS.—Such sums as may be necessary are authorized to be appropriated to the Human Capital Performance Fund for fiscal year 2004 and thereafter.

SEC. 637. SENIOR EXECUTIVE SERVICE PAY AND PERFORMANCE.—

(a) Chapter 53 of title 5, United States Code, is amended—

(1) in section 5304(g)—

(A) in paragraph (2)(A) by striking "subparagraphs (A)–(E)" and inserting "subparagraphs (A), (D)–(E)"; and

(B) by adding at the end a new paragraph (3) to read as follows:

"(3) The applicable maximum under this subsection shall be level II of the Executive Schedule for positions under subsection (h)(1)(B)–(C).";

(2)(A) by amending section 5382 to read as follows:

**"§ 5382. Establishment of rates of pay for the Senior Executive Service**

"Subject to regulations prescribed by the Office of Personnel Management, there shall be established a range of rates of basic pay for the Senior Executive Service, and each senior executive shall be paid at one of the rates within the range based on individual performance, contribution to the agency's performance, or both. The lowest rate of the range shall not be less than the minimum rate of basic pay payable under section 5376, and the highest rate shall not exceed the rate for level III of the Executive Schedule. The payment of the rates shall not be subject to the pay limitation of section 5306(e) or 5373."; and

(B) in section 5383—

(i) in subsection (a) by striking "which of the rates established under section 5382 of this title" and inserting "which of the rates within the range established under section 5382"; and

(ii) in subsection (c) by striking "for any pay adjustment under section 5382 of this title" and inserting "as provided in regulations prescribed by the Office under section 5385".

(b) The amendments made by subsection (a)(2) shall not result in a reduction in the rate of basic pay for any senior executive during the first year after the effective date of this section.



## LEGISLATIVE BRANCH

### SENATE

#### EXPENSE ALLOWANCES

*For expense allowances of the Vice President, \$20,000; the President Pro Tempore of the Senate, \$20,000; Majority Leader of the Senate, \$20,000; Minority Leader of the Senate, \$20,000; Majority Whip of the Senate, \$10,000; Minority Whip of the Senate, \$10,000; and Chairmen of the Majority and Minority Conference Committees, \$5,000 for each Chairman; and Chairmen of the Majority and Minority Policy Committees, \$5,000 for each Chairman; in all, \$120,000.*

#### REPRESENTATION ALLOWANCES FOR THE MAJORITY AND MINORITY LEADERS

*For representation allowances of the Majority and Minority Leaders of the Senate, \$15,000 for each such Leader; in all, \$30,000.*

#### SALARIES, OFFICERS AND EMPLOYEES

*For compensation of officers, employees, and others as authorized by law, including agency contributions, \$122,751,000, which shall be paid from this appropriation without regard to the below limitations, as follows:*

##### OFFICE OF THE VICE PRESIDENT

*For the Office of the Vice President, \$2,024,000.*

##### OFFICE OF THE PRESIDENT PRO TEMPORE

*For the Office of the President Pro Tempore, \$538,000.*

##### OFFICES OF THE MAJORITY AND MINORITY LEADERS

*For Offices of the Majority and Minority Leaders, \$3,214,000.*

##### OFFICES OF THE MAJORITY AND MINORITY WHIPS

*For Offices of the Majority and Minority Whips, \$2,078,000.*

##### COMMITTEE ON APPROPRIATIONS

*For salaries of the Committee on Appropriations, \$11,699,000.*

##### CONFERENCE COMMITTEES

*For the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, \$1,357,000 for each such committee; in all, \$2,714,000.*

##### OFFICES OF THE SECRETARIES OF THE CONFERENCE OF THE MAJORITY AND THE CONFERENCE OF THE MINORITY

*For Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority, \$672,000.*

##### POLICY COMMITTEES

*For salaries of the Majority Policy Committee and the Minority Policy Committee, \$1,415,000 for each such committee; in all, \$2,830,000.*

##### OFFICE OF THE CHAPLAIN

*For Office of the Chaplain, \$327,000.*

##### OFFICE OF THE SECRETARY

*For Office of the Secretary, \$17,733,000.*

##### OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

*For Office of the Sergeant at Arms and Doorkeeper, \$47,700,000.*

##### OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

*For Offices of the Secretary for the Majority and the Secretary for the Minority, \$1,464,000.*

##### AGENCY CONTRIBUTIONS AND RELATED EXPENSES

*For agency contributions for employee benefits, as authorized by law, and related expenses, \$29,758,000.*

#### OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

*For salaries and expenses of the Office of the Legislative Counsel of the Senate, \$4,744,000.*

#### OFFICE OF SENATE LEGAL COUNSEL

*For salaries and expenses of the Office of Senate Legal Counsel, \$1,221,000.*

#### EXPENSE ALLOWANCES OF THE SECRETARY OF THE SENATE, SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE, AND SECRETARIES FOR THE MAJORITY AND MINORITY OF THE SENATE

*For expense allowances of the Secretary of the Senate, \$3,000; Sergeant at Arms and Doorkeeper of the Senate, \$3,000; Secretary for the Majority of the Senate, \$3,000; Secretary for the Minority of the Senate, \$3,000; in all, \$12,000.*

#### CONTINGENT EXPENSES OF THE SENATE

##### INQUIRIES AND INVESTIGATIONS

*For expenses of inquiries and investigations ordered by the Senate, or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, as amended, section 112 of Public Law 96-304 and Senate Resolution 281, agreed to March 11, 1980, \$113,465,000.*

##### EXPENSES OF THE UNITED STATES SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL

*For expenses of the United States Senate Caucus on International Narcotics Control, \$520,000.*

#### SECRETARY OF THE SENATE

*For expenses of the Office of the Secretary of the Senate, \$2,077,000.*

#### SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

*For expenses of the Office of the Sergeant at Arms and Doorkeeper of the Senate, \$117,133,000, of which \$9,570,000 shall remain available until September 30, 2006, and of which \$13,574,000 shall remain available until September 30, 2008.*

#### MISCELLANEOUS ITEMS

*For miscellaneous items, \$18,513,000.*

#### SENATORS' OFFICIAL PERSONNEL AND OFFICE EXPENSE ACCOUNT

*For Senators' Official Personnel and Office Expense Account, \$310,447,000.*

#### OFFICIAL MAIL COSTS

*For expenses necessary for official mail costs of the Senate, \$300,000.*

## HOUSE OF REPRESENTATIVES

#### SALARIES AND EXPENSES

*For salaries and expenses of the House of Representatives, \$1,039,638,000, as follows:*

## HOUSE LEADERSHIP OFFICES

For salaries and expenses, as authorized by law, \$17,094,000, including: Office of the Speaker, \$2,048,000, including \$25,000 for official expenses of the Speaker; Office of the Majority Floor Leader, \$1,965,000, including \$10,000 for official expenses of the Majority Leader; Office of the Minority Floor Leader, \$2,390,000, including \$10,000 for official expenses of the Minority Leader; Office of the Majority Whip, including the Chief Deputy Majority Whip, \$1,684,000, including \$5,000 for official expenses of the Majority Whip; Office of the Minority Whip, including the Chief Deputy Minority Whip, \$1,259,000, including \$5,000 for official expenses of the Minority Whip; Speaker's Office for Legislative Floor Activities, \$460,000; Republican Steering Committee, \$862,000; Republican Conference, \$1,448,000; Democratic Steering and Policy Committee, \$1,542,000; Democratic Caucus, \$768,000; nine minority employees, \$1,380,000; training and program development—majority, \$290,000; training and program development—minority, \$290,000; Cloakroom Personnel—majority, \$354,000; and Cloakroom Personnel—minority, \$354,000.

## MEMBERS' REPRESENTATIONAL ALLOWANCES

## INCLUDING MEMBERS' CLERK HIRE, OFFICIAL EXPENSES OF MEMBERS, AND OFFICIAL MAIL

For Members' representational allowances, including Members' clerk hire, official expenses, and official mail, \$523,454,000.

## COMMITTEE EMPLOYEES

## STANDING COMMITTEES, SPECIAL AND SELECT

For salaries and expenses of standing committees, special and select, authorized by House resolutions, \$107,558,000: Provided, That such amount shall remain available for such salaries and expenses until December 31, 2004.

## COMMITTEE ON APPROPRIATIONS

For salaries and expenses of the Committee on Appropriations, \$24,926,000, including studies and examinations of executive agencies and temporary personal services for such committee, to be expended in accordance with section 202(b) of the Legislative Reorganization Act of 1946 and to be available for reimbursement to agencies for services performed: Provided, That such amount shall remain available for such salaries and expenses until December 31, 2004.

## SALARIES, OFFICERS AND EMPLOYEES

For compensation and expenses of officers and employees, as authorized by law, \$171,291,000, including: for salaries and expenses of the Office of the Clerk, including not more than \$13,000, of which not more than \$10,000 is for the Family Room, for official representation and reception expenses, \$19,387,000; for salaries and expenses of the Office of the Sergeant at Arms, including the position of Superintendent of Garages, and including not more than \$3,000 for official representation and reception expenses, \$6,471,000; for salaries and expenses of the Office of the Chief Administrative Officer, \$123,053,000, of which \$11,900,000 shall remain available until expended; for salaries and expenses of the Office of the Inspector General, \$4,147,000; for salaries and expenses of the Office of Emergency Planning, Preparedness and Operations, \$6,000,000, to remain available until expended; for salaries and expenses of the Office of General Counsel, \$926,000; for the Office of the Chaplain, \$153,000; for salaries and expenses of the Office of the Parliamentarian, including the Parliamentarian and \$2,000 for preparing the Digest of Rules, \$1,560,000; for salaries and expenses of the Office of the Law Revision Counsel of the House, \$2,263,000; for salaries and expenses of the Office of the Legislative Counsel of the House, \$6,233,000; for salaries and expenses of the Corrections Calendar Office, \$948,000; and for other authorized employees, \$150,000.

## ALLOWANCES AND EXPENSES

For allowances and expenses as authorized by House resolution or law, \$195,315,000, including: supplies, materials, administrative costs and Federal tort claims, \$3,975,000; official mail for committees, leadership offices, and administrative offices of the House, \$410,000; Government contributions for health, retirement, Social Security, and other applicable employee benefits, \$190,240,000; and miscellaneous items including purchase, exchange, maintenance, repair and operation of House motor vehicles, interparliamentary receptions, and gratuities to heirs of deceased employees of the House, \$690,000.

## CHILD CARE CENTER

For salaries and expenses of the House of Representatives Child Care Center, such amounts as are deposited in the account established by section 312(d)(1) of the Legislative Branch Appropriations Act, 1992 (40 U.S.C. 184g(d)(1)), subject to the level specified in the budget of the Center, as submitted to the Committee on Appropriations of the House of Representatives.

## JOINT ITEMS

For Joint Committees, as follows:

## JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, \$3,794,000, to be disbursed by the Secretary of the Senate.

## JOINT COMMITTEE ON TAXATION

For salaries and expenses of the Joint Committee on Taxation, \$7,875,000, to be disbursed by the Chief Administrative Officer of the House.

For other joint items, as follows:

## OFFICE OF THE ATTENDING PHYSICIAN

For medical supplies, equipment, and contingent expenses of the emergency rooms, and for the Attending Physician and his assistants, including: (1) an allowance of \$2,175 per month to the Attending Physician; (2) an allowance of \$725 per month each to four medical officers while on duty in the Office of the Attending Physician; (3) an allowance of \$725 per month to two assistants and \$580 per month each not to exceed 11 assistants on the basis heretofore provided for such assistants; and (4) \$1,566,000 for reimbursement to the Department of the Navy for expenses incurred for staff and equipment assigned to the Office of the Attending Physician, which shall be advanced and credited to the applicable appropriation or appropriations from which such salaries, allowances, and other expenses are payable and shall be available for all the purposes thereof, \$2,236,000, to be disbursed by the Chief Administrative Officer of the House of Representatives.

## CAPITOL GUIDE SERVICE AND SPECIAL SERVICES OFFICE

For salaries and expenses of the Capitol Guide Service and Special Services Office, \$3,128,000, to be disbursed by the Secretary of the Senate: Provided, That no part of such amount may be used to employ more than 43 individuals: Provided further, That the Capitol Guide Board is authorized, during emergencies, to employ not more than two additional individuals for not more than 120 days each, and not more than 10 additional individuals for not more than 6 months each, for the Capitol Guide Service.

## STATEMENTS OF APPROPRIATIONS

For the preparation, under the direction of the Committees on Appropriations of the Senate and the House of Representatives, of the statements for the first session of the One Hundred Eighth Congress, showing appropriations made, indefinite appropriations, and contracts authorized, together with a chronological history of the regular appropriations bills as required by law, \$30,000, to be paid to the persons designated by the chairmen of such committees to supervise the work.

## CAPITOL POLICE

## SALARIES

For salaries of employees of the Capitol Police, including overtime, hazardous duty pay differential, and Government contributions for health, retirement, Social Security, and other applicable employee benefits, \$218,268,000, to be disbursed by the Chief of the Capitol Police or his designee.

GENERAL EXPENSES

For necessary expenses of the Capitol Police, including motor vehicles, communications and other equipment, security equipment and installation, uniforms, weapons, supplies, materials, training, medical services, forensic services, stenographic services, personal and professional services, the employee assistance program, the awards program, postage, communication services, travel advances, relocation of instructor and liaison personnel for the Federal Law Enforcement Training Center, and not more than \$5,000 to be expended on the certification of the Chief of the Capitol Police in connection with official representation and reception expenses, \$72,242,000, of which \$19,300,000 shall remain available until expended, to be disbursed by the Chief of the Capitol Police or his designee: Provided, That, notwithstanding any other provision of law, the cost of basic training for the Capitol Police at the Federal Law Enforcement Training Center for fiscal year 2004 shall be paid by the Secretary of Homeland Security from funds available to the Department of Homeland Security.

ADMINISTRATIVE PROVISION

SEC. 101. Amounts appropriated for fiscal year 2004 for the Capitol Police may be transferred between the headings "SALARIES" and "GENERAL EXPENSES" upon the approval of the Committees on Appropriations of the Senate and the House of Representatives.

OFFICE OF COMPLIANCE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For salaries and expenses of the Office of Compliance, as authorized by section 305 of the Congressional Accountability Act of 1995 (2 U.S.C. 1385), \$2,518,000, including not more than \$1,500 to be expended on the certification of the Executive Director of the Office of Compliance in connection with official representation and reception expenses, and of which \$304,700 shall remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 09-1600-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	2	2	3
10.00 Total new obligations .....	2	2	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	2	2	3
23.95 Total new obligations .....	-2	-2	-3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2	2	3
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	2	2	3
73.20 Total outlays (gross) .....	-2	-2	-3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	2	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2	2	3
90.00 Outlays .....	2	2	3

The Congressional Accountability Act of 1995 (CAA) established an independent Office of Compliance to apply the rights and protections of the following eleven labor and employment statutes to covered employees within the Legislative Branch: the Fair Labor Standards Act of 1938, Title VII of the Civil

Rights Act of 1964, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Family and Medical Leave Act of 1993, the Occupational Safety and Health Act of 1970, chapter 71 of title 5 of the U.S. Code (relating to Federal service labor-management relations), the Employee Polygraph Protection Act of 1988, the Worker Adjustment and Retraining Notification Act, the Rehabilitation Act of 1973, and chapter 43 of title 38 of the U.S. Code (relating to veterans' employment and reemployment).

The Office provides employees with an independent, neutral dispute resolution process, as an alternative to the court system, through which they may pursue claims under the laws applied by the CAA. The Office is headed by a five-member Board of Directors, who are appointed jointly by the House and Senate majority and minority leadership.

Object Classification (in millions of dollars)

Identification code 09-1600-0-1-801	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....	1	1	2
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	2	2	3

Personnel Summary

Identification code 09-1600-0-1-801	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	15	15	17

AWARDS AND SETTLEMENTS FUND

Program and Financing (in millions of dollars)

Identification code 09-1450-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	4		
10.00 Total new obligations (object class 42.0) .....	4		
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	4		
23.95 Total new obligations .....	-4		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	4		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		1	
73.10 Total new obligations .....	4		
73.20 Total outlays (gross) .....	-3		
74.40 Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4		
90.00 Outlays .....	3		

Section 415 of the Congressional Accountability Act (CAA) established "an account of the Office in the Treasury of the United States for the payment of awards and settlements . . . under this Act," and further authorized to be appropriated "such sums as may be necessary to pay such awards and settlements." Section 415 stipulated that awards and settlements under the CAA should only be paid from that account, which was to be kept separate from the operating expenses account of the Office of Compliance.

The Legislative Branch Appropriations Acts have appropriated funds for awards and settlements under the CAA by means of the following language:

**General and special funds—Continued**

**AWARDS AND SETTLEMENTS FUND—Continued**

Such sums as may be necessary are appropriated to the account described in subsection (a) of section 415 of Public Law 104–1 to pay awards and settlements as authorized under such subsection.

**ADMINISTRATIVE PROVISIONS**

*SEC. 102. (a) The Executive Director of the Office of Compliance may, in order to recruit or retain qualified personnel, establish and maintain a program under which the Office may agree to repay (by direct payments on behalf of the employee) all or a portion of any student loan previously taken out by such employee.*

*(b) The Executive Director may, by regulation, make applicable such provisions of section 5379 of title 5, United States Code, as the Executive Director determines necessary to provide for such program.*

*(c) The regulations shall provide the amount paid by the Office may not exceed—*

*(1) \$6,000 for any employee in any calendar year; or*

*(2) a total of \$40,000 in the case of any employee.*

*(d) The Office may not reimburse an employee for any repayments made by such employee prior to the Office entering into an agreement under this section with such employee.*

*(e) Any amount repaid by, or recovered from, an individual under this section and its implementing regulations shall be credited to the appropriation account available for salaries and expenses of the Office at the time of repayment or recovery.*

*(f) This section shall apply to fiscal year 2004 and each fiscal year thereafter.*

*SEC. 103. (a) The Executive Director of the Office of Compliance shall have the authority to make lump-sum payments to reward exceptional performance by an employee or a group of employees.*

*(b) Subsection (a) shall apply with respect to fiscal years beginning after September 30, 2003.*

**CONGRESSIONAL BUDGET OFFICE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For salaries and expenses necessary for operation of the Congressional Budget Office, including not more than \$3,000 to be expended on the certification of the Director of the Congressional Budget Office in connection with official representation and reception expenses, \$33,450,000, of which not more than \$100,000 shall remain available until September 30, 2005, for the acquisition an implementation of a Central Financial Management System: Provided, That no part of such amount may be used for the purchase or hire of a passenger motor vehicle.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the agency's original 2003 appropriation request.*

**Program and Financing (in millions of dollars)**

Identification code 08–0100–0–1–801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	31	34	34
10.00 Total new obligations .....	31	34	34
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	30	34	33
22.22 Unobligated balance transferred from other accounts .....	1		
23.90 Total budgetary resources available for obligation .....	31	34	33
23.95 Total new obligations .....	–31	–34	–34
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	30	34	33

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4	5	4
73.10 Total new obligations .....	31	34	34
73.20 Total outlays (gross) .....	–30	–34	–34
74.40 Obligated balance, end of year .....	5	4	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	27	30	30
86.93 Outlays from discretionary balances .....	3	4	4
87.00 Total outlays (gross) .....	30	34	34
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	30	34	33
90.00 Outlays .....	30	34	34
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The Congressional Budget Office (CBO) was established as a non-partisan office of Congress by Title II of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 601 et. seq.). CBO provides objective economic and budgetary analysis and information to assist Congress in the fulfillment of its responsibilities. That information includes forecasts of the economy, analyses of economic trends and alternative fiscal policies, long-term projections of federal spending and revenue, and, upon request, studies on budget-related issues. In addition, CBO provides Congress with multi-year cost estimates for reported bills, as well as analyses of the costs of state, local, tribal, or private sector mandates. Pursuant to provisions of the Balanced Budget and Emergency Deficit Control Act, CBO also prepares advisory reports concerning sequestration and pay-as-you-go.

**Object Classification (in millions of dollars)**

Identification code 08–0100–0–1–801	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	20	21	22
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	21	22	23
12.1 Civilian personnel benefits .....	6	8	7
25.1 Advisory and assistance services .....			1
25.2 Other services .....	2	1	1
31.0 Equipment .....	2	1	1
99.0 Direct obligations .....	31	32	33
99.5 Below reporting threshold .....		2	1
99.9 Total new obligations .....	31	34	34

**Personnel Summary**

Identification code 08–0100–0–1–801	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	229	234	236

**ADMINISTRATIVE PROVISIONS**

*SEC. 104. The Director may, by regulation, make applicable such provisions of section 3396 of title 5, United States Code, as the Director determines necessary to establish hereafter a program providing opportunities for employees of the Office to engage in details or other temporary assignments in other agencies, study, or uncompensated work experience which will contribute to the employees' development and effectiveness.*

*SEC. 105. The Director is hereafter authorized to enter into agreements or contracts without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).*

**ARCHITECT OF THE CAPITOL**

**Federal Funds**

**General and special funds:**

GENERAL ADMINISTRATION

For salaries for the Architect of the Capitol, the Assistant Architect of the Capitol, and other personal services, at rates of pay provided by law; for surveys and studies in connection with activities under the care of the Architect of the Capitol; for all necessary expenses for the general and administrative support of the operations under the Architect of the Capitol including the Botanic Garden; electrical substations of the Capitol, Senate and House office buildings, and other facilities under the jurisdiction of the Architect of the Capitol; including furnishings and office equipment; including not more than \$5,000 for official reception and representation expenses, to be expended as the Architect of the Capitol may approve; for purchase or exchange, maintenance, and operation of a passenger motor vehicle, \$158,570,000, of which \$85,472,000 shall remain available until September 30, 2008.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 01-0100-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	49	69	131
10.00 Total new obligations .....	49	69	131
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		1	1
22.00 New budget authority (gross) .....	51	69	159
23.90 Total budgetary resources available for obligation .....	51	70	160
23.95 Total new obligations .....	-49	-69	-131
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	1	1	29
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	51	69	159
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		8	10
73.10 Total new obligations .....	49	69	131
73.20 Total outlays (gross) .....	-41	-67	-111
74.40 Obligated balance, end of year .....	8	10	30
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	41	61	103
86.93 Outlays from discretionary balances .....		6	8
87.00 Total outlays (gross) .....	41	67	111
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	51	69	159
90.00 Outlays .....	41	67	111
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	5	5	5
99.01 Outlays .....	5	5	5

**Object Classification (in millions of dollars)**

Identification code 01-0100-0-1-801	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	21	27	29
11.5 Other personnel compensation .....	1		
11.9 Total personnel compensation .....	22	27	29
12.1 Civilian personnel benefits .....	9	15	11
23.3 Communications, utilities, and miscellaneous charges .....	1	4	9
25.1 Advisory and assistance services .....	6	17	70
25.2 Other services .....	2	6	12
26.0 Supplies and materials .....	8		

99.0	Direct obligations .....	48	69	131
99.5	Below reporting threshold .....	1		
99.9	Total new obligations .....	49	69	131

**Personnel Summary**

Identification code 01-0100-0-1-801	2002 actual	2003 est.	2004 est.	
1001	Total compensable workyears: Civilian full-time equivalent employment .....	324	362	362

**CAPITOL BUILDINGS**

For all necessary expenses for the maintenance, care and operation of the Capitol, \$52,368,000, of which \$36,002,000 shall remain available until September 30, 2008.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 01-0105-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	40	109	128
10.00 Total new obligations .....	40	109	128
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	49	194	133
22.00 New budget authority (gross) .....	120	48	52
22.21 Unobligated balance transferred to other accounts .....	-8		
22.22 Unobligated balance transferred from other accounts .....	74		
23.90 Total budgetary resources available for obligation .....	235	242	185
23.95 Total new obligations .....	-40	-109	-128
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	194	133	58
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	15	48	52
41.00 Transferred to other accounts .....	-1		
42.00 Transferred from other accounts .....	106		
43.00 Appropriation (total discretionary) .....	120	48	52
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	16	15	37
73.10 Total new obligations .....	40	109	128
73.20 Total outlays (gross) .....	-41	-87	-108
73.31 Obligated balance transferred to other accounts .....	-1		
74.40 Obligated balance, end of year .....	15	37	56
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	11	18	32
86.93 Outlays from discretionary balances .....	30	69	76
87.00 Total outlays (gross) .....	41	87	108
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	120	48	52
90.00 Outlays .....	41	87	108
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

Included in this presentation are "Contingent expenses," "Alterations and improvements, buildings and grounds, to provide facilities for the physically handicapped," and "West central front of the Capitol."

**Object Classification (in millions of dollars)**

Identification code 01-0105-0-1-801	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	5	5	7

General and special funds—Continued

CAPITOL BUILDINGS—Continued

Object Classification (in millions of dollars)—Continued

Identification code 01-0105-0-1-801	2002 actual	2003 est.	2004 est.
11.3 Other than full-time permanent .....	3		
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	9	6	8
12.1 Civilian personnel benefits .....	2	3	2
25.1 Advisory and assistance services .....	1	70	66
25.2 Other services .....	4	30	40
25.4 Operation and maintenance of facilities .....			11
26.0 Supplies and materials .....	19		1
31.0 Equipment .....	1		
32.0 Land and structures .....	4		
99.9 Total new obligations .....	40	109	128

Personnel Summary

Identification code 01-0105-0-1-801	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	149	166	177

CAPITOL GROUNDS

For all necessary expenses for care and improvement of grounds surrounding the Capitol, the Senate and House office buildings, and the Capitol Power Plant, \$6,986,000, of which \$685,000 shall remain available until September 30, 2008.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 01-0108-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	8	9	7
10.00 Total new obligations .....	8	9	7
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	1	1
22.00 New budget authority (gross) .....	6	9	7
23.90 Total budgetary resources available for obligation .....	9	10	8
23.95 Total new obligations .....	-8	-9	-7
24.40 Unobligated balance carried forward, end of year .....	1	1	

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation .....	6	9	7

Change in obligated balances:

72.40 Obligated balance, start of year .....	9	4	4
73.10 Total new obligations .....	8	9	7
73.20 Total outlays (gross) .....	-13	-9	-7
74.40 Obligated balance, end of year .....	4	4	4

Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	5	8	5
86.93 Outlays from discretionary balances .....	8	1	1
87.00 Total outlays (gross) .....	13	9	7

Net budget authority and outlays:

89.00 Budget authority .....	6	9	7
90.00 Outlays .....	13	9	7

Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

Object Classification (in millions of dollars)

Identification code 01-0108-0-1-801	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	3	3	3
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	1	4	3
26.0 Supplies and materials .....	2	1	
32.0 Land and structures .....	1		
99.9 Total new obligations .....	8	9	7

Personnel Summary

Identification code 01-0108-0-1-801	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	63	69	69

CONGRESSIONAL CEMETERY

Program and Financing (in millions of dollars)

Identification code 01-0110-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1		
10.00 Total new obligations (object class 41.0) .....	1		

Budgetary resources available for obligation:

22.00 New budget authority (gross) .....	1		
23.95 Total new obligations .....	-1		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation .....	1		

Change in obligated balances:

73.10 Total new obligations .....	1		
73.20 Total outlays (gross) .....	-1		

Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	1		
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Net budget authority and outlays:

89.00 Budget authority .....	1		
90.00 Outlays .....	1		

Personnel Summary

Identification code 01-0110-0-1-801	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1		

SENATE OFFICE BUILDINGS

For all necessary expenses for the maintenance, care and operation of Senate office buildings; and furniture and furnishings to be expended under the control and supervision of the Architect of the Capitol, \$66,063,000, of which \$20,108,000 shall remain available until September 30, 2008.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 01-0123-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	48	61	68
10.00 Total new obligations .....	48	61	68

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year .....	27	20	17
22.00 New budget authority (gross) .....	42	59	66

23.90	Total budgetary resources available for obligation	69	79	83
23.95	Total new obligations	-48	-61	-68
23.98	Unobligated balance expiring or withdrawn	-1		
24.40	Unobligated balance carried forward, end of year	20	17	15
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	42	59	66
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	11	9	11
73.10	Total new obligations	48	61	68
73.20	Total outlays (gross)	-50	-59	-66
74.40	Obligated balance, end of year	9	11	13
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	37	42	48
86.93	Outlays from discretionary balances	13	17	18
87.00	Total outlays (gross)	50	59	66
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	42	59	66
90.00	Outlays	50	59	66
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	3	4	4
99.01	Outlays	3	4	4

22.00	New budget authority (gross)	54	50	67
23.90	Total budgetary resources available for obligation	68	69	69
23.95	Total new obligations	-49	-67	-65
23.98	Unobligated balance expiring or withdrawn	-1		
24.40	Unobligated balance carried forward, end of year	19	2	4
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	54	50	67
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	20	21	26
73.10	Total new obligations	49	67	65
73.20	Total outlays (gross)	-49	-61	-54
74.40	Obligated balance, end of year	21	26	37
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	28	38	40
86.93	Outlays from discretionary balances	21	23	15
87.00	Total outlays (gross)	49	61	54
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	54	50	67
90.00	Outlays	49	61	54
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	4	4	4
99.01	Outlays	4	4	4

This presentation includes the Senate restaurant fund.

Object Classification (in millions of dollars)				
Identification code 01-0123-0-1-801	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	16	17	18
11.3	Other than full-time permanent	6		
11.5	Other personnel compensation	2	3	4
11.9	Total personnel compensation	24	20	22
12.1	Civilian personnel benefits	6	10	7
23.3	Communications, utilities, and miscellaneous charges	7	8	8
25.2	Other services	2	4	6
25.4	Operation and maintenance of facilities		15	20
26.0	Supplies and materials	6	1	1
31.0	Equipment	2	2	2
99.0	Direct obligations	47	60	66
99.5	Below reporting threshold	1	1	2
99.9	Total new obligations	48	61	68

**Personnel Summary**

Identification code 01-0123-0-1-801	2002 actual	2003 est.	2004 est.	
1001	Total compensable workyears: Civilian full-time equivalent employment	527	555	556

**HOUSE OFFICE BUILDINGS**

For all necessary expenses for the maintenance, care and operation of the House office buildings, \$66,779,000, of which \$31,713,000 shall remain available until September 30, 2008.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 01-0127-0-1-801	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct program activity	49	67	65
10.00	Total new obligations	49	67	65
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	14	19	2

This presentation includes the House of Representatives gymnasium fund.

Object Classification (in millions of dollars)				
Identification code 01-0127-0-1-801	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	15	17	19
11.3	Other than full-time permanent	4		
11.5	Other personnel compensation	3	3	3
11.9	Total personnel compensation	22	20	22
12.1	Civilian personnel benefits	5	10	7
25.2	Other services	6	20	20
25.3	Other purchases of goods and services from Government accounts	1		
25.4	Operation and maintenance of facilities		15	14
26.0	Supplies and materials	14	1	1
31.0	Equipment	1		
99.0	Direct obligations	49	66	64
99.5	Below reporting threshold		1	1
99.9	Total new obligations	49	67	65

**Personnel Summary**

Identification code 01-0127-0-1-801	2002 actual	2003 est.	2004 est.	
1001	Total compensable workyears: Civilian full-time equivalent employment	478	502	502

**CAPITOL POWER PLANT**

For all necessary expenses for the maintenance, care and operation of the Capitol Power Plant; lighting, heating, power (including the purchase of electrical energy) and water and sewer services for the Capitol, Senate and House office buildings, Library of Congress buildings, and the grounds about the same, Botanic Garden, Senate garage, and air conditioning refrigeration not supplied from plants in any of such buildings; heating the Government Printing Office and Washington City Post Office, and heating and chilled water for air conditioning for the Supreme Court Building, the Union Station complex, the Thurgood Marshall Federal Judiciary Building and the Folger Shakespeare Library, expenses for which shall be advanced or reimbursed upon request of the Architect of the Capitol and amounts so received shall be deposited into the Treasury to the credit of this appropriation, \$102,157,000, of which \$57,181,000 shall remain available until September 30, 2008: Provided, That not more than

**General and special funds—Continued**

**CAPITOL POWER PLANT—Continued**

*\$4,400,000 of the funds credited or to be reimbursed to this appropriation as herein provided shall be available for obligation during fiscal year 2004.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 01-0133-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	49	87	133
09.01 Reimbursable program .....	4	4	4
10.00 Total new obligations .....	53	91	137
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	1	59
22.00 New budget authority (gross) .....	57	149	106
22.21 Unobligated balance transferred to other accounts	-1		
23.90 Total budgetary resources available for obligation	60	150	165
23.95 Total new obligations .....	-53	-91	-137
23.98 Unobligated balance expiring or withdrawn .....	-6		
24.40 Unobligated balance carried forward, end of year .....	1	59	28
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	53	145	102
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	4	4	4
70.00 Total new budget authority (gross) .....	57	149	106
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	16	11
73.10 Total new obligations .....	53	91	137
73.20 Total outlays (gross) .....	-44	-96	-107
74.40 Obligated balance, end of year .....	16	11	41
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	38	86	61
86.93 Outlays from discretionary balances .....	6	10	46
87.00 Total outlays (gross) .....	44	96	107
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-4	-4	-4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	53	145	102
90.00 Outlays .....	40	92	103
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

**Object Classification (in millions of dollars)**

Identification code 01-0133-0-1-801	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	3	4	4
11.3 Other than full-time permanent .....	1		
11.9 Total personnel compensation .....	4	4	4
12.1 Civilian personnel benefits .....	1	2	1
23.3 Communications, utilities, and miscellaneous charges .....	28	30	31
25.2 Other services .....	1	10	4
25.4 Operation and maintenance of facilities .....	10	37	86
26.0 Supplies and materials .....	4	4	6
31.0 Equipment .....	1		
99.0 Direct obligations .....	49	87	132
99.0 Reimbursable obligations .....	4	4	4
99.5 Below reporting threshold .....			1

99.9 Total new obligations .....	53	91	137
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**Personnel Summary**

Identification code 01-0133-0-1-801	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	74	84	84
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	14	14	14

**LIBRARY BUILDINGS AND GROUNDS**

*For all necessary expenses for the mechanical and structural maintenance, care and operation of the Library buildings and grounds, \$47,108,000, of which \$29,235,000 shall remain available until September 30, 2008.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 01-0155-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	21	31	52
10.00 Total new obligations .....	21	31	52
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	13	22	33
22.00 New budget authority (gross) .....	21	41	47
22.22 Unobligated balance transferred from other accounts	9		
23.90 Total budgetary resources available for obligation	43	63	80
23.95 Total new obligations .....	-21	-31	-52
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	22	33	28
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	21	41	47
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	7	11	6
73.10 Total new obligations .....	21	31	52
73.20 Total outlays (gross) .....	-18	-36	-49
74.40 Obligated balance, end of year .....	11	6	9
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	11	19	26
86.93 Outlays from discretionary balances .....	7	17	23
87.00 Total outlays (gross) .....	18	36	49
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	21	41	47
90.00 Outlays .....	18	36	49
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	2	2
99.01 Outlays .....	1	2	2

**Object Classification (in millions of dollars)**

Identification code 01-0155-0-1-801	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	6	6	7
11.3 Other than full-time permanent .....	1		
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	8	7	8
12.1 Civilian personnel benefits .....	2	3	2
25.1 Advisory and assistance services .....	2	12	21
25.2 Other services .....	1		5
25.4 Operation and maintenance of facilities .....	1	8	15
26.0 Supplies and materials .....	2	1	1
31.0 Equipment .....	1		

32.0	Land and structures .....	4		
99.9	Total new obligations .....	21	31	52

**Personnel Summary**

Identification code 01-0155-0-1-801	2002 actual	2003 est.	2004 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	130	150	153

**CAPITOL VISITOR CENTER**

**Program and Financing (in millions of dollars)**

Identification code 01-0161-0-1-801	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	148	72	51
10.00	Total new obligations .....	148	72	51
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	84	141	69
22.00	New budget authority (gross) .....	70		
22.21	Unobligated balance transferred to other accounts	-3		
22.22	Unobligated balance transferred from other accounts	138		
23.90	Total budgetary resources available for obligation	289	141	69
23.95	Total new obligations .....	-148	-72	-51
24.40	Unobligated balance carried forward, end of year .....	141	69	18

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	70		
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	6	130	118
73.10	Total new obligations .....	148	72	51
73.20	Total outlays (gross) .....	-24	-84	-99
74.40	Obligated balance, end of year .....	130	118	70

<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	24	84	99
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	70		
90.00	Outlays .....	24	84	99

**Object Classification (in millions of dollars)**

Identification code 01-0161-0-1-801	2002 actual	2003 est.	2004 est.	
23.3	Communications, utilities, and miscellaneous charges	2	1	1
25.1	Advisory and assistance services .....	4	4	4
25.2	Other services .....	14	7	7
26.0	Supplies and materials .....	27	15	15
32.0	Land and structures .....	101	45	24
99.9	Total new obligations .....	148	72	51

**CAPITOL POLICE BUILDINGS AND GROUNDS**

*For necessary expenses for the maintenance, care, and operation of buildings and grounds of the United States Capitol Police, \$2,970,000, of which \$2,075,000 shall remain available until September 30, 2008.*

**Program and Financing (in millions of dollars)**

Identification code 01-0171-0-1-801	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct Program Activity .....			2
10.00	Total new obligations (object class 25.4) .....			2
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....			3

23.95	Total new obligations .....			-2
24.40	Unobligated balance carried forward, end of year .....			1

**New budget authority (gross), detail:**

Discretionary:				
40.00	Appropriation .....			3

**Change in obligated balances:**

73.10	Total new obligations .....			2
73.20	Total outlays (gross) .....			-2

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....			2
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**Net budget authority and outlays:**

89.00	Budget authority .....			3
90.00	Outlays .....			2

**Intragovernmental funds:**

**JUDICIARY OFFICE BUILDING DEVELOPMENT AND OPERATIONS FUND**

(TECHNICAL ADJUSTMENT TO LEGISLATIVE BRANCH REQUEST)

**Program and Financing (in millions of dollars)**

Identification code 01-4518-0-4-801	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
09.01	Operations and Maintenance .....	8	8	8
09.02	Interest .....	15	15	15
10.00	Total new obligations .....	23	23	23

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	32	32	32
22.00	New budget authority (gross) .....	23	23	23
23.90	Total budgetary resources available for obligation	55	55	55
23.95	Total new obligations .....	-23	-23	-23
24.40	Unobligated balance carried forward, end of year .....	32	32	32

**New budget authority (gross), detail:**

Mandatory:				
69.00	Offsetting collections (cash) .....	25	25	25
69.47	Portion applied to repay debt .....	-2	-2	-2
69.90	Spending authority from offsetting collections (total mandatory) .....	23	23	23

**Change in obligated balances:**

73.10	Total new obligations .....	23	23	23
73.20	Total outlays (gross) .....	-23	-23	-23

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority .....	21	21	21
86.98	Outlays from mandatory balances .....	2	2	2
87.00	Total outlays (gross) .....	23	23	23

**Offsets:**

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Federal sources—Lease Payment .....	-17	-17	-17
88.00	Federal sources—Operations and Maintenance .....	-8	-8	-8
88.90	Total, offsetting collections (cash) .....	-25	-25	-25

**Net budget authority and outlays:**

89.00	Budget authority .....	-2	-2	-2
90.00	Outlays .....	-3	-3	-3

The Judiciary Office Building Development Act, Public Law 100-480, among other purposes, authorizes the Architect of the Capitol to contract for the design and construction of a building adjacent to Union Station in the District of Columbia to be leased to the Judicial Branch of the United States. This schedule reflects the costs associated with the construc-

**Intragovernmental funds—Continued**

JUDICIARY OFFICE BUILDING DEVELOPMENT AND OPERATIONS  
FUND—Continued

(TECHNICAL ADJUSTMENT TO LEGISLATIVE BRANCH REQUEST)—  
Continued

tion of the building. Costs of construction were financed by an initial \$125 million of Federal agency debt (sales price less unamortized discount) issued in 1989.

Estimates prepared by the Legislative Branch assumed the financial arrangements to be a lease-purchase, which would distribute outlays associated with acquisition of the building over a period of thirty years. However, the arrangements involve Federally guaranteed financing and other characteristics that make them substantively the same as direct Federal construction, financed by direct Federal borrowing. Because estimated expenditures of the Legislative Branch are required to be included in the budget as submitted and without change, this separate schedule is included as an adjustment to reflect direct construction costs and associated interest costs, consistent with standard budget concepts and scoring conventions.

Estimates shown are consistent with the requirements of the Budget Enforcement Act and are presented with the agreement of the Budget and Appropriations Committees.

**Object Classification** (in millions of dollars)

Identification code 01-4518-0-4-801	2002 actual	2003 est.	2004 est.
25.2 Other services .....	8	8	8
43.0 Interest and dividends .....	15	15	15
99.9 Total new obligations .....	23	23	23

**GIFTS AND DONATIONS**

This account was established to reflect the transfer of a property located at Culpeper, Virginia to the Architect of the Capitol. Schedules for this account are not included because the transfer is expected to happen after 2004.

**BOTANIC GARDEN**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For all necessary expenses for the maintenance, care and operation of the Botanic Garden and the nurseries, buildings, grounds, and collections; and purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; all under the direction of the Joint Committee on the Library, \$10,919,000, of which \$4,482,000 shall remain available until September 30, 2008: Provided, That this appropriation shall not be available for any activities of the National Garden.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 09-0200-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	5	6	9
10.00 Total new obligations .....	5	6	9
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	1
22.00 New budget authority (gross) .....	6	6	11

23.90 Total budgetary resources available for obligation .....	7	7	12
23.95 Total new obligations .....	-5	-6	-9
24.40 Unobligated balance carried forward, end of year .....	1	1	2

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	6	6	11

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	6	4	3
73.10 Total new obligations .....	5	6	9
73.20 Total outlays (gross) .....	-7	-7	-9
74.40 Obligated balance, end of year .....	4	3	3

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	4	5	7
86.93 Outlays from discretionary balances .....	3	2	2
87.00 Total outlays (gross) .....	7	7	9

**Net budget authority and outlays:**

89.00 Budget authority .....	6	6	11
90.00 Outlays .....	7	7	9

**Object Classification** (in millions of dollars)

Identification code 09-0200-0-1-801	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	2	3	3
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....		2	5
26.0 Supplies and materials .....	1		
31.0 Equipment .....	1		
99.9 Total new obligations .....	5	6	9

**Personnel Summary**

Identification code 09-0200-0-1-801	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	47	55	56

**Trust Funds**

**GIFTS AND DONATIONS**

**Unavailable Collections** (in millions of dollars)

Identification code 09-8292-0-7-801	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.00 Botanic Garden .....		2	2
<b>Appropriations:</b>			
05.00 Botanic Garden: Gifts and donations .....		-2	-2
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 09-8292-0-7-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		2	2
10.00 Total new obligations (object class 25.2) .....		2	2
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		2	2
23.95 Total new obligations .....		-2	-2
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....		2	2
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		2	2
73.20 Total outlays (gross) .....		-2	-2

<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority .....	2	2
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	2	2
90.00	Outlays .....	2	2

Pursuant to 40 U.S.C. 216c, as amended, the Architect of the Capitol, subject to the direction of the Joint Committee on the Library, is authorized to construct a National Garden and to solicit and accept certain gifts on behalf of the United States Botanic Garden for the purpose of constructing the National Garden, or for the general benefit of the Botanic Garden and the renovation of the Botanic Garden conservatory, to deposit such gift funds in the Treasury of the United States, and, subject to approval in appropriations Acts, to obligate and expend such sums.

**LIBRARY OF CONGRESS**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses of the Library of Congress not otherwise provided for, including development and maintenance of the Library's Catalogs; custody and custodial care of the Library buildings; special clothing; cleaning, laundering and repair of uniforms; preservation of motion pictures in the custody of the Library; operation and maintenance of the American Folklife Center in the Library; preparation and distribution of catalog records and other publications of the Library; hire or purchase of one passenger motor vehicle; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board, \$407,930,000, of which not more than \$6,500,000 shall be derived from collections credited to this appropriation during fiscal year 2004, and shall remain available until expended, under the Act of June 28, 1902 (chapter 1301; 32 Stat. 480; 2 U.S.C. 150) and not more than \$350,000 shall be derived from collections during fiscal year 2004 and shall remain available until expended for the development and maintenance of an international legal information database and activities related thereto: Provided, That the Library of Congress may not obligate or expend any funds derived from collections under the Act of June 28, 1902, in excess of the amount authorized for obligation or expenditure in appropriations Acts: Provided further, That the total amount available for obligation shall be reduced by the amount by which collections are less than the \$6,850,000: Provided further, That of the total amount appropriated, \$16,807,000 is to remain available until expended for acquisition of books, periodicals, newspapers, and all other materials including subscriptions for bibliographic services for the Library, including \$40,000 to be available solely for the purchase, when specifically approved by the Librarian, of special and unique materials for additions to the collections: Provided further, That of the total amount appropriated, \$1,289,000 is to remain available until expended for the acquisition and partial support for implementation of an Integrated Library System (ILS): Provided further, That of the amount appropriated, \$500,000, to remain available until expended, shall be transferred to the Abraham Lincoln Bicentennial Commission for carrying out the purposes of Public Law 106-173, of which amount \$10,000 may be used for official representation and reception expenses of the Abraham Lincoln Bicentennial Commission: Provided further, That of the total amount appropriated, \$4,250,000 is to remain available until expended for the acquisition and partial support for implementation of a Central Financial Management System: Provided further, That of the total amount appropriated \$12,050,000 is to remain available until expended for partial support of the National Audio-Visual Conservation Center.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

<b>Program and Financing (in millions of dollars)</b>				
Identification code 03-0101-0-1-503	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Direct program:				
00.01	National Library .....	209	273	305
00.02	Law Library .....	10	13	14
00.03	Management support services .....	115	72	82
09.01	Reimbursable program—Interagency/Intra-agency .....	6	7	8
09.02	Reimbursable program—National Library .....	4	7	7
10.00	Total new obligations .....	344	372	416
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	128	125	123
22.00	New budget authority (gross) .....	339	371	416
22.10	Resources available from recoveries of prior year obligations .....	2	1	1
22.22	Unobligated balance transferred from other accounts .....	1		
23.90	Total budgetary resources available for obligation .....	470	497	540
23.95	Total new obligations .....	-344	-372	-416
23.98	Unobligated balance expiring or withdrawn .....	-1	-1	-1
24.40	Unobligated balance carried forward, end of year .....	125	123	124
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	300	357	401
42.00	Transferred from other accounts .....	30		
43.00	Appropriation (total discretionary) .....	330	357	401
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	9	14	15
70.00	Total new budget authority (gross) .....	339	371	416
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	84	69	88
73.10	Total new obligations .....	344	372	416
73.20	Total outlays (gross) .....	-339	-352	-381
73.31	Obligated balance transferred to other accounts .....	-21		
73.40	Adjustments in expired accounts (net) .....	-4		
73.45	Recoveries of prior year obligations .....	-2	-1	-1
74.10	Change in uncollected customer payments from Federal sources (expired) .....	5		
74.40	Obligated balance, end of year .....	69	88	122
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	278	303	340
86.93	Outlays from discretionary balances .....	61	49	41
87.00	Total outlays (gross) .....	339	352	381
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-7	-7	-8
88.40	Non-Federal sources .....	-4	-7	-7
88.90	Total, offsetting collections (cash) .....	-11	-14	-15
Against gross budget authority only:				
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	2		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	330	357	401
90.00	Outlays .....	327	338	366
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	15	16	16
99.01	Outlays .....	15	16	16

Personal services and necessary expenses to provide support for the basic operations of the Library are financed from this appropriation.

*National Library.*—The National Library has as its mission the acquisition of materials; the cataloging, classification, and preparation of materials for use; serving the public and maintaining and managing the Library's universal collections, which are the largest in the world; and, the preservation of materials for use now and in the future. It also develops, produces, markets, and distributes the catalog records, cata-

General and special funds—Continued

SALARIES AND EXPENSES—Continued

logging data in machine-readable form, book catalogs, technical publications and selected bibliographies made available from the automated databases. It contributes directly to the Nation's educational intellectual life through programs that interpret the Library's resources and promotes the use of its unparalleled collections. The National Library provides many basic technical services to the Library of Congress as well as the world's research and library communities. Finally, this program coordinates Federal library and information resources.

**Law Library.**—The Law Library provides direct research service to the Congress in foreign, international, and comparative law. In addition to Members, Committees of the Congress and Congressional Research Service, the Law Library provides officers of the legislative branch, Justices of the Supreme Court and other judges, members of the Departments of State and Justice, and other federal agencies with bibliographic and informational services, background papers, comparative legal studies, legal interpretations, and translations. As its congressional priorities permit, the Law Library makes its collections and services available to a diverse community of users—the foreign diplomatic corps, international organizations, members of the bench and bar, educational institutions, non-governmental libraries, legal service organizations, and the general public.

**Management Support Services.**—This activity supports the executive staff of the Office of the Librarian: budget and finance; human resources; contracts and logistics; buildings management; and other centralized services. It also includes rental of space off Capitol Hill.

Object Classification (in millions of dollars)

Identification code 03-0101-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	159	176	192
11.3 Other than full-time permanent .....	2	4	1
11.5 Other personnel compensation .....	5	3	4
11.9 Total personnel compensation .....	166	183	197
12.1 Civilian personnel benefits .....	36	42	45
21.0 Travel and transportation of persons .....	1	2	2
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	3	3	8
24.0 Printing and reproduction .....	4	4	4
25.1 Advisory and assistance services .....	11	11	12
25.2 Other services .....	48	35	38
25.3 Other purchases of goods and services from Government accounts .....	4	3	3
25.4 Operation and maintenance of facilities .....	4	4	4
25.7 Operation and maintenance of equipment .....	4	5	6
26.0 Supplies and materials .....	3	3	4
31.0 Equipment .....	36	47	61
41.0 Grants, subsidies, and contributions .....	11	12	13
99.0 Direct obligations .....	334	357	400
99.0 Reimbursable obligations .....	10	14	14
99.5 Below reporting threshold .....		1	2
99.9 Total new obligations .....	344	372	416

Personnel Summary

Identification code 03-0101-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2,630	2,750	3,010
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	65	86	86

COPYRIGHT OFFICE

SALARIES AND EXPENSES

*For necessary expenses of the Copyright Office, \$48,689,000, of which not more than \$22,779,000, to remain available until expended, shall be derived from collections credited to this appropriation during fiscal year 2004 under section 708(d) of title 17, United States Code: Provided, That the Copyright Office may not obligate or expend any funds derived from collections under such section, in excess of the amount authorized for obligation or expenditure in appropriations Acts: Provided further, That not more than \$6,391,000 shall be derived from collections during fiscal year 2004 under sections 111(d)(2), 119(b)(2), 802(h), and 1005 of such title: Provided further, That the total amount available for obligation shall be reduced by the amount by which collections are less than \$29,170,000: Provided further, That not more than \$100,000 of the amount appropriated is available for the maintenance of an "International Copyright Institute" in the Copyright Office of the Library of Congress for the purpose of training nationals of developing countries in intellectual property laws and policies: Provided further, That not more than \$4,250 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for activities of the International Copyright Institute and for copyright delegations, visitors, and seminars.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 03-0102-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Registration, recordation, cataloging, acquisitions, and public reference .....	15	15	20
<b>Reimbursable obligations by program activity:</b>			
09.01 Registration, recordation, cataloging, acquisitions, and public reference .....	19	23	23
09.02 Licensing .....	3	4	3
09.03 Arbitration royalty panels .....		3	3
10.00 Total new obligations .....	37	45	49
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	10	10
22.00 New budget authority (gross) .....	45	45	49
23.90 Total budgetary resources available for obligation .....	48	55	59
23.95 Total new obligations .....	-37	-45	-49
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	10	10	10
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	21	15	20
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	24	30	29
70.00 Total new budget authority (gross) .....	45	45	49
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	4	7
73.10 Total new obligations .....	37	45	49
73.20 Total outlays (gross) .....	-38	-42	-45
74.40 Obligated balance, end of year .....	4	7	11
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	34	35	38
86.93 Outlays from discretionary balances .....	4	7	7
87.00 Total outlays (gross) .....	38	42	45
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-4	-7	-6
88.40 Non-Federal sources .....	-20	-23	-23
88.90 Total, offsetting collections (cash) .....	-24	-30	-29
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	21	15	20
90.00 Outlays .....	14	12	16

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00	Budget authority .....	1	1
99.01	Outlays .....	1	1

The Office is conducted in part on a self-sustaining basis. The amount requested is substantially counterbalanced by fees received for services rendered and the value of books and other library materials deposited in accordance with the Copyright Act and transferred to the Library of Congress. The income and obligations for 2002, and estimates for 2003 and 2004 are as follows:

	2002 actual	2003 est.	2004 est.
<b>Income:</b>			
Gross receipts .....	\$23,035	\$27,894	\$28,100
Estimated value of materials deposited and transferred to the Library of Congress .....	\$31,302	\$32,500	\$33,500
<b>Total income .....</b>	<b>\$54,337</b>	<b>\$60,394</b>	<b>\$61,600</b>
<b>Obligations .....</b>	<b>\$35,426</b>	<b>\$46,877</b>	<b>\$47,177</b>

**Registration, recordation, cataloging, acquisitions, and public reference.**—The Copyright Office is responsible for registering and recording copyright claims, assignments, and renewals, for supplying copyright information to the public, for collecting and accounting for copyright fees, and for preparing complete indexes for each class of copyright entries. These activities are predicated on an estimated 570,000 copyright registrations during 2004, an estimated 570,000 during 2003, and registrations of 521,041 during 2002.

**Licensing Division.**—The Licensing Division performs the responsibilities connected with the licensing activities of cable television stations and satellite carriers and the licensing of digital audio recording devices and media.

**Copyright Arbitration Royalty Panels (CARP).**—The CARP unit is responsible for administering procedures which are necessary for rate-making and distribution of royalties that are paid under cable, satellite and other compulsory licenses in the copyright law. These duties were formerly the responsibility of the Copyright Royalty Tribunal. Unless the interested parties can come to agreement, distribution and rate-making are now established by arbitration panels whose work is reviewed by the Register of Copyrights and the Librarian of Congress.

**Object Classification** (in millions of dollars)

Identification code 03-0102-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	9	10	12
11.5 Other personnel compensation .....	1		
<b>Total personnel compensation .....</b>	<b>10</b>	<b>10</b>	<b>12</b>
12.1 Civilian personnel benefits .....	2	2	3
25.1 Advisory and assistance services .....		1	2
25.2 Other services .....	1	1	1
31.0 Equipment .....			1
99.0 Direct obligations .....	13	14	19
99.0 Reimbursable obligations .....	20	29	28
99.5 Below reporting threshold .....	4	2	2
<b>99.9 Total new obligations .....</b>	<b>37</b>	<b>45</b>	<b>49</b>

**Personnel Summary**

Identification code 03-0102-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	185	198	228
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	305	332	302

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

*For necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946 (2 U.S.C. 166) and to revise and extend the Annotated Constitution of the United States of America, \$96,615,000: Provided, That no part of such amount may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration of the House of Representatives or the Committee on Rules and Administration of the Senate.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 03-0127-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	81	88	97
10.00 Total new obligations .....	81	88	97
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	81	88	97
23.95 Total new obligations .....	-81	-88	-97
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	81	88	97
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	9	12
73.10 Total new obligations .....	81	88	97
73.20 Total outlays (gross) .....	-80	-85	-93
74.40 Obligated balance, end of year .....	9	12	16
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	73	80	88
86.93 Outlays from discretionary balances .....	7	5	5
87.00 Total outlays (gross) .....	80	85	93
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	81	88	97
90.00 Outlays .....	80	85	93
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	4	5	5
99.01 Outlays .....	4	5	5

The Congressional Research Service (CRS) works exclusively and directly for all Members and committees of the Congress in support of their legislative, oversight, and representative functions. The Service provides research, analysis, and informational services that are timely, objective, non-partisan, and confidential. The CRS staff responds to and anticipates congressional needs and addresses policy issues in an interdisciplinary, integrative manner. The Service maintains close ties with the Congress and, consistent with its broad congressional mandate, provides a wide variety of services with the goal of contributing to an informed national legislature.

**Object Classification** (in millions of dollars)

Identification code 03-0127-0-1-801	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	56	62	65
11.5 Other personnel compensation .....			1
11.9 Total personnel compensation .....	56	62	66
12.1 Civilian personnel benefits .....	11	14	15
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.1 Advisory and assistance services .....	2	1	1
25.2 Other services .....	7	6	9
26.0 Supplies and materials .....	2	2	2

**General and special funds—Continued**CONGRESSIONAL RESEARCH SERVICE—Continued  
SALARIES AND EXPENSES—Continued**Object Classification** (in millions of dollars)—Continued

Identification code 03-0127-0-1-801	2002 actual	2003 est.	2004 est.
31.0 Equipment .....	2	2	3
99.9 Total new obligations .....	81	88	97

**Personnel Summary**

Identification code 03-0127-0-1-801	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	680	751	752

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED  
SALARIES AND EXPENSES

For salaries and expenses to carry out the Act of March 3, 1931 (chapter 400; 46 Stat. 1487; 2 U.S.C. 135a), \$52,157,000, of which \$14,962,000 shall remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 03-0141-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct service to users .....	54	51	52
10.00 Total new obligations .....	54	51	52
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		1	1
22.00 New budget authority (gross) .....	50	51	52
22.10 Resources available from recoveries of prior year obligations .....	5		
23.90 Total budgetary resources available for obligation .....	55	52	53
23.95 Total new obligations .....	-54	-51	-52
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	50	51	52
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	29	27	37
73.10 Total new obligations .....	54	51	52
73.20 Total outlays (gross) .....	-49	-41	-43
73.40 Adjustments in expired accounts (net) .....	-1		
73.45 Recoveries of prior year obligations .....	-5		
74.40 Obligated balance, end of year .....	27	37	46
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	29	23	24
86.93 Outlays from discretionary balances .....	20	18	19
87.00 Total outlays (gross) .....	49	41	43
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	50	51	52
90.00 Outlays .....	49	41	43
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The National Library Service for the Blind and Physically Handicapped (NLS) is responsible for administering a national program to provide reading material for blind and physically handicapped residents of the United States, its outlying areas, and for U.S. citizens residing abroad.

*Direct service to users.*—During the past five-year period, 1998–2002, the blind and physically handicapped readership throughout the country ranged from 695,907 to 761,600 and circulation ranged from approximately 22,553,000 units (volumes and containers) to almost 23,464,300.

*Support services.*—A variety of professional, technical, and clerical functions are performed by the NLS staff. A combined total of 14,954 interlibrary loan searches and requests for information concerning library and related services available to the blind and to other physically handicapped persons were received in 2002.

**Object Classification** (in millions of dollars)

Identification code 03-0141-0-1-503	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	6	7	7
12.1 Civilian personnel benefits .....	1	1	2
23.1 Rental payments to GSA .....	1	1	1
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	3	3	3
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
25.7 Operation and maintenance of equipment .....		1	1
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	37	33	33
99.0 Direct obligations .....	52	50	51
99.5 Below reporting threshold .....	2	1	1
99.9 Total new obligations .....	54	51	52

**Personnel Summary**

Identification code 03-0141-0-1-503	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	115	128	128

## FURNITURE AND FURNISHINGS

**Program and Financing** (in millions of dollars)

Identification code 03-0146-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Replacement furniture and furnishings .....	8		
10.00 Total new obligations (object class 31.0) .....	8		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	2	2
22.00 New budget authority (gross) .....	8		
23.90 Total budgetary resources available for obligation .....	10	2	2
23.95 Total new obligations .....	-8		
24.40 Unobligated balance carried forward, end of year .....	2	2	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	8		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	7	4
73.10 Total new obligations .....	8		
73.20 Total outlays (gross) .....	-5	-3	-3
74.40 Obligated balance, end of year .....	7	4	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2		
86.93 Outlays from discretionary balances .....	3	3	3
87.00 Total outlays (gross) .....	5	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	8		
90.00 Outlays .....	5	3	3

This activity provided for the purchase, installation, maintenance, and repair of furniture, furnishings, and office and library equipment to support Library operations.

**PAYMENTS TO COPYRIGHT OWNERS**

**Unavailable Collections (in millions of dollars)**

Identification code 03-5175-0-2-376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.00 Fees from cable television, satellite, and DART, Copyright Office	207	197	208
02.40 Interest on investments in public debt securities, Copyright Office	12	22	26
02.99 Total receipts and collections	219	219	234
Appropriations:			
05.00 Payments to copyright owners	-220	-219	-234
05.99 Total appropriations	-220	-219	-234
07.99 Balance, end of year			

**Program and Financing (in millions of dollars)**

Identification code 03-5175-0-2-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Licensing costs	4	3	4
00.02 Arbitration royalty panels	1	3	3
00.03 Payments to copyright owners	112	222	257
10.00 Total new obligations	117	228	264
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	552	655	646
22.00 New budget authority (gross)	220	219	234
23.90 Total budgetary resources available for obligation	772	874	880
23.95 Total new obligations	-117	-228	-264
24.40 Unobligated balance carried forward, end of year	655	646	616

**New budget authority (gross), detail:**

Mandatory:			
60.20 Appropriation (special fund)	221	219	234
60.45 Portion precluded from obligation	-1		
62.50 Appropriation (total mandatory)	220	219	234

**Change in obligated balances:**

72.40 Obligated balance, start of year	-1		
73.10 Total new obligations	117	228	264
73.20 Total outlays (gross)	-116	-228	-264

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority	7	8	9
86.98 Outlays from mandatory balances	109	220	255
87.00 Total outlays (gross)	116	228	264

**Net budget authority and outlays:**

89.00 Budget authority	220	219	234
90.00 Outlays	115	228	264

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value	553	655	646
92.02 Total investments, end of year: Federal securities:			
Par value	655	646	616

The receipts from cable systems, satellite carriers, and digital audio devices are disbursed to the copyright owners through this appropriation after deduction of administrative costs for the Copyright Office Licensing Division. Disbursements are made in accordance with the schedule established in Public Law 94-553, as amended, Public Law 100-617, and Public Law 102-563.

**Object Classification (in millions of dollars)**

Identification code 03-5175-0-2-376	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts	4	6	7
41.0 Grants, subsidies, and contributions	111	220	255
44.0 Refunds	2	2	2
99.9 Total new obligations	117	228	264

**COOPERATIVE ACQUISITIONS PROGRAM REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 03-4325-0-3-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program	2	2	2
10.00 Total new obligations	2	2	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2	3	2
22.00 New budget authority (gross)	3	3	3
23.90 Total budgetary resources available for obligation	5	6	5
23.95 Total new obligations	-2	-2	-2
24.40 Unobligated balance carried forward, end of year	3	2	2

**New budget authority (gross), detail:**

Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	3	3	3

**Change in obligated balances:**

73.10 Total new obligations	2	2	2
73.20 Total outlays (gross)	-2	-2	-2

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	2	2	2
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**Offsets:**

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-3	-3	-3

**Net budget authority and outlays:**

89.00 Budget authority			
90.00 Outlays	-1	-1	-1

Under the authority of 2 U.S.C. 182; Public Law 105-55, the Library of Congress operates a revolving fund for the acquisition of foreign research materials for participating institutions through the Library's overseas offices.

**Object Classification (in millions of dollars)**

Identification code 03-4325-0-3-503	2002 actual	2003 est.	2004 est.
31.0 Reimbursable obligations: Equipment	1	1	1
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	2	2	2

**DUPLICATION SERVICES**

**Program and Financing (in millions of dollars)**

Identification code 03-4339-0-3-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 National Library	1	1	1
10.00 Total new obligations (object class 99.5)	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year		1	1
22.00 New budget authority (gross)	1	1	2

**General and special funds—Continued**

**DUPLICATION SERVICES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 03-4339-0-3-503	2002 actual	2003 est.	2004 est.
23.90 Total budgetary resources available for obligation	1	2	3
23.95 Total new obligations	-1	-1	-1
24.40 Unobligated balance carried forward, end of year	1	1	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	1	1	2
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year			1
73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-1		-1
74.40 Obligated balance, end of year		1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	1		1
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-1	-2
88.40 Non-Federal sources			
88.90 Total, offsetting collections (cash)			
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	-1	-1	-1

Under authority of Public Law 106-481, section 101, 2 U.S.C. 182a, as amended by Public Law 107-68, section 207, the Library of Congress operates a revolving fund to provide preservation and duplication services for the Library's audio-visual collections, including duplication services for motion pictures, videotapes, sound recordings, and radio and television broadcasts. The duplication services also include making access copies of these collections for public viewing purposes. Provides preservation services to other non-profit archival institutions for the acquisition of historically and culturally important audio-visual materials for the national collections in the Library.

**Personnel Summary**

Identification code 03-4339-0-3-503	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	9	9	9

**GIFT SHOP, DECIMAL CLASSIFICATION, PHOTO DUPLICATION, AND RELATED SERVICES**

**Program and Financing (in millions of dollars)**

Identification code 03-4346-0-3-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 National Library	6	7	6
10.00 Total new obligations	6	7	6
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year		1	1
22.00 New budget authority (gross)	7	7	7
23.90 Total budgetary resources available for obligation	7	8	8
23.95 Total new obligations	-6	-7	-6
24.40 Unobligated balance carried forward, end of year	1	1	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	7	7	7

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year			2
73.10 Total new obligations	6	7	6
73.20 Total outlays (gross)	-5	-5	-6
74.40 Obligated balance, end of year		2	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	5	5	5
86.93 Outlays from discretionary balances			1
87.00 Total outlays (gross)	5	5	6
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-3	-3	-3
88.40 Non-Federal sources	-4	-4	-4
88.90 Total, offsetting collections (cash)	-7	-7	-7
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	-2	-2	-1

Under authority of Public Law 106-481, section 102, 2 U.S.C. 182b, as amended by Public Law 107-68, section 208, the Library of Congress operates a revolving fund for the support of the Library's retail marketing sales shop activities; for providing Dewey Decimal Classification editorial services; for providing preservation microfilming services for the Library's collections and photocopy, microfilm, photographic and digital services to other libraries, research institutions, government agencies, and individuals in the United States and abroad; and for operating special events and programs.

**Object Classification (in millions of dollars)**

Identification code 03-4346-0-3-503	2002 actual	2003 est.	2004 est.
Reimbursable obligations:			
11.1 Personnel compensation: Full-time permanent	3	3	3
12.1 Civilian personnel benefits	1	1	1
26.0 Supplies and materials	1	1	1
99.0 Reimbursable obligations	5	5	5
99.5 Below reporting threshold	1	2	1
99.9 Total new obligations	6	7	6

**Personnel Summary**

Identification code 03-4346-0-3-503	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	61	73	73

**FEDLINK PROGRAM AND FEDERAL RESEARCH PROGRAM**

**Program and Financing (in millions of dollars)**

Identification code 03-4543-0-4-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 National Library	63	93	93
10.00 Total new obligations	63	93	93
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year		2	2
22.00 New budget authority (gross)	65	93	93
23.90 Total budgetary resources available for obligation	65	95	95
23.95 Total new obligations	-63	-93	-93
24.40 Unobligated balance carried forward, end of year	2	2	2
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	58	93	93

68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	7		
68.90	Spending authority from offsetting collections (total discretionary) .....	65	93	93
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....		28	45
73.10	Total new obligations .....	63	93	93
73.20	Total outlays (gross) .....	-48	-76	-86
73.32	Obligated balance transferred from other accounts .....	21		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-7		
74.40	Obligated balance, end of year .....	28	45	52
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	37	68	68
86.93	Outlays from discretionary balances .....	11	8	18
87.00	Total outlays (gross) .....	48	76	86
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-58	-93	-93
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-7		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	-9	-17	-7

Under authority of Public Law 106-481, section 103, 2 U.S.C. 182c, the Library of Congress operates a revolving fund for providing support to federal libraries through cost effective training, procurement of books, serials, and computer-based information retrieval services, and for providing customized research services to federal agencies.

**Object Classification** (in millions of dollars)

Identification code 03-4543-0-4-503	2002 actual	2003 est.	2004 est.	
<b>Reimbursable obligations:</b>				
11.1	Personnel compensation: Full-time permanent .....	4	5	5
12.1	Civilian personnel benefits .....	1	1	1
25.2	Other services .....	26	35	36
25.3	Other purchases of goods and services from Government accounts .....	1	1	
31.0	Equipment .....	30	50	50
99.0	Reimbursable obligations .....	62	92	92
99.5	Below reporting threshold .....	1	1	1
99.9	Total new obligations .....	63	93	93

**Personnel Summary**

Identification code 03-4543-0-4-503	2002 actual	2003 est.	2004 est.	
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	63	67	67

**Trust Funds**

**GIFT AND TRUST FUND ACCOUNTS**

**Unavailable Collections** (in millions of dollars)

Identification code 03-9971-0-7-503	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....			
<b>Receipts:</b>				
02.00	Contributions to Library of Congress gift fund .....	8	8	7
02.01	Contributions, Library of Congress permanent loan account .....	5	6	6
02.20	Income from donated securities, Library of Congress .....	1	1	1
02.40	Interest, Library of Congress permanent loan account .....	2	2	2
02.99	Total receipts and collections .....	16	17	16

<b>Appropriations:</b>				
05.00	Gift and trust fund accounts .....	-17	-17	-16
07.99	Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 03-9971-0-7-503	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	National Library .....	18	16	16
00.02	Congressional Research Service .....	1	1	1
00.03	Gift revolving .....	1		
10.00	Total new obligations .....	20	17	17
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	56	55	55
22.00	New budget authority (gross) .....	17	17	16
22.10	Resources available from recoveries of prior year obligations .....	1		
23.90	Total budgetary resources available for obligation .....	74	72	71
23.95	Total new obligations .....	-20	-17	-17
24.40	Unobligated balance carried forward, end of year .....	55	55	54

**New budget authority (gross), detail:**

<b>Mandatory:</b>				
60.26	Appropriation (trust fund) .....	17	17	16

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	7	5	5
73.10	Total new obligations .....	20	17	17
73.20	Total outlays (gross) .....	-21	-17	-15
73.45	Recoveries of prior year obligations .....	-1		
74.40	Obligated balance, end of year .....	5	5	7

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority .....	17	15	13
86.98	Outlays from mandatory balances .....	4	2	2
87.00	Total outlays (gross) .....	21	17	15

**Net budget authority and outlays:**

89.00	Budget authority .....	17	17	16
90.00	Outlays .....	20	17	15

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: Federal securities: Par value .....	48	46	43
92.02	Total investments, end of year: Federal securities: Par value .....	46	43	43

This schedule covers: (1) funds received as gifts for immediate expenditure, funds received as trust funds for expenditure, and receipts from the sale of recordings, publications, and other materials financed from capital originally received as gifts; (2) income from investments held by or for the Library of Congress Trust Fund Board; and (3) interest paid by the Treasury on the principal funds deposited therewith as described under "Library of Congress Trust Fund, Principal Accounts".

The Library has six program areas related to Gift and Trust funds:

**National Library.**—This includes traditional library activities of acquisitions, cataloging, research and reference, and preservation.

**Law Library.**—The Law Library of Congress provides legal research and reference service, covering more than 200 foreign jurisdictions, to the Congress, the Judiciary, federal agencies, and the public—serving more than 100,000 users annually.

**Copyright Office.**—The Copyright Office administers the U.S. copyright laws, provides copyright expertise to the Congress, the Courts, and executive branch agencies, and promotes international protection for intellectual property.

**Congressional Research Service.**—The Congressional Research Service provides non-partisan analytical research and information to all Members and committees of the Congress.

GIFT AND TRUST FUND ACCOUNTS—Continued

*National Library Service for the Blind and Physically Handicapped.*—The National Library Service for the Blind and Physically Handicapped manages a free national reading program for blind and physically handicapped people—circulating at no cost to users more than 23,464,300 items a year.

*Revolving Gift Funds.*—Under the authority of 2 U.S.C. 160, the Library of Congress operates five gift revolving activities that provide traveling exhibits, publishing services, and special music programs to libraries, other institutions, and the general public.

Object Classification (in millions of dollars)		2002 actual	2003 est.	2004 est.
Identification code 03–9971–0–7–503				
11.1	Personnel compensation: Full-time permanent .....	2	2	2
12.1	Civilian personnel benefits .....	1	1	1
24.0	Printing and reproduction .....	1	1	1
25.1	Advisory and assistance services .....	3	3	3
25.2	Other services .....	5	5	5
31.0	Equipment .....	1	1	1
33.0	Investments and loans .....	4	4	4
41.0	Grants, subsidies, and contributions .....	1	1	1
44.0	Refunds .....	2	2	2
99.9	Total new obligations .....	20	17	17

Personnel Summary

Identification code 03–9971–0–7–503		2002 actual	2003 est.	2004 est.
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	34	52	52

ADMINISTRATIVE PROVISIONS

SEC. 201. Of the amounts appropriated to the Library of Congress in this Act, not more than \$5,000 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the incentive awards program.

SEC. 202. Of the amount appropriated to the Library of Congress in this Act, not more than \$12,000 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the Overseas Field Offices.

SEC. 203. (a) For fiscal year 2004, the obligational authority of the Library of Congress for the activities described in subsection (b) may not exceed \$105,500,000.

(b) The activities referred to in subsection (a) are reimbursable and revolving fund activities that are funded from sources other than appropriations to the Library in appropriations Acts for the legislative branch.

(c) For fiscal year 2004, the Librarian of Congress may temporarily transfer funds appropriated in this Act under the heading “LIBRARY OF CONGRESS—Salaries and Expenses” to the revolving fund for the FEDLINK Program and the Federal Research Program established under section 103 of the Library of Congress Fiscal Operations Improvement Act of 2000 (Public Law 106–481; 2 U.S.C. 182c): Provided, That the total amount of such transfers may not exceed \$1,900,000: Provided further, That the appropriate revolving fund account shall reimburse the Library for any amounts transferred to it before the period of availability of the Library appropriation expires.

GOVERNMENT PRINTING OFFICE

Federal Funds

General and special funds:

CONGRESSIONAL PRINTING AND BINDING  
(INCLUDING TRANSFER OF FUNDS)

For authorized printing and binding for the Congress and the distribution of Congressional information in any format; printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional

Record, as authorized by law (section 902 of title 44, United States Code); printing and binding of Government publications authorized by law to be distributed to Members of Congress; and printing, binding, and distribution of Government publications authorized by law to be distributed without charge to the recipient, \$91,111,000: Provided, That this appropriation shall not be available for paper copies of the permanent edition of the Congressional Record for individual Representatives, Resident Commissioners or Delegates authorized under section 906 of title 44, United States Code: Provided further, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years: Provided further, That notwithstanding the 2-year limitation under section 718 of title 44, United States Code, none of the funds appropriated or made available under this Act or any other Act for printing and binding and related services provided to Congress under chapter 7 of title 44, United States Code, may be expended to print a document, report, or publication after the 27-month period beginning on the date that such document, report, or publication is authorized by Congress to be printed, unless Congress reauthorizes such printing in accordance with section 718 of title 44, United States Code: Provided further, That any unobligated or unexpended balances in this account or accounts for similar purposes for preceding fiscal years may be transferred to the Government Printing Office revolving fund for carrying out the purposes of this heading, subject to the approval of the Committees on Appropriations of the House of Representatives and Senate.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 04–0203–0–1–801		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	81	90	91
10.00	Total new obligations (object class 24.0) .....	81	90	91
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	81	90	91
23.95	Total new obligations .....	–81	–90	–91
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	81	90	91
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	21	27	32
73.10	Total new obligations .....	81	90	91
73.20	Total outlays (gross) .....	–75	–85	–98
74.40	Obligated balance, end of year .....	27	32	25
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	54	59	66
86.93	Outlays from discretionary balances .....	21	26	32
87.00	Total outlays (gross) .....	75	85	98
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	81	90	91
90.00	Outlays .....	75	85	98
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	5	5	6
99.01	Outlays .....	5	5	6

This appropriation covers authorized printing and binding for the Congress and the Architect of the Capitol, and for printing and binding of Government publications authorized by law to be distributed to Members of Congress. Also, this appropriation includes funding for printing, binding, and distribution of Government publications authorized by law to be distributed without charge to the recipients.

OFFICE OF SUPERINTENDENT OF DOCUMENTS  
SALARIES AND EXPENSES  
(INCLUDING TRANSFER OF FUNDS)

For expenses of the Office of Superintendent of Documents necessary to provide for the cataloging and indexing of Government publications and their distribution to the public, Members of Congress, other Government agencies, and designated depository and international exchange libraries as authorized by law, \$34,456,000: Provided, That amounts of not more than \$2,000,000 from current year appropriations are authorized for producing and disseminating Congressional serial sets and other related publications for 2002 and 2003 to depository and other designated libraries: Provided further, That any unobligated or unexpended balances in this account or accounts for similar purposes for preceding fiscal years may be transferred to the Government Printing Office revolving fund for carrying out the purposes of this heading, subject to the approval of the Committees on Appropriations of the House of Representatives and Senate.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 04-0201-0-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Depository library distribution .....	26	27	27
00.02 Cataloging and indexing .....	3	4	6
00.03 International exchange .....	1	1	1
10.00 Total new obligations .....	30	32	34
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	30	32	34
23.95 Total new obligations .....	-30	-32	-34
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	30	32	34
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	16	18	19
73.10 Total new obligations .....	30	32	34
73.20 Total outlays (gross) .....	-28	-30	-33
74.40 Obligated balance, end of year .....	18	19	20
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	20	22	23
86.93 Outlays from discretionary balances .....	8	8	10
87.00 Total outlays (gross) .....	28	30	33
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	30	32	34
90.00 Outlays .....	29	30	33
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

The Office of the Superintendent of Documents operates under a separate appropriation that provides funds for: (1) the mailing for Members of Congress and other Government agencies of certain Government publications, as authorized by law; (2) the distribution of Government publications to designated depository libraries, including tangible Government information products, online access, and locator services provided via the Internet from GPO Access; (3) the compilation of catalogs and indexes of Government publications; and (4) the distribution of Government publications in the International Exchange Program. These four functions are related to the publication activity of other agencies and to the demands of the public, Members of Congress, and depository libraries. Consequently, the Office of the Superintendent of Documents can exercise little control over the volume of work which it may be called upon to perform. Following is a description of these four functions.

*Distribution for other Government agencies and Members of Congress.*—The Office of Superintendent of Documents maintains mailing lists and mails, at the request of Government agencies and Members of Congress, certain publications specified by public law.

*Depository library distribution.*—As required, Government publications are supplied to libraries which are designated as depositories for Government publications. This program includes tangible information products, online access, and locator services provided via the internet from GPO Access.

*Cataloging and indexing.*—The Office of Superintendent of Documents is charged with preparing catalogs and indexes of all publications issued by the Federal Government. The principal publication is the “Monthly Catalog of U.S. Government Publications.”

*International exchange.*—The Office of Superintendent of Documents distributes Government publications to foreign governments which agree, as indicated by the Library of Congress, to send to the United States similar publications of their governments for delivery to the Library of Congress.

Object Classification (in millions of dollars)			
Identification code 04-0201-0-1-808	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	6	7	8
12.1 Civilian personnel benefits .....	1	2	2
22.0 Transportation of things .....	2	2	2
24.0 Printing and reproduction .....	13	10	11
25.2 Other services .....	7	8	10
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....		2	
99.9 Total new obligations .....	30	32	34

Personnel Summary			
Identification code 04-0201-0-1-808	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	120	145	145

**Intragovernmental funds:**

GOVERNMENT PRINTING OFFICE REVOLVING FUND

For payment to the Government Printing Office Revolving Fund, \$10,000,000 for working capital. The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the programs and purposes set forth in the budget for the current fiscal year for the Government Printing Office revolving fund: Provided, That not more than \$15,000 may be expended on the certification of the Public Printer in connection with official representation and reception expenses: Provided further, That the revolving fund shall be available for the hire or purchase of not more than 12 passenger motor vehicles: Provided further, That expenditures in connection with travel expenses of the advisory councils to the Public Printer shall be deemed necessary to carry out the provisions of title 44, United States Code: Provided further, That the revolving fund shall be available for temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level V of the Executive Schedule under section 5316 of such title: Provided further, That the revolving fund and the funds provided under the headings “OFFICE OF SUPERINTENDENT OF DOCUMENTS” and “SALARIES AND EXPENSES” together may not be available for the full-time equivalent employment of more than 3,189 workyears (or such other number of workyears as the Public Printer may request, subject to the approval of the Committees on Appropriations of the Senate and the House of Representatives): Provided further, That activities financed through the revolving fund may provide information in any format.

**Intragovernmental funds—Continued****GOVERNMENT PRINTING OFFICE REVOLVING FUND—Continued**

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 04-4505-0-4-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Printing and binding .....	684	692	721
09.02 Sales of publications .....	50	48	46
09.03 Agency distribution .....	4	5	6
09.11 Capital investment .....	7	29	13
10.00 Total new obligations .....	745	774	786
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	102	87	42
22.00 New budget authority (gross) .....	730	729	767
23.90 Total budgetary resources available for obligation	832	816	809
23.95 Total new obligations .....	-745	-774	-786
24.40 Unobligated balance carried forward, end of year .....	87	42	23
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			10
42.00 Transferred from other accounts .....	4		
43.00 Appropriation (total discretionary) .....	4		10
Mandatory:			
69.00 Offsetting collections (cash) .....	723	739	767
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	3	-10	-10
69.90 Spending authority from offsetting collections (total mandatory) .....	726	729	757
70.00 Total new budget authority (gross) .....	730	729	767
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	70	81	86
73.10 Total new obligations .....	745	774	786
73.20 Total outlays (gross) .....	-732	-779	-822
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-3	10	10
74.40 Obligated balance, end of year .....	81	86	60
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2		10
86.93 Outlays from discretionary balances .....		1	
86.97 Outlays from new mandatory authority .....	558	655	686
86.98 Outlays from mandatory balances .....	172	123	126
87.00 Total outlays (gross) .....	732	779	822
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-682	-704	-734
88.40 Non-Federal sources .....	-41	-35	-33
88.90 Total, offsetting collections (cash) .....	-723	-739	-767
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-3	10	10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4		10
90.00 Outlays .....	9	40	55
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	9	9	13
99.01 Outlays .....	9	9	13

The Government Printing Office executes orders for printing, binding, and blankbook work, CD-ROMs and electronic formats, placed by Congress and the various agencies of the Federal Government, and furnishes on order blank paper, inks, and similar supplies. The Government Printing Office

also sells publications to the public through its sales of publications program, and distributes publications to the public for other Government agencies.

Such work is financed through the Government Printing Office revolving fund (44 U.S.C. 309). The fund is reimbursed by the customer agencies and receipts from sales of publications to the general public.

**Object Classification** (in millions of dollars)

Identification code 04-4505-0-4-808	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	140	155	162
11.5 Other personnel compensation .....	18	17	17
11.9 Total personnel compensation .....	158	172	179
12.1 Civilian personnel benefits .....	40	44	46
22.0 Transportation of things .....	2	3	3
23.1 Rental payments to GSA .....	2	2	2
23.2 Rental payments to others .....	4	4	4
23.3 Communications, utilities, and miscellaneous charges	17	17	17
24.0 Printing and reproduction .....	462	449	457
25.2 Other services .....	17	18	28
26.0 Supplies and materials .....	36	36	37
31.0 Equipment .....	7	29	13
99.9 Total new obligations .....	745	774	786

**Personnel Summary**

Identification code 04-4505-0-4-808	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	3,140	3,077	3,044

**ADMINISTRATIVE PROVISIONS**

SEC. 204. Section 303 of title 44, United States Code, is amended to read as follows: "Sec. 303. Public Printer and Deputy Public Printer: pay"

"The annual rate of pay for the Public Printer shall be a rate which is equal to the rate for level II of the Executive Schedule under subchapter II of chapter 53 of title 5. The annual rate of pay for the Deputy Public Printer shall be a rate which is equal to the rate for level III of such Executive Schedule."

SEC. 205. Title 44 United States Code is amended by inserting the following new section,

"SEC. 318. Authorities for transfer of surplus property; acceptance of gifts; acceptance of voluntary services"

"The Public Printer is authorized to:

(a) transfer or donate surplus Government publications and condemned Government Printing Office machinery, material, equipment, and supplies, to:

(1) other federal entities;

(2) educational or non-profit organizations as defined by Section 501 of Title 26, United States Code; or

(3) state or local governments;

(b) accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Government Printing Office. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the Revolving Fund and shall be disbursed upon order of the Public Printer. Property accepted pursuant to this provision, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift or bequest. For purposes of Federal income, estate, or gift taxes, property accepted under this section shall be considered as a gift, devise, or bequest to the United States; and

(c) accept voluntary and uncompensated services, notwithstanding the provisions of section 1342 of title 31, United States Code. However, individuals providing such services shall not be considered Federal employees except for purposes of chapter 81 of title 5, United States Code, with respect to job-incurred disability and title 28, United States Code, with respect to tort claims."

**GENERAL ACCOUNTING OFFICE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the General Accounting Office, including not more than \$12,500 to be expended on the certification of the Comptroller General of the United States in connection with official representation and reception expenses; temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of such title; hire of one passenger motor vehicle; advance payments in foreign countries in accordance with section 3324 of title 31, United States Code; benefits comparable to those payable under sections 901(5), 901(6), and 901(8) of the Foreign Service Act of 1980 (22 U.S.C. 4081(5), 4081(6), and 4081(8)); and under regulations prescribed by the Comptroller General of the United States, rental of living quarters in foreign countries, \$468,158,000: Provided, That not more than \$4,806,200 of payments received under section 782 of title 31, United States Code, shall be available for use in fiscal year 2004: Provided further, That not more than \$1,200,000 of reimbursements received under section 9105 of title 31, United States Code, shall be available for use in fiscal year 2004: Provided further, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum shall be available to finance an appropriate share of either Forum's costs as determined by the respective Forum, including necessary travel expenses of non-Federal participants: Provided further, That payments hereunder to the Forum may be credited as reimbursements to any appropriation from which costs involved are initially financed: Provided further, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the American Consortium on International Public Administration (ACIPA) shall be available to finance an appropriate share of ACIPA costs as determined by the ACIPA, including any expenses attributable to membership of ACIPA in the International Institute of Administrative Sciences.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 05-0107-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Office of the Comptroller General .....	1	1	1
00.02 Acquisition and Sourcing Management .....	18	20	21
00.03 Applied Research and Methods .....	19	18	19
00.04 Defense Capabilities and Management .....	27	29	30
00.05 Education, Workforce, and Income Security .....	22	25	26
00.06 Financial Management and Assurance .....	30	31	32
00.07 Financial Markets and Community Investments .....	9	15	15
00.08 General Counsel .....	21	23	23
00.09 Health Care .....	21	23	24
00.10 Information Technology .....	18	19	20
00.11 International Affairs and Trade .....	14	18	18
00.12 Natural Resources and Environment .....	27	28	29
00.13 Physical Infrastructure .....	24	23	24
00.14 Special Investigations .....	4	4	5
00.15 Strategic Issues .....	12	13	13
00.16 Tax Administration and Justice .....	15	18	19
00.17 Mission Offices .....	19	21	23
00.18 Mission Support Offices .....	43	38	40
00.19 Support Operations .....	79	88	86
09.01 Reimbursable program .....	6	3	6
09.99 Total reimbursable program .....	6	3	6
10.00 Total new obligations .....	429	458	474
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	7	6
22.00 New budget authority (gross) .....	436	458	474
23.90 Total budgetary resources available for obligation .....	438	465	480
23.95 Total new obligations .....	-429	-458	-474

24.40 Unobligated balance carried forward, end of year .....	7	6	4
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	422	455	468
42.00 Transferred from other accounts .....	8		
43.00 Appropriation (total discretionary) .....	430	455	468
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	6	3	6
70.00 Total new budget authority (gross) .....	436	458	474
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	49	48	67
73.10 Total new obligations .....	429	458	474
73.20 Total outlays (gross) .....	-428	-439	-476
74.40 Obligated balance, end of year .....	48	67	65
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	390	413	426
86.93 Outlays from discretionary balances .....	38	26	50
87.00 Total outlays (gross) .....	428	439	476
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-6	-3	-6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	430	455	468
90.00 Outlays .....	422	436	470
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	20	22	22
99.01 Outlays .....	20	22	22

The General Accounting Office's mission is to improve government operations by providing timely and reliable information and advice to Congress, determining the legality of public expenditures, and providing guidance on financial management matters.

**Object Classification (in millions of dollars)**

Identification code 05-0107-0-1-801	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	264	281	291
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	6	7	7
11.9 Total personnel compensation .....	272	290	300
12.1 Civilian personnel benefits .....	59	66	72
21.0 Travel and transportation of persons .....	12	13	13
23.1 Rental payments to GSA .....	7	7	8
23.3 Communications, utilities, and miscellaneous charges .....	11	11	12
24.0 Printing and reproduction .....	1	2	2
25.1 Advisory and assistance services .....	25	28	30
25.2 Other services .....	8	11	10
25.3 Other purchases of goods and services from Government accounts .....	3	4	4
25.4 Operation and maintenance of facilities .....	9	7	3
25.7 Operation and maintenance of equipment .....	4	5	5
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	9	6	5
32.0 Land and structures .....	1	3	2
99.0 Direct obligations .....	423	455	468
99.0 Reimbursable obligations .....	6	3	6
99.9 Total new obligations .....	429	458	474

**Personnel Summary**

Identification code 05-0107-0-1-801	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	3,210	3,269	3,269

**UNITED STATES TAX COURT**

*Federal Funds*

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109, \$40,187,000: Provided, That travel expenses of the judges shall be paid upon the written certificate of the judge.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 23-0100-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	33	37	40
10.00 Total new obligations .....	33	37	40
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	37	37	40
23.95 Total new obligations .....	-33	-37	-40
23.98 Unobligated balance expiring or withdrawn .....	-4		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	37	37	40
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4	4	4
73.10 Total new obligations .....	33	37	40
73.20 Total outlays (gross) .....	-33	-37	-40
74.40 Obligated balance, end of year .....	4	4	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	33	33	35
86.93 Outlays from discretionary balances .....		4	4
87.00 Total outlays (gross) .....	33	37	40
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	37	37	40
90.00 Outlays .....	33	37	40
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	2
99.01 Outlays .....	1	1	2

The United States Tax Court is a Court of record established under Article I of the Constitution of the United States. The Court is composed of a Chief Judge and eighteen judges. Judges of the Tax Court are appointed by the President, by and with the advice and consent of the Senate, for 15 year terms. Decisions by the Court are reviewable by the United States Courts of Appeals and, if certiorari is granted, by the Supreme Court.

In their judicial duties, the judges are assisted by Senior Judges, who participate in the adjudication of regular cases, and by Special Trial Judges, who hear small tax cases and certain regular cases assigned to them by the Chief Judge.

The Court conducts trial sessions throughout the United States, including Hawaii and Alaska.

The matters over which the Court has jurisdiction are set forth in various sections of Title 26 of the U.S. Code.

For 2004, the Court proposes a trial program of 495 weeks consisting of 229 weeks of trial sessions assigned to Presidentially appointed Judges, 201 weeks of trial sessions assigned to Special Trial Judges, and 65 weeks of lengthy special sessions. Trials are held in approximately 80 cities throughout the United States.

Statistics on the actual and estimated number of cases before the court are presented in the following tabulation:

	2002 actual	2003 est.	2004 est.
Pending, beginning year .....	16,798	17,939	64,939
Docketed during year .....	17,787	72,000	72,000
Adjustments during year .....	193	—	—
Disposed of during year .....	16,839	25,000	25,000
Pending, end of year .....	17,939	64,939	111,939

This presentation includes the "Tax Court independent counsel" fund. This fund is established pursuant to 26 U.S.C. 7475. The fund is used by the Tax Court to employ independent counsel to pursue disciplinary matters involving practitioners admitted to practice before the Court.

**Object Classification (in millions of dollars)**

Identification code 23-0100-0-1-752	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	16	18	18
12.1 Civilian personnel benefits .....	3	4	4
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	9	9	9
25.2 Other services .....	3	3	3
26.0 Supplies and materials .....		1	1
31.0 Equipment .....			3
99.9 Total new obligations .....	33	37	40

**Personnel Summary**

Identification code 23-0100-0-1-752	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	335	335	335

**Trust Funds**

**TAX COURT JUDGES SURVIVORS ANNUITY FUND**

**Program and Financing (in millions of dollars)**

Identification code 23-8115-0-7-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1	1	1
10.00 Total new obligations (object class 12.1) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	7	7
22.00 New budget authority (gross) .....	1	1	1
23.90 Total budgetary resources available for obligation .....	8	8	8
23.95 Total new obligations .....	-1	-1	-1
24.40 Unobligated balance carried forward, end of year .....	7	7	7
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	7	7	7
92.02 Total investments, end of year: Federal securities: Par value .....	7	7	7

This fund, established pursuant to 26 U.S.C. 7448, is used to pay survivorship benefits to eligible surviving spouses and dependent children of deceased judges of the U.S. Tax Court. Participating judges pay 3.5 percent of their salaries or re-

tired pay into the fund to cover creditable service for which payment is required. Additional funds, as are needed, are provided through the annual appropriation to the U.S. Tax Court.

On September 30, 2002, 18 judges of the court were participating in the fund, and 1 eligible dependent and 10 eligible widows were receiving survivorship annuity payments.

**OTHER LEGISLATIVE BRANCH AGENCIES**

*Federal Funds*

**General and special funds:**

MEDICARE PAYMENT ADVISORY COMMISSION

SALARIES AND EXPENSES

*For expenses necessary to carry out section 1805 of the Social Security Act, \$9,000,000, to be transferred to this appropriation from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 48-1550-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	8	8	9
10.00 Total new obligations .....	8	8	9
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	8	8	9
23.95 Total new obligations .....	-8	-8	-9
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	8	8	9
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	2	9
73.10 Total new obligations .....	8	8	9
73.20 Total outlays (gross) .....	-8	-8	-9
74.40 Obligated balance, end of year .....	2		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	8	8	9
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-8	-8	-9
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-1		

The Medicare Payment Advisory Commission, established under section 1805 of the Social Security Act (42 U.S.C. 1395 b-6) as added by section 4022 of the Balanced Budget Act of 1997 (P.L. 105-33), is an independent legislative agency charged with advising the Congress on payment and other policy issues affecting the Medicare program, as well as on the implications of changes in health care delivery in the United States and in the market for health care services on the Medicare program.

The Commission's 17 members represent diverse points of view including providers, payers, consumers, employers, and individuals with expertise in biomedical, health services, and health economics research. It maintains a full time staff of 40 in Washington, D.C.

The Commission is required by law to report to the Congress on March 1 and June 15 of each year, and to comment on congressionally mandated reports of the Secretary of Health and Human Services.

**Object Classification** (in millions of dollars)

Identification code 48-1550-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	3	3	3
12.1 Civilian personnel benefits .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	2
25.1 Advisory and assistance services .....	2	2	2
99.0 Direct obligations .....	7	7	8
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	8	8	9

**Personnel Summary**

Identification code 48-1550-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	40	40	40

**CENSUS MONITORING BOARD**

**Program and Financing** (in millions of dollars)

Identification code 48-2050-0-1-376	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		
73.20 Total outlays (gross) .....	-1		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1		

The Census Monitoring Board is an eight-member bipartisan oversight board charged with observing and monitoring all aspects of the preparation and implementation of the 2000 decennial census. The Board submits periodic reports to both Congress and the President detailing the Census Bureau's preparedness to conduct a successful census. Census data are used to determine Congressional apportionment and the allocation of billions of Federal dollars. The Board has terminated.

**UNITED STATES COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM**

*For necessary expenses for the United States Commission on International Religious Freedom, as authorized by title II of the International Religious Freedom Act of 1998 (Public Law 105-292), \$3,000,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 48-2975-0-1-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		5	4
10.00 Total new obligations .....	2	5	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	2	
22.00 New budget authority (gross) .....	3	3	3
23.90 Total budgetary resources available for obligation .....	4	5	3
23.95 Total new obligations .....	-2	-5	-4
24.40 Unobligated balance carried forward, end of year .....	2		

**General and special funds—Continued**

**UNITED STATES COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 48-2975-0-1-801	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3	3	3
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	2	5	4
73.20 Total outlays (gross) .....	-3	-4	-3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	3	3
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	3	4	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4	5	3
90.00 Outlays .....	2	5	3

The Commission on International Religious Freedom, established in Public Law 105-292, is an independent agency charged with the annual and ongoing review and reporting of the facts and circumstances of violations of international religious freedom. The Commission shall consider and recommend options for United States policies with respect to foreign countries which engage in or tolerate violations of religious freedom. Not later than May 1 of each year, the Commission shall submit a report to the President, the Secretary of State, and Congress.

**Object Classification (in millions of dollars)**

Identification code 48-2975-0-1-801	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....	1	2	2
99.5 Below reporting threshold .....	1	3	2
99.9 Total new obligations .....	2	5	4

**Personnel Summary**

Identification code 48-2975-0-1-801	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	17	20	20

**OTHER LEGISLATIVE BRANCH BOARDS AND COMMISSIONS**

**COMMISSION ON SECURITY AND COOPERATION IN EUROPE**

**SALARIES AND EXPENSES**

*For necessary expenses of the Commission on Security and Cooperation in Europe, as authorized by Public Law 94-304, \$1,615,000, to remain available until expended as authorized by section 3 of Public Law 99-7.*

**CONGRESSIONAL-EXECUTIVE COMMISSION ON THE PEOPLE'S REPUBLIC OF CHINA**

**SALARIES AND EXPENSES**

*For necessary expenses of the Congressional-Executive Commission on the People's Republic of China, as authorized, \$1,800,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 09-9911-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	8	5	5
10.00 Total new obligations .....	8	5	5
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	8	6	5
22.00 New budget authority (gross) .....	7	3	3
23.90 Total budgetary resources available for obligation .....	15	9	8
23.95 Total new obligations .....	-8	-5	-5
23.98 Unobligated balance expiring or withdrawn .....	-1	.....	.....
24.40 Unobligated balance carried forward, end of year .....	6	5	5
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	4	3	3
42.00 Transferred from other accounts .....	1	.....	.....
43.00 Appropriation (total discretionary) .....	5	3	3
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2	.....	.....
70.00 Total new budget authority (gross) .....	7	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	8	5	5
73.20 Total outlays (gross) .....	-7	-6	-7
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	6	2	2
86.93 Outlays from discretionary balances .....	1	4	5
87.00 Total outlays (gross) .....	7	6	7
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-2	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	3	3
90.00 Outlays .....	6	6	7

This presentation includes a number of accounts including Competitiveness Policy Council; Commission on Immigration Reform; National Commission on Cost of Higher Education; National Commission on Restructuring the Internal Revenue Service and the following:

*Commission on Security and Cooperation in Europe.*—The Commission on Security and Cooperation in Europe is authorized and directed to monitor the acts of the signatories which reflect compliance with or violation of the articles of the Final Act of the Conference on Security and Cooperation in Europe, with particular regard to the provisions relating to Cooperation in Humanitarian Fields. The law establishing the Commission on Security and Cooperation in Europe also mandated it to monitor and encourage U.S. Government and private activities designed to expand East-West trade and the exchange of people and ideas. The Commission will receive semiannual reports from the President on the signatories' compliance with the Final Act and on U.S. activities in trade and cultural/humanitarian exchange and it will itself make advisory reports to the Congress on the progress of implementation.

The Commission is made up of nine Senators, nine Members of the House of Representatives and one Commissioner each from the Departments of State, Defense, and Commerce.

*Congressional-Executive Commission on the People's Republic of China.*—Congress created the Congressional-Executive Commission on the People's Republic of China (CECC) in 2000 by passing Title III of P.L. 106-286, the China Relations Act of 2000. The statute gives the Commission the mandate to monitor the Chinese government's compliance with inter-

national human rights standards and to track the development of the rule of law in China. The Commission reports annually on these issues to the President and the Congressional leadership, making recommendations for policy action and legislation when appropriate. The CECC was also charged with creating and maintaining a registry of victims of human rights abuses in China, including prisoners of conscience. The CECC conducts hearings and staff-led issues roundtables throughout the year and maintains a website containing the records of these proceedings, as well as other information about human rights and rule of law issues in China. The CECC seeks to be a resource on these issues for Capitol Hill, the NGO community, the academic world, and the general public.

The Commission comprises nine Senators, nine Members of the House of Representatives, and five Executive Branch officials, supported by a professional staff numbering about 15 people. The chairmanship of the CECC rotates from the Senate to the House in even-numbered Congresses.

*Dwight D. Eisenhower Memorial Commission.*—The Commission was created in Public Law 106–79, the Defense Appropriations Act, to consider and formulate plans for a permanent memorial to Dwight D. Eisenhower.

**Object Classification** (in millions of dollars)

Identification code 09–9911–0–1–999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	3		
99.0 Direct obligations .....	5	2	2
99.5 Below reporting threshold .....	3	3	3
99.9 Total new obligations .....	8	5	5

**Personnel Summary**

Identification code 09–9911–0–1–999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	32	32	32

**PAYMENT TO THE RUSSIAN LEADERSHIP DEVELOPMENT CENTER TRUST FUND**

*For a payment to the Russian Leadership Development Center Trust Fund for financing activities of the Center for Russian Leadership Development, \$14,815,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 09–0145–0–1–154	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	8	10	15
10.00 Total new obligations (object class 25.3) .....	8	10	15
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	8	10	15
23.95 Total new obligations .....	–8	–10	–15
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	8	10	15
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	8	10	15
73.20 Total outlays (gross) .....	–8	–10	–15

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	8	10	15
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	8	10	15
90.00 Outlays .....	8	10	15

*The Center for Russian Leadership Development* supports the identification of young, emerging political leaders in the Russian Federation and the development of an intensive program in the United States to introduce up to 3,000 participants, each year, to principles of democracy and market economy.

The Center is authorized to solicit and accept federal and private funds, in addition to receipt of this appropriation, and to invest all funds at the U.S. Treasury. The Center is governed by a nine-member board of trustees, composed of the Librarian of Congress, members of the U.S. Senate and House of Representatives and representatives of the private sector. The Center is authorized to obtain a wide range of administrative support, including space from the Library of Congress.

FY 2004 funding supports personal services and other necessary expenses to support the operations of the Center.

**GIFTS AND DONATIONS, MILLENNIAL HOUSING COMMISSION**

**Unavailable Collections** (in millions of dollars)

Identification code 48–8075–0–7–801	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.00 Gifts and donations, Millennium Housing Commission .....	4		
<b>Appropriations:</b>			
05.00 Gifts and donations .....	–4		
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 48–8075–0–7–801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	2		
10.00 Total new obligations (object class 25.2) .....	2		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		2	
22.00 New budget authority (gross) .....	4		
23.90 Total budgetary resources available for obligation .....	4	2	
23.95 Total new obligations .....	–2		
24.40 Unobligated balance carried forward, end of year .....	2		

**New budget authority (gross), detail:**

Discretionary:			
40.26 Appropriation (trust fund) .....	4		

**Change in obligated balances:**

73.10 Total new obligations .....	2		
73.20 Total outlays (gross) .....	–2		

**Outlays (gross), detail:**

86.93 Outlays from discretionary balances .....	2		
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**Net budget authority and outlays:**

89.00 Budget authority .....	4		
90.00 Outlays .....	2		

The Millennium Housing Commission was established to conduct a study that examines, analyzes, and explores: (1) the importance of housing, particularly affordable housing which includes housing for the elderly, to the infrastructure of the United States; (2) the various possible methods for increasing the role of the private sector in providing affordable housing

GIFTS AND DONATIONS, MILLENNIAL HOUSING COMMISSION—  
Continued

in the United States, including the effectiveness and efficiency of such methods; and (3) whether the existing programs of the Department of Housing and Urban Development work in conjunction with one another to provide better housing opportunities for families, neighborhoods, and communities, and how such programs can be improved with respect to such purpose.

The Commission's Report was completed in August, 2002. As such, the Commission's mandate was successfully fulfilled and its operations ceased as of August 30, 2002.

**Trust Funds**

U.S. CAPITOL PRESERVATION COMMISSION

**Unavailable Collections** (in millions of dollars)

Identification code 09-8300-0-7-801	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Coin sale surcharges, U.S. Cap	25	4	
02.40 Interest on investments, U.S. Capitol Preservation Commission	1	1	1
02.99 Total receipts and collections	26	5	1
Appropriations:			
05.00 Capitol Preservation Commission trust fund	-27	-5	-1
07.99 Balance, end of year			

**Program and Financing** (in millions of dollars)

Identification code 09-8300-0-7-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity		55	
10.00 Total new obligations (object class 32.0)		55	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	35	62	12
22.00 New budget authority (gross)	27	5	1
23.90 Total budgetary resources available for obligation	62	67	13
23.95 Total new obligations		-55	
24.40 Unobligated balance carried forward, end of year	62	12	13

**New budget authority (gross), detail:**

Mandatory:			
60.26 Appropriation (trust fund)	27	5	1

**Change in obligated balances:**

72.40 Obligated balance, start of year	1		55
73.10 Total new obligations		55	
73.20 Total outlays (gross)	-1		-17
74.40 Obligated balance, end of year		55	38

**Outlays (gross), detail:**

86.98 Outlays from mandatory balances	1		17
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**Net budget authority and outlays:**

89.00 Budget authority	27	5	1
90.00 Outlays	1		17

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities: Par value	36	62	12
92.02 Total investments, end of year: Federal securities: Par value	62	12	13

JOHN C. STENNIS CENTER FOR PUBLIC SERVICE TRAINING AND  
DEVELOPMENT TRUST FUND

**Unavailable Collections** (in millions of dollars)

Identification code 09-8275-0-7-801	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.40 Interest		2	2
02.41 Payments, John C. Stennis Center for Public Service Training and	1	1	1
02.99 Total receipts and collections	1	3	3
Appropriations:			
05.00 John C. Stennis Center for Public Service Development trust fund	-1	-3	-3
07.99 Balance, end of year			

**Program and Financing** (in millions of dollars)

Identification code 09-8275-0-7-801	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	1	2	2
10.00 Total new obligations (object class 99.5)	1	2	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	9	9	8
22.00 New budget authority (gross)	1	3	3
23.90 Total budgetary resources available for obligation	10	12	11
23.95 Total new obligations	-1	-2	-2
24.40 Unobligated balance carried forward, end of year	9	8	8

**New budget authority (gross), detail:**

Mandatory:			
60.26 Appropriation (trust fund)	1	3	3

**Change in obligated balances:**

73.10 Total new obligations	1	2	2
73.20 Total outlays (gross)	-1	-2	-2

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority	1	2	2
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**Net budget authority and outlays:**

89.00 Budget authority	1	3	3
90.00 Outlays	1	2	2

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities: Par value	10	9	9
92.02 Total investments, end of year: Federal securities: Par value	9	9	9

The principal for this fund was established by the transfer of \$7,500,000 from the appropriation "Payment to the John C. Stennis Center". The principal for the Stennis Center Fund is a non-expendable corpus invested in Market-Based Special Treasury Securities with the U.S. Treasury. The Center's operations are funded by the interest on these Treasury investments as well as by other funds and contributions provided by outside sources.

**Personnel Summary**

Identification code 09-8275-0-7-801	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	5	5	5

RUSSIAN LEADERSHIP DEVELOPMENT TRUST FUND

**Unavailable Collections** (in millions of dollars)

Identification code 09-8148-0-7-154	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			

Receipts:				
02.40	Payment from the general fund, Russian Leadership Development Ce .....	20	10	15
Appropriations:				
05.00	Russian Leadership Development Center trust fund .....	-21	-10	-15
07.99	Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 09-8148-0-7-154	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct Program Activity .....	16	11	15
10.00	Total new obligations .....	16	11	15
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....		4	3
22.00	New budget authority (gross) .....	21	10	15
23.90	Total budgetary resources available for obligation .....	21	14	18
23.95	Total new obligations .....	-16	-11	-15
24.40	Unobligated balance carried forward, end of year .....	4	3	3
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.26	Appropriation (trust fund) .....	21	10	15
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....		8	9
73.10	Total new obligations .....	16	11	15
73.20	Total outlays (gross) .....	-9	-10	-13
74.40	Obligated balance, end of year .....	8	9	11
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	9	4	6
86.93	Outlays from discretionary balances .....		6	7
87.00	Total outlays (gross) .....	9	10	13
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	21	10	15
90.00	Outlays .....	9	10	13
<b>Memorandum (non-add) entries:</b>				
92.02	Total investments, end of year: Federal securities: Par value .....	12		2

**Object Classification** (in millions of dollars)

Identification code 09-8148-0-7-154	2002 actual	2003 est.	2004 est.	
Direct obligations:				
25.2	Other services .....	10	5	5
41.0	Grants, subsidies, and contributions .....	5	5	9
99.0	Direct obligations .....	15	10	14
99.5	Below reporting threshold .....	1	1	1
99.9	Total new obligations .....	16	11	15

**TITLE III—GENERAL PROVISIONS**

SEC. 301. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles, except for emergency assistance and cleaning as may be provided under regulations

relating to parking facilities for the House of Representatives issued by the Committee on House Administration and for the Senate issued by the Committee on Rules and Administration.

SEC. 302. No part of the funds appropriated in this Act shall remain available for obligation beyond fiscal year 2004 unless expressly so provided in this Act.

SEC. 303. Whenever in this Act any office or position not specifically established by the Legislative Pay Act of 1929 is appropriated for or the rate of compensation or designation of any office or position appropriated for is different from that specifically established by such Act, the rate of compensation and the designation in this Act shall be the permanent law with respect thereto: Provided, That the provisions in this Act for the various items of official expenses of Members, officers, and committees of the Senate and House of Representatives, and clerk hire for Senators and Members of the House of Representatives shall be the permanent law with respect thereto.

SEC. 304. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 305. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 306. Such sums as may be necessary are appropriated to the account described in subsection (a) of section 415 of Public Law 104-1 to pay awards and settlements as authorized under such subsection.

SEC. 307. Amounts available for administrative expenses of any legislative branch entity which participates in the Legislative Branch Financial Managers Council (LBFMC) established by charter on March 26, 1996, shall be available to finance an appropriate share of LBFMC costs as determined by the LBFMC, except that the total LBFMC costs to be shared among all participating legislative branch entities (in such allocations among the entities as the entities may determine) may not exceed \$2,000.

SEC. 308. Section 316 of Public Law 101-302 is amended in the first sentence of subsection (a) by striking "2003" and inserting "2004."

SEC. 309. The Architect of the Capitol, in consultation with the District of Columbia, is authorized to maintain and improve the landscape features, excluding streets and sidewalks, in the irregular shaped grassy areas bounded by Washington Avenue, SW on the northeast, Second Street SW on the west, Square 582 on the south, and the beginning of the I-395 tunnel on the southeast.

SEC. 310. No funds appropriated or otherwise made available under this Act shall be made available to any person or entity that has been convicted of violating the Buy American Act (41 U.S.C. 10a-10c).



## JUDICIAL BRANCH

### SUPREME COURT OF THE UNITED STATES

#### Federal Funds

#### General and special funds:

##### SALARIES AND EXPENSES

*For expenses necessary for the operation of the Supreme Court, as required by law, excluding care of the building and grounds, including purchase or hire, driving, maintenance, and operation of an automobile for the Chief Justice, not to exceed \$10,000 for the purpose of transporting Associate Justices, and hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344; not to exceed \$10,000 for official reception and representation expenses; and for miscellaneous expenses, to be expended as the Chief Justice may approve, \$57,477,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 10-0100-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	40	46	57
10.00 Total new obligations .....	40	46	57
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	40	46	57
23.95 Total new obligations .....	-40	-46	-57
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	38	44	55
Mandatory:			
60.00 Appropriation .....	2	2	2
70.00 Total new budget authority (gross) .....	40	46	57
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	9	10	11
73.10 Total new obligations .....	40	46	57
73.20 Total outlays (gross) .....	-39	-45	-56
74.40 Obligated balance, end of year .....	10	11	12
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	31	36	46
86.93 Outlays from discretionary balances .....	6	7	8
86.97 Outlays from new mandatory authority .....	2	2	2
87.00 Total outlays (gross) .....	39	45	56
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	40	46	57
90.00 Outlays .....	39	45	56
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

The Supreme Court of the United States is the highest court of our country and stands at the apex of the judicial branch of our constitutional form of government. The U.S. Supreme Court is the only constitutionally indispensable court in the Federal court system of the United States. The jurisdiction of the Supreme Court is spelled out in the Constitution and allotted by Congress. The funds herein requested are required to enable the U.S. Supreme Court to carry out its constitutional and congressionally allotted responsibilities.

#### Object Classification (in millions of dollars)

Identification code 10-0100-0-1-752	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	22	24	27
11.3 Other than full-time permanent .....	2	3	3
11.9 Total personnel compensation .....	24	27	30
12.1 Civilian personnel benefits .....	6	7	7
24.0 Printing and reproduction .....	1	1	2
25.2 Other services .....	5	5	7
26.0 Supplies and materials .....	1	1	4
31.0 Equipment .....	3	5	7
99.9 Total new obligations .....	40	46	57

#### Personnel Summary

Identification code 10-0100-0-1-752	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	396	421	461

#### CARE OF THE BUILDING AND GROUNDS

*For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed upon the Architect by the Act approved May 7, 1934 (40 U.S.C. 13a-13b), \$4,658,000, of which \$75,000 shall remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 10-0103-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	9	40	74
10.00 Total new obligations .....	9	40	74
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	76	89
22.00 New budget authority (gross) .....	78	54	5
23.90 Total budgetary resources available for obligation .....	85	130	94
23.95 Total new obligations .....	-9	-40	-74
24.40 Unobligated balance carried forward, end of year .....	76	89	19
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	78	54	5
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	3	11
73.10 Total new obligations .....	9	40	74
73.20 Total outlays (gross) .....	-7	-32	-66
74.40 Obligated balance, end of year .....	3	11	19
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	2	4
86.93 Outlays from discretionary balances .....	4	28	63
87.00 Total outlays (gross) .....	7	32	66
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	78	54	5
90.00 Outlays .....	7	32	66

**General and special funds—Continued**

**CARE OF THE BUILDING AND GROUNDS—Continued**

**Object Classification (in millions of dollars)**

Identification code 10-0103-0-1-752	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	1	2	2
11.3 Other than full-time permanent .....	1		
11.9 Total personnel compensation .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	5	37	71
26.0 Supplies and materials .....	1		
99.9 Total new obligations .....	9	40	74

**Personnel Summary**

Identification code 10-0103-0-1-752	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	29	35	35

**UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For salaries of the chief judge, judges, and other officers and employees, and for necessary expenses of the court, as authorized by law, \$22,422,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 10-0510-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	20	22	22
10.00 Total new obligations .....	20	22	22
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	19	22	22
23.95 Total new obligations .....	-20	-22	-22
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	17	20	20
<b>Mandatory:</b>			
60.00 Appropriation .....	2	2	2
70.00 Total new budget authority (gross) .....	19	22	22
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4	4	5
73.10 Total new obligations .....	20	22	22
73.20 Total outlays (gross) .....	-18	-21	-22
73.40 Adjustments in expired accounts (net) .....	-2		
74.40 Obligated balance, end of year .....	4	5	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	12	15	15
86.93 Outlays from discretionary balances .....	4	4	5
86.97 Outlays from new mandatory authority .....	2	2	2
87.00 Total outlays (gross) .....	18	21	22
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	19	22	22
90.00 Outlays .....	18	21	22
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....		1	1

99.01 Outlays .....	1	1
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The United States Court of Appeals for the Federal Circuit has exclusive nationwide jurisdiction over a large number of diverse subject areas, such as appeals in all patent cases, all government contract cases, all international trade cases, all government personnel cases, all cases involving monetary claims against the United States under the Tucker Acts, veterans cases, and many others. Additional subject areas have been added to this court's jurisdiction almost yearly. To keep abreast of its varied and growing jurisdiction, the court is requesting necessary increases in its funding as detailed below.

The following is a more complete listing of the Federal Circuit's exclusive jurisdiction. It hears appeals from: (A) final decisions of all Federal district courts in cases arising under 28 U.S.C. § 1338(a), relating to patent laws generally, 35 U.S.C. §§ 145-146, relating to review of decisions of the Patent and Trademark Office, Board of Patent Appeals and Interferences, 28 U.S.C. § 1346(a)(2), relating to Little Tucker Act claims against the United States, and section 211 of the Economic Stabilization Act of 1970, section 5 of the Emergency Petroleum Allocation Act of 1973, section 506(c) of the Natural Gas Policy Act of 1978, and section 523 of the Energy Policy and Conservation Act, relating to all statutes formerly under the jurisdiction of the Temporary Emergency Court of Appeals; (B) final decisions of the United States Court of International Trade, 28 U.S.C. § 2645(c); (C) final decisions of the United States Court of Appeals for Veterans Claims, 38 U.S.C. § 7292; (D) final decisions of the United States Court of Appeals for Federal Claims, 28 U.S.C. § 2522 and 42 U.S.C. §§ 300aa-12(f); (E) final decisions of the High Court of the Trust Territory of the Pacific Islands, 48 U.S.C. § 1681 note (1988) (Compact of Free Association; Federated States of Micronesia, Republic of Marshall Islands, Title II, Title One, Article VII, § 174(c)); (F) final determinations of the United States International Trade Commission relating to unfair practices in import trade made under 19 U.S.C. § 1337; (G) findings of the Secretary of Commerce under U.S. note 6 to subchapter X of chapter 98 of the Harmonized Tariff Schedule of the United States relating to importation of educational or scientific instruments and apparatus; (H) final orders or decisions of the Merit Systems Protection Board and certain arbitrators, 5 U.S.C. § 7703; (I) final decisions of the General Accounting Office Personnel Appeals Board, 31 U.S.C. § 755; (J) final decisions of all agency Boards of Contract Appeals, 41 U.S.C. § 607(g); (K) final decisions of the Patent and Trademark Office tribunals on patent applications and interferences, trademark applications and interferences, cancellations, concurrent use proceedings, and oppositions, 35 U.S.C. § 142, 15 U.S.C. § 1071, 37 CFR §§ 1.304, 2.145; (L) appeals under section 71 of the Plant Variety Protection Act of 1970, 7 U.S.C. § 2461; (M) certain actions of the Secretary of Veterans Affairs, 38 U.S.C. § 502; (N) certain final orders of the Equal Employment Opportunity Commission relating to certain Presidential appointees, 2 U.S.C. § 1219(a)(3) and 28 U.S.C. § 2344; (O) final decisions of the Office of Personnel Management under 5 U.S.C. § 8902a(g)(2); (P) certain actions of the Board of Directors of the Office of Compliance of the U.S. Congress under 2 U.S.C. § 1407(a); and (Q) final decisions of certain agencies pursuant to 28 U.S.C. § 1296. (This is a new section of T.28 established by the Presidential and Executive Office Accountability Act of 1996, P.L. 104-331.)

The Federal Circuit also has exclusive jurisdiction pursuant to 28 U.S.C. § 1292(c) of: (1) appealable interlocutory orders or decrees in cases where the court would otherwise have jurisdiction over an appeal; and (2) appeals from judgments in civil actions for patent infringement otherwise appealable to the court and final except for accounting. Under the provi-

sions of 28 U.S.C. § 1292(d), the court has: (1) exclusive jurisdiction of appeals from interlocutory orders granting or denying, in whole or in part, a motion to transfer an action to the Court of Federal Claims; and (2) may, in its discretion, permit an appeal from an interlocutory order of a judge who certifies that there is a controlling question of law and a substantial ground for difference of opinion thereon, and that an immediate appeal may materially advance the ultimate termination of the litigation. Pursuant to 38 U.S.C. § 7292(b)(1), the court has exclusive jurisdiction of certain interlocutory orders of the United States Court of Appeals for Veterans Claims.

Recent legislation having an impact on the Federal Circuit is contained in P.L. 105-339 (51021) October 31, 1998, Veterans Opportunities Act of 1998, which provides a remedy through the Merit Systems Protection Board for those seeking review of the application of veterans preference rules to applicants for federal employment.

**Object Classification** (in millions of dollars)

Identification code 10-0510-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	10	10	11
12.1 Civilian personnel benefits .....	2	2	2
23.1 Rental payments to GSA .....	4	4	4
25.2 Other services .....	2	4	4
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	19	21	22
99.5 Below reporting threshold .....	1	1	
99.9 Total new obligations .....	20	22	22

**Personnel Summary**

Identification code 10-0510-0-1-752	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	121	121	123

**UNITED STATES COURT OF INTERNATIONAL TRADE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For salaries of the chief judge and eight judges, salaries of the officers and employees of the court, services as authorized by 5 U.S.C. 3109, and necessary expenses of the court, as authorized by law, \$14,206,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 10-0400-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	13	14	14
10.00 Total new obligations .....	13	14	14
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	13	14	14
23.95 Total new obligations .....	-13	-14	-14
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	11	12	12
<b>Mandatory:</b>			
60.00 Appropriation .....	2	2	2
70.00 Total new budget authority (gross) .....	13	14	14

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	2
73.10 Total new obligations .....	13	14	14
73.20 Total outlays (gross) .....	-13	-14	-14
74.40 Obligated balance, end of year .....	1	2	2

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	11	11	11
86.93 Outlays from discretionary balances .....		1	1
86.97 Outlays from new mandatory authority .....	2	2	2
87.00 Total outlays (gross) .....	13	14	14

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	13	14	14
90.00 Outlays .....	13	14	14

The United States Court of International Trade, established under Article III of the Constitution of the United States, was created by the Act of October 10, 1980 (94 Stat. 1727), effective November 1, 1980, as successor to the former United States Customs Court. The court has original and exclusive jurisdiction of civil actions against the United States, its agencies and officers, and certain civil actions brought by the United States, arising out of import transactions and Federal statutes affecting international trade. The court possesses all the powers in law and equity of, or as conferred by statute upon, a district court of the United States, and is authorized to conduct jury trials. The geographical jurisdiction of the court is nationwide and trials before the court or hearings may be held at any place within the jurisdiction of the United States. The court also is authorized to hold hearings in foreign countries. The principal statutory provisions pertaining to the court are contained in the following sections of Title 28 of the United States Code: Organization, sections 251 to 258; Jurisdiction, sections 1581 to 1585; and Procedures, sections 2631-2646.

**Object Classification** (in millions of dollars)

Identification code 10-0400-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	5	6	6
12.1 Civilian personnel benefits .....	1	1	1
23.1 Rental payments to GSA .....	5	5	5
25.2 Other services .....	1	1	1
99.0 Direct obligations .....	12	13	13
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	13	14	14

**Personnel Summary**

Identification code 10-0400-0-1-752	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	71	80	80

**COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For the salaries of circuit and district judges (including judges of the territorial courts of the United States), justices and judges retired from office or from regular active service, judges of the United States Court of Federal Claims, bankruptcy judges, magistrate judges, and all other officers and employees of the Federal Judiciary not otherwise specifically provided for, and necessary expenses of the courts, as authorized by law, \$4,188,352,000 (including the purchase of firearms and ammunition); of which not to exceed \$29,277,000 shall remain available until expended for space alteration projects

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

and for furniture and furnishings related to new space alteration and construction projects.

In addition, for expenses of the United States Court of Federal Claims associated with processing cases under the National Childhood Vaccine Injury Act of 1986, not to exceed \$3,293,000, to be appropriated from the Vaccine Injury Compensation Trust Fund.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 10-0920-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Courts of appeals .....	415	467	487
00.02 District courts .....	1,756	1,933	2,068
00.03 Bankruptcy courts .....	656	759	717
00.04 Probation/Pretrial .....	783	869	916
09.01 Reimbursable program .....	233	276	280
10.00 Total new obligations .....	3,843	4,304	4,468
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	14	16	5
22.00 New budget authority (gross) .....	3,841	4,293	4,418
22.10 Resources available from recoveries of prior year obligations .....	4		45
23.90 Total budgetary resources available for obligation	3,859	4,309	4,468
23.95 Total new obligations .....	-3,843	-4,304	-4,468
24.40 Unobligated balance carried forward, end of year .....	16	5	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3,356	3,753	3,913
Mandatory:			
60.00 Appropriation .....	252	264	275
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	233	276	230
70.00 Total new budget authority (gross) .....	3,841	4,293	4,418
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	84	85	111
73.10 Total new obligations .....	3,843	4,304	4,468
73.20 Total outlays (gross) .....	-3,850	-4,278	-4,406
73.45 Recoveries of prior year obligations .....	-4		-45
74.10 Change in uncollected customer payments from Federal sources (expired) .....	14		
74.40 Obligated balance, end of year .....	85	111	128
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3,349	3,759	3,861
86.93 Outlays from discretionary balances .....	249	255	270
86.97 Outlays from new mandatory authority .....	252	264	275
87.00 Total outlays (gross) .....	3,850	4,278	4,406
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-174	-264	-179
88.40 Non-Federal sources—User Fee .....	-59	-12	-51
88.90 Total, offsetting collections (cash) .....	-233	-276	-230
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,608	4,017	4,188
90.00 Outlays .....	3,616	4,002	4,176
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	105	115	133
99.01 Outlays .....	105	115	133

Funds appropriated under this heading are for the salaries and benefits of judges and supporting personnel and all operating expenses of the United States courts of appeals, district

courts, bankruptcy courts, United States Court of Federal Claims, and United States Probation and Pretrial Services offices are shown by activity:

**Courts of Appeals.**—This activity includes the salaries and benefits of all active United States circuit judges, and all such judges who have retired from office or from regular active service in pursuance of law. In addition, it provides for the salaries and expenses of the Courts of Appeals supporting personnel such as the administrative and legal aides required to assist the judges in the hearing and decision of appeals, and other judicial functions including all expenses of operation and maintenance such as travel expenses incurred by judges and supporting personnel in attending sessions of court or transacting other official business, and for relocation expenses, communications, printing, contractual services, supplies, equipment, and lawbooks and for rental of space, alterations, and related services for United States court facilities.

**District Courts.**—This activity includes the salaries and benefits of all active United States district judges, magistrate judges and all such judges who have retired from office or from regular active service in pursuance of law. In addition, it provides for the salaries and expenses of the District Court supporting personnel such as the administrative and legal aides required to assist the judges in conduct of hearings, trials, and other judicial functions including all expenses of operation and maintenance such as travel expenses incurred by judges and supporting personnel in attending sessions of court or transacting other official business, and for relocation expenses, communications, printing, contractual services, supplies, equipment, and lawbooks and for rental of space, alterations, and related services for United States court facilities.

**Bankruptcy Courts.**—This activity includes the salaries and benefits of all active United States bankruptcy judges. In addition, it provides for the salaries and expenses of the Bankruptcy Court supporting personnel including all expenses of operation and maintenance such as travel expenses incurred by judges and supporting personnel in attending sessions of court or transacting other official business, and for relocation expenses, communications, printing, contractual services, supplies, equipment, and lawbooks and for rental of space, alterations, and related services for United States court facilities.

**Probation/Pretrial.**—This activity includes the salaries and benefits of all probation and pretrial services officers and supporting personnel. It provides for all expenses of operation and maintenance such as travel expenses incurred by probation officers and supporting personnel in attending sessions of court or transacting other official business, and for relocation expenses, communications, printing, contractual services, supplies, and equipment.

**Object Classification (in millions of dollars)**

Identification code 10-0920-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	1,602	1,860	1,888
11.3 Other than full-time permanent .....	181	196	199
11.9 Total personnel compensation .....	1,783	2,056	2,087
12.1 Civilian personnel benefits .....	449	501	550
13.0 Benefits for former personnel .....	2	2	2
21.0 Travel and transportation of persons .....	44	42	49
22.0 Transportation of things .....	8	6	8
23.1 Rental payments to GSA .....	742	829	858
23.2 Rental payments to others .....	24	25	22
23.3 Communications, utilities, and miscellaneous charges .....	85	89	90
24.0 Printing and reproduction .....	21	15	23
25.2 Other services .....	248	225	268
26.0 Supplies and materials .....	24	24	28
31.0 Equipment .....	180	214	203
99.0 Direct obligations .....	3,610	4,028	4,188

99.0	Reimbursable obligations .....	233	276	280
99.9	Total new obligations .....	3,843	4,304	4,468

**Personnel Summary**

Identification code 10-0920-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	29,219	30,787	30,467
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	20	20	20

**DEFENDER SERVICES**

For the operation of Federal Public Defender and Community Defender organizations; the compensation and reimbursement of expenses of attorneys appointed to represent persons under the Criminal Justice Act of 1964, as amended; the compensation and reimbursement of expenses of persons furnishing investigative, expert and other services under the Criminal Justice Act of 1964 (18 U.S.C. 3006A(e)); the compensation (in accordance with Criminal Justice Act maximums) and reimbursement of expenses of attorneys appointed to assist the court in criminal cases where the defendant has waived representation by counsel; the compensation and reimbursement of travel expenses of guardians ad litem acting on behalf of financially eligible minor or incompetent offenders in connection with transfers from the United States to foreign countries with which the United States has a treaty for the execution of penal sentences; the compensation of attorneys appointed to represent jurors in civil actions for the protection of their employment, as authorized by 28 U.S.C. 1875(d); and for necessary training and general administrative expenses, \$635,481,000, to remain available until expended as authorized by 18 U.S.C. 3006A(i).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 10-0923-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct program:</b>			
<b>Direct program:</b>			
00.01 CJA Representations and Related Expenses .....	480	608	630
00.04 General administrative expenses .....	3	5	5
10.00 Total new obligations .....	483	613	635
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	24	.....
22.00 New budget authority (gross) .....	501	589	635
23.90 Total budgetary resources available for obligation .....	508	613	635
23.95 Total new obligations .....	-483	-613	-635
24.40 Unobligated balance carried forward, end of year .....	24	.....	.....
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	501	589	635
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	11	13	6
73.10 Total new obligations .....	483	613	635
73.20 Total outlays (gross) .....	-481	-620	-626
74.40 Obligated balance, end of year .....	13	6	15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	470	583	618
86.93 Outlays from discretionary balances .....	11	37	8
87.00 Total outlays (gross) .....	481	620	626
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	501	589	635
90.00 Outlays .....	481	620	626
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	6	7	8

99.01	Outlays .....	6	7	8
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Funds appropriated under this heading provide for the administration and operation of the Criminal Justice Act of 1964 (18 U.S.C. 3006A), as amended, which provides for furnishing representation for any person financially unable to obtain adequate representation who: (1) is charged with a felony or Class A, B, or C misdemeanor or infraction for which a sentence to confinement is authorized, or with committing an act of juvenile delinquency, or with a violation of probation; (2) is under arrest, when such representation is required by law; (3) is entitled to appointment of counsel in parole proceedings (18 U.S.C. 4201-18); (4) is charged with a violation of supervised release or faces modification, reduction, or enlargement of a condition, or extension or revocation of a term of supervised release; (5) is subject to a mental condition hearing (18 U.S.C. 4241-47); (6) is in custody as a material witness; (7) is entitled to appointment of counsel under the sixth amendment to the Constitution; (8) faces loss of liberty in a case, and Federal law requires the appointment of counsel; (9) is entitled to the appointment of counsel under 18 U.S.C. 4109; or (10) is seeking relief under 28 U.S.C. 2241, 2254, or 2255. Representation includes counsel and investigative, expert, and other necessary services. The appropriation includes funding for the compensation and expenses of court-appointed counsel and persons providing investigative, expert and other services under the Act; for the operation of the Federal Defender organizations; for the compensation and reimbursement of travel expenses of guardians ad litem, appointed under 18 U.S.C. 4100(b), acting on behalf of financially eligible minors or incompetent offenders in connection with transfers from the United States to foreign countries with which the United States has a treaty for the execution of penal sentences (18 U.S.C. 4109(b)); and for the continuing education and training of persons providing representational services under the Act. In addition, this appropriation is available for the compensation of counsel: (1) appointed pursuant to 5 U.S.C. 3109 to assist the court in criminal cases where the defendant has waived representation by counsel; (2) appointed pursuant to 28 U.S.C. 1875(d) to represent jurors in civil actions for the protection of their employment; and (3) appointed under 18 U.S.C. 983(b)(1) in connection with certain judicial civil forfeiture proceedings.

**Object Classification (in millions of dollars)**

Identification code 10-0923-0-1-752	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	145	180	189
12.1 Civilian personnel benefits .....	38	48	49
21.0 Travel and transportation of persons .....	5	6	6
23.1 Rental payments to GSA .....	21	22	24
23.3 Communications, utilities, and miscellaneous charges .....	4	5	6
<b>Other services:</b>			
25.2 Compensation and out-of-pocket expenses of court-appointed counsel .....	163	229	232
25.2 Transcripts .....	7	7	7
25.2 Investigators, interpreters, psychiatrists, and other experts .....	16	17	18
25.2 Other services .....	15	17	17
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	6	7	8
41.0 Grants, subsidies, and contributions .....	62	74	78
99.9 Total new obligations .....	483	613	635

**Personnel Summary**

Identification code 10-0923-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,892	2,083	2,192

**General and special funds—Continued**

**FEES OF JURORS AND COMMISSIONERS**

For fees and expenses of jurors as authorized by 28 U.S.C. 1871 and 1876; compensation of jury commissioners as authorized by 28 U.S.C. 1863; and compensation of commissioners appointed in condemnation cases pursuant to rule 71A(h) of the Federal Rules of Civil Procedure (28 U.S.C. Appendix Rule 71A(h)), \$53,181,000, to remain available until expended: Provided, That the compensation of land commissioners shall not exceed the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 10-0925-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 Grand jurors .....	15	16	14
00.04 Petit jurors .....	37	42	39
09.01 Reimbursable program .....	4		
10.00 Total new obligations .....	56	58	53
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4		
22.00 New budget authority (gross) .....	52	58	53
23.90 Total budgetary resources available for obligation .....	56	58	53
23.95 Total new obligations .....	-56	-58	-53
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	48	58	53
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	4		
70.00 Total new budget authority (gross) .....	52	58	53
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	56	58	53
73.20 Total outlays (gross) .....	-56	-58	-53
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	52	58	53
86.93 Outlays from discretionary balances .....	4		
87.00 Total outlays (gross) .....	56	58	53
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-4		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	48	58	53
90.00 Outlays .....	53	58	53

This appropriation provides for the statutory fees and allowances of jurors, refreshments of jurors, and compensation of land commissioners appointed in condemnation cases pursuant to Rule 71A(h) of the Federal Rules of Civil Procedure. Budgetary requirements depend largely upon the volume and length of jury trials demanded by the parties to both civil and criminal actions and the number of grand juries being convened by the courts at the request of United States attorneys.

**Object Classification (in millions of dollars)**

Identification code 10-0925-0-1-752	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.8 Personnel compensation: Special personal services payments .....	28	34	30
21.0 Travel and transportation of persons (jurors) .....	22	22	21
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1

25.2 Other services (meals and lodging furnished sequestered juror .....	1	1	1
99.0 Direct obligations .....	52	58	53
99.0 Reimbursable obligations .....	4		
99.9 Total new obligations .....	56	58	53

**COURT SECURITY**

For necessary expenses, not otherwise provided for, incident to providing protective guard services for United States courthouses and the procurement, installation, and maintenance of security equipment for United States courthouses and other facilities housing Federal court operations, including building ingress-egress control, inspection of mail and packages, directed security patrols, supervisory-level deputy marshals responsible for coordinating security (to include the purchase of passenger motor vehicles for police-type use, without regard to the general purchase price limitation for the current fiscal year), and other similar activities as authorized by section 1010 of the Judicial Improvement and Access to Justice Act (Public Law 100-702), \$311,171,000, of which not to exceed \$15,000,000 shall remain available until expended, to be expended directly or transferred to the United States Marshals Service, which shall be responsible for administering the Judicial Facility Security Program consistent with standards or guidelines agreed to by the Director of the Administrative Office of the United States Courts and the Attorney General.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 10-0930-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	277	298	311
10.00 Total new obligations .....	277	298	311
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	21	19	19
22.00 New budget authority (gross) .....	276	298	311
23.90 Total budgetary resources available for obligation .....	297	317	330
23.95 Total new obligations .....	-277	-298	-311
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	19	19	19
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	278	298	311
41.00 Transferred to other accounts .....	-2		
43.00 Appropriation (total discretionary) .....	276	298	311
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	47	98	103
73.10 Total new obligations .....	277	298	311
73.20 Total outlays (gross) .....	-224	-293	-307
73.40 Adjustments in expired accounts (net) .....	-2		
74.40 Obligated balance, end of year .....	98	103	107
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	158	220	229
86.93 Outlays from discretionary balances .....	66	73	78
87.00 Total outlays (gross) .....	224	293	307
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	276	298	311
90.00 Outlays .....	224	293	307

This appropriation provides for the necessary expenses not otherwise provided for, incident to providing protective guard services for the United States courthouses and the procurement, installation, and maintenance of security equipment for United States courthouses and other facilities housing federal court operations, including building ingress-egress con-

trol, inspection of mail and packages, directed security patrols, supervisory-level deputy marshals responsible for coordinating security (to include the purchase of passenger motor vehicles for police-type use, without regard to the general purchase price limitation for the current fiscal year), and other similar activities, to be expended directly or transferred to the United States Marshals Service which shall be responsible for administering the Judicial Facility Security Program.

**Object Classification** (in millions of dollars)

Identification code 10-0930-0-1-752	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	3	5	17
12.1 Civilian personnel benefits .....	1	2	4
23.3 Communications, utilities, and miscellaneous charges .....	3	2	3
25.2 Other services .....	216	212	233
26.0 Supplies and materials .....	2	1	2
31.0 Equipment .....	52	76	52
99.9 Total new obligations .....	277	298	311

**Personnel Summary**

Identification code 10-0930-0-1-752	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	54	148	154

**JUDICIARY FILING FEES**

**Unavailable Collections** (in millions of dollars)

Identification code 10-5100-0-2-752	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Filing Fees, U.S. Courts, Judiciary .....	200	189	214
Appropriations:			
05.00 Judiciary filing fees .....	-200	-189	-214
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 10-5100-0-2-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	431	259	221
10.00 Total new obligations (object class 25.2) .....	431	259	221

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	308	77	7
22.00 New budget authority (gross) .....	200	189	214
23.90 Total budgetary resources available for obligation	508	266	221
23.95 Total new obligations .....	-431	-259	-221
24.40 Unobligated balance carried forward, end of year .....	77	7	

**New budget authority (gross), detail:**

Mandatory:			
60.20 Appropriation (special fund) .....	200	189	214

**Change in obligated balances:**

72.40 Obligated balance, start of year .....		217	289
73.10 Total new obligations .....	431	259	221
73.20 Total outlays (gross) .....	-214	-189	-214
74.40 Obligated balance, end of year .....	217	289	296

**Outlays (gross), detail:**

86.98 Outlays from mandatory balances .....	214	189	214
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**Net budget authority and outlays:**

89.00 Budget authority .....	200	189	214
90.00 Outlays .....	214	189	214

**REGISTRY ADMINISTRATION**

**Unavailable Collections** (in millions of dollars)

Identification code 10-5101-0-2-752	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	-1	-1	-1
Receipts:			
02.00 Fees, Registry administration, Judiciary .....	5	3	3
04.00 Total: Balances and collections .....	4	2	2
Appropriations:			
05.00 Registry administration .....	-5	-3	-3
07.99 Balance, end of year .....	-1	-1	-1

**Program and Financing** (in millions of dollars)

Identification code 10-5101-0-2-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	5	3	3
10.00 Total new obligations (object class 25.2) .....	5	3	3

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	5	3	3
23.95 Total new obligations .....	-5	-3	-3

**New budget authority (gross), detail:**

Mandatory:			
60.20 Appropriation (special fund) .....	5	3	3

**Change in obligated balances:**

73.10 Total new obligations .....	5	3	3
73.20 Total outlays (gross) .....	-5	-3	-3

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	5	3	3
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**Net budget authority and outlays:**

89.00 Budget authority .....	5	3	3
90.00 Outlays .....	5	3	3

This schedule reflects funds available to the Federal Judiciary, pursuant to Public Law 100-459, which provides that any funds collected by the Judiciary as a charge for services rendered in administering accounts kept in a court's registry shall be deposited into this account.

**JUDICIARY INFORMATION TECHNOLOGY FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 10-5114-0-2-752	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Proceeds from sale of property .....	18	24	25
02.40 Advances and reimbursements .....	253	255	296
02.99 Total receipts and collections .....	271	279	321
Appropriations:			
05.00 Judiciary information technology fund .....	-271	-279	-321
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 10-5114-0-2-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Information Technology .....	278	307	321
10.00 Total new obligations .....	278	307	321

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	36	28	
22.00 New budget authority (gross) .....	271	279	321
23.90 Total budgetary resources available for obligation	307	307	321
23.95 Total new obligations .....	-278	-307	-321

**General and special funds—Continued**

**JUDICIARY INFORMATION TECHNOLOGY FUND—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 10-5114-0-2-752	2002 actual	2003 est.	2004 est.
24.40 Unobligated balance carried forward, end of year .....	28		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	271	279	321
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	141	126	151
73.10 Total new obligations .....	278	307	321
73.20 Total outlays (gross) .....	-293	-282	-298
74.40 Obligated balance, end of year .....	126	151	174
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	152	151	154
86.98 Outlays from mandatory balances .....	141	131	144
87.00 Total outlays (gross) .....	293	282	298
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	271	279	321
90.00 Outlays .....	293	282	298

The Judiciary Information Technology Fund is a stable and flexible funding vehicle for the expansion, management, and use of information technology throughout the Judiciary in accordance with the Long Range Plan for Information Technology in the Federal Judiciary. Funds are available without fiscal year limitation. The Fund consists of deposits and transfers from appropriations, reimbursements, user fees, and sale of surplus equipment. Appropriate information technology costs are paid directly out of the Fund.

**Object Classification (in millions of dollars)**

Identification code 10-5114-0-2-752	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	18	20	22
12.1 Civilian personnel benefits .....	4	4	5
21.0 Travel and transportation of persons .....	4	7	8
23.3 Communications, utilities, and miscellaneous charges .....	44	45	47
24.0 Printing and reproduction .....	17	16	17
25.2 Other services .....	77	77	78
26.0 Supplies and materials .....	8	8	8
31.0 Equipment .....	106	130	136
99.9 Total new obligations .....	278	307	321

**Personnel Summary**

Identification code 10-5114-0-2-752	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	214	216	217

**ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Administrative Office of the United States Courts as authorized by law, including travel as authorized by 31 U.S.C. 1345, hire of a passenger motor vehicle as authorized by 31 U.S.C. 1343(b), advertising and rent in the District of Columbia and elsewhere, \$71,908,000, of which not to exceed \$8,500 is authorized for official reception and representation expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 10-0927-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Executive direction .....	1	1	1
00.02 Program direction and policy formulation .....	7	8	9
00.03 Court administration and defender services .....	7	8	7
00.04 Facilities and security .....	4	4	5
00.05 Finance and budget .....	7	7	8
00.06 Human resources and statistics .....	13	14	15
00.07 Information technology .....	1	1	1
00.08 Internal services .....	26	26	27
00.09 Judges programs .....	6	7	7
00.10 Probation and pretrial services .....	3	3	4
09.10 Reimbursable program .....	34	39	42
10.00 Total new obligations .....	109	118	126
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		2	
22.00 New budget authority (gross) .....	111	118	126
23.90 Total budgetary resources available for obligation .....	111	120	126
23.95 Total new obligations .....	-109	-118	-126
24.40 Unobligated balance carried forward, end of year .....	2		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	65	67	72
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	46	51	54
70.00 Total new budget authority (gross) .....	111	118	126
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	4	5
73.10 Total new obligations .....	109	118	126
73.20 Total outlays (gross) .....	-110	-117	-125
74.10 Change in uncollected customer payments from Federal sources (expired) .....	-1		
74.40 Obligated balance, end of year .....	4	5	6
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	105	113	120
86.93 Outlays from discretionary balances .....	5	4	5
87.00 Total outlays (gross) .....	110	117	125
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-46	-51	-54
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	65	67	72
90.00 Outlays .....	64	66	71
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	4	5	5
99.01 Outlays .....	4	5	5

The Administrative Office, pursuant to section 604 of Title 28, United States Code, under the supervision and direction of the Judicial Conference of the United States, is responsible for the administration of the U.S. courts, including the probation and bankruptcy systems. The principal functions consist of providing staff and services for the courts; conducting a continuous study of the rules of practice and procedure in the Federal courts; examining the state of dockets of the various courts; compiling and publishing statistical data concerning the business transacted by the courts; and administering the judicial retirement and survivors annuities systems under Title 28, United States Code, sections 178, 376, and 377. The Administrative Office also is responsible for: the preparation and submission of the annual budget estimates as well as supplemental and deficiency estimates; the disbursement of and accounting for moneys appropriated for the operation of the courts, and the Federal Judicial Center; the audit and examination of accounts; the purchase and distribution of supplies and equipment; providing automated

data processing services; securing adequate space for occupancy by the courts; and such other matters as may be assigned by the Supreme Court and Judicial Conference of the United States.

Object Classification (in millions of dollars)				
Identification code 10-0927-0-1-752	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent .....	55	60	60	
11.3 Other than full-time permanent .....	1	1	1	
11.9 Total personnel compensation .....	56	61	61	
12.1 Civilian personnel benefits .....	12	13	13	
21.0 Travel and transportation of persons .....	1	1	1	
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1	
25.2 Other services .....	3	3	3	
31.0 Equipment .....	2	1	5	
99.0 Direct obligations .....	75	80	84	
99.0 Reimbursable obligations .....	34	38	42	
99.9 Total new obligations .....	109	118	126	

**Personnel Summary**

Identification code 10-0927-0-1-752	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	659	659	668
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	295	295	295

**FEDERAL JUDICIAL CENTER**

*Federal Funds*

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Federal Judicial Center, as authorized by Public Law 90-219, \$21,660,000; of which \$1,800,000 shall remain available through September 30, 2005, to provide education and training to Federal court personnel; and of which not to exceed \$1,000 is authorized for official reception and representation expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 10-0928-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Education and training .....	14	16	16
00.02 Research .....	3	3	3
00.03 Program support .....	3	3	3
10.00 Total new obligations .....	20	22	22
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	20	22	22
23.95 Total new obligations .....	-20	-22	-22
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	20	22	22
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	3	4
73.10 Total new obligations .....	20	22	22
73.20 Total outlays (gross) .....	-19	-23	-22
74.40 Obligated balance, end of year .....	3	4	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	17	20	20

86.93 Outlays from discretionary balances .....	2	3	2
87.00 Total outlays (gross) .....	19	23	22
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	20	22	22
90.00 Outlays .....	19	23	22
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

This appropriation provides for the operation of the Federal Judicial Center pursuant to 28 U.S.C. 620 et. seq. The Center is charged with the responsibility for furthering the development and adoption of improved judicial administration in the courts of the United States.

**Object Classification (in millions of dollars)**

Identification code 10-0928-0-1-752	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	11	12	12
12.1 Civilian personnel benefits .....	3	3	3
21.0 Travel and transportation of persons .....	3	4	4
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	1	1	1
26.0 Supplies and materials .....	1	1	1
99.9 Total new obligations .....	20	22	22

**Personnel Summary**

Identification code 10-0928-0-1-752	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	138	151	142

*Trust Funds*

**GIFTS AND DONATIONS, FEDERAL JUDICIAL CENTER FOUNDATION**

**Unavailable Collections (in millions of dollars)**

Identification code 10-8123-0-7-752	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	1		
Receipts:			
02.00 Gifts and donations, Federal Judicial Center Foundation .....		1	1
04.00 Total: Balances and collections .....	1	1	1
Appropriations:			
05.00 Gifts and donations, Federal Judicial Center Foundation .....	-1	-1	-1
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 10-8123-0-7-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1	1	1
10.00 Total new obligations (object class 99.5) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1	1	1
23.95 Total new obligations .....	-1	-1	-1
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	1	1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1

GIFTS AND DONATIONS, FEDERAL JUDICIAL CENTER FOUNDATION—  
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 10-8123-0-7-752	2002 actual	2003 est.	2004 est.
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1

This schedule reflects funds available to the Federal Judicial Center pursuant to 28 U.S.C. 629, which provides that the purpose of the Federal Judicial Center Foundation shall be to have sole authority to accept and receive gifts of real and personal property and services made for the purpose of aiding or facilitating the work of the Federal Judicial Center and that, gifts of money and proceeds from sales of other property received as gifts shall be deposited in a separate fund in the Treasury of the United States and disbursed on the order of the Director of the Center.

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIARY TRUST FUNDS

For payment to the Judicial Officers' Retirement Fund, as authorized by 28 U.S.C. 377(o), \$25,700,000; to the Judicial Survivors' Annuities Fund, as authorized by 28 U.S.C. 376(c), \$700,000; and to the United States Court of Federal Claims Judges' Retirement Fund, as authorized by 28 U.S.C. 178(l), \$2,600,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 10-0941-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Payment to Judicial Officers' Retirement Fund .....	27	28	26
00.02 Payment to Court of Federal Claims Judges Retirement Fund .....	2	2	2
00.03 Payment to Judicial Survivors' Annuities Fund .....	8	5	1
10.00 Total new obligations (object class 12.1) .....	37	35	29
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	37	35	29
23.95 Total new obligations .....	-37	-35	-29
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	37	35	29
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	37	35	29
73.20 Total outlays (gross) .....	-37	-35	-29
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	37	35	29
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	37	35	29
90.00 Outlays .....	37	35	29

This appropriation request would provide funds necessary to pay the retirement annuities of bankruptcy judges and magistrate judges, pursuant to 28 U.S.C. 377, the retirement annuities of the United States Court of Federal Claims judges, pursuant to 28 U.S.C. 178, and annuities to participants' surviving widows and dependent children, pursuant to 28 U.S.C. 376.

Trust Funds

JUDICIAL OFFICERS' RETIREMENT FUND

Unavailable Collections (in millions of dollars)

Identification code 10-8122-0-7-602	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.40 Interest and profits on investments, judicial officers retirement annuity .....	9	15	16
02.41 Federal payment to judicial officers retirement fund, BRD .....	27	28	25
02.99 Total receipts and collections .....	36	43	41
Appropriations:			
05.00 Judicial officers' retirement fund .....	-36	-43	-41
07.99 Balance, end of year .....			

Program and Financing (in millions of dollars)

Identification code 10-8122-0-7-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.10 Judicial Officers Retirement Fund .....	21	23	25
10.00 Total new obligations (object class 42.0) .....	21	23	25
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	151	168	188
22.00 New budget authority (gross) .....	36	43	41
23.90 Total budgetary resources available for obligation .....	187	211	229
23.95 Total new obligations .....	-21	-23	-25
24.40 Unobligated balance carried forward, end of year .....	168	188	205

New budget authority (gross), detail:

Mandatory:			
60.26 Appropriation (trust fund) .....	36	43	41

Change in obligated balances:

72.40 Obligated balance, start of year .....		1	1
73.10 Total new obligations .....	21	23	25
73.20 Total outlays (gross) .....	-20	-23	-25
74.40 Obligated balance, end of year .....	1	1	

Outlays (gross), detail:

86.97 Outlays from new mandatory authority .....	20	23	25
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Net budget authority and outlays:

89.00 Budget authority .....	36	43	41
90.00 Outlays .....	20	23	25

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value .....	152	168	160
92.02 Total investments, end of year: Federal securities:			
Par value .....	168	160	160

This fund provides the retirement annuities of bankruptcy judges and magistrate judges pursuant to 28 U.S.C. 377.

JUDICIAL SURVIVORS' ANNUITIES FUND

Unavailable Collections (in millions of dollars)

Identification code 10-8110-0-7-602	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Judicial survivors annuity fund, deductions from employees salaries .....	5	5	5
02.40 Judicial survivors annuity, interest and profits on investments .....	27	36	39
02.41 Federal payment to judicial survivors annuities fund .....	8	5	1
02.99 Total receipts and collections .....	40	46	45
Appropriations:			
05.00 Judicial survivors' annuities fund .....	-40	-47	-45
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 10-8110-0-7-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.10 Judicial Survivor's Annuity Fund .....	14	14	15
10.00 Total new obligations (object class 42.0) .....	14	14	15
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	372	398	431
22.00 New budget authority (gross) .....	40	47	45
23.90 Total budgetary resources available for obligation .....	412	445	476
23.95 Total new obligations .....	-14	-14	-15
24.40 Unobligated balance carried forward, end of year .....	398	431	461
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	40	47	45
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	2
73.10 Total new obligations .....	14	14	15
73.20 Total outlays (gross) .....	-14	-14	-15
74.40 Obligated balance, end of year .....	2	2	2
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	14	14	15
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	40	47	45
90.00 Outlays .....	14	14	15
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	378	404	394
92.02 Total investments, end of year: Federal securities: Par value .....	404	394	394

The Judicial Survivors' Annuities Fund (section 376 of title 28, United States Code) was established to receive sums deducted and withheld from salaries of justices, judges, the Director of the Federal Judicial Center, the Director of the Administrative Office of the U.S. Courts, and the Administrative Assistant to the Chief Justice who have elected to bring themselves within the purview of the above section as well as amounts received from said judicial officers covering Federal civilian service prior to date of election.

This fund provides annuities for participants' surviving widows and dependent children.

UNITED STATES COURT OF FEDERAL CLAIMS JUDGES' RETIREMENT FUND

**Unavailable Collections** (in millions of dollars)

Identification code 10-8124-0-7-602	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	1		
Receipts:			
02.40 Federal payment to Court of Federal Claims Judges' Retirement Fund .....	2	3	4
04.00 Total: Balances and collections .....	3	3	4
Appropriations:			
05.00 Court of Federal Claims judges' retirement fund .....	-3	-3	-4
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 10-8124-0-7-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Court of Federal Claims Judges Retirement Fund .....	2	3	3
10.00 Total new obligations (object class 42.0) .....	2	3	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		1	1

22.00 New budget authority (gross) .....	3	3	4
23.90 Total budgetary resources available for obligation .....	3	4	5
23.95 Total new obligations .....	-2	-3	-3
24.40 Unobligated balance carried forward, end of year .....	1	1	2
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	3	3	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			1
73.10 Total new obligations .....	2	3	3
73.20 Total outlays (gross) .....	-2	-2	-2
74.40 Obligated balance, end of year .....		1	2
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	2	2	2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	3	4
90.00 Outlays .....	2	2	2
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	9	10	9
92.02 Total investments, end of year: Federal securities: Par value .....	10	9	9

This fund provides the retirement annuities of United States Court of Federal Claims judges pursuant to 28 U.S.C. 178.

UNITED STATES SENTENCING COMMISSION

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

For the salaries and expenses necessary to carry out the provisions of chapter 58 of title 28, United States Code, \$13,200,000, of which not to exceed \$1,000 is authorized for official reception and representation expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 10-0938-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	12	13	13
10.00 Total new obligations .....	12	13	13
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	1
22.00 New budget authority (gross) .....	12	13	13
23.90 Total budgetary resources available for obligation .....	13	14	14
23.95 Total new obligations .....	-12	-13	-13
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	12	13	13
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	3
73.10 Total new obligations .....	12	13	13
73.20 Total outlays (gross) .....	-11	-13	-13
74.40 Obligated balance, end of year .....	2	3	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	9	11	11
86.93 Outlays from discretionary balances .....	2	2	2
87.00 Total outlays (gross) .....	11	13	13

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 10-0938-0-1-752	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	12	13	13
90.00 Outlays .....	11	13	13

The United States Sentencing Commission, an independent agency within the judicial branch, was established pursuant to provisions of the Comprehensive Crime Control Act of 1984 (Public Law 98-473, Title II), as amended. The Commission's principal purposes are: (1) to establish sentencing policies and practices for the federal courts, including guidelines prescribing the appropriate form and severity of punishment for offenders convicted of federal crimes; (2) to advise and assist Congress and the executive branch in the development of effective and efficient crime policy; and (3) to collect, analyze, and distribute a broad array of information on federal crime and sentencing issues, serving as an information resource for Congress, the executive branch, the courts, criminal justice practitioners, the academic community, and the public.

**Object Classification (in millions of dollars)**

Identification code 10-0938-0-1-752	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	7	8	8
12.1 Civilian personnel benefits .....	2	2	2
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	1	2	1
99.0 Direct obligations .....	11	13	12
99.5 Below reporting threshold .....	1		1

99.9	Total new obligations .....	12	13	13
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**Personnel Summary**

Identification code 10-0938-0-1-752	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	97	109	112

**GENERAL PROVISIONS—THE JUDICIARY**

*SEC. 301. Appropriations and authorizations made in this title which are available for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.*

*SEC. 302. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Judiciary in this Act may be transferred between such appropriations, but no such appropriation, except "Courts of Appeals, District Courts, and Other Judicial Services, Defender Services" and "Courts of Appeals, District Courts, and Other Judicial Services, Fees of Jurors and Commissioners", shall be increased by more than 10 percent by any such transfers: Provided, That any transfer pursuant to this section shall be treated as a re-programming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.*

*SEC. 303. Notwithstanding any other provision of law, the salaries and expenses appropriation for district courts, courts of appeals, and other judicial services shall be available for official reception and representation expenses of the Judicial Conference of the United States: Provided, That such available funds shall not exceed \$11,000 and shall be administered by the Director of the Administrative Office of the United States Courts in the capacity as Secretary of the Judicial Conference.*

*SEC. 304. Pursuant to section 140 of Public Law 97-92, justices and judges of the United States are authorized during fiscal year 2004, to receive a salary adjustment in accordance with 28 U.S.C. 461.*

# DEPARTMENT OF AGRICULTURE

## OFFICE OF THE SECRETARY

### Federal Funds

#### General and special funds:

##### OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed \$75,000 for employment under 5 U.S.C. 3109, \$10,068,000 of which \$6,604,000 for cross-cutting trade negotiations and biotechnology resources may be transferred to agencies of the Department of Agriculture funded by this Act to support these activities: Provided, That the Appropriations Committees of both Houses of Congress are notified 15 days in advance of any transfer. Provided, That not to exceed \$11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: Provided further, That none of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 793(c)(1)(C) of Public Law 104-127: Provided further, That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104-127.

##### OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded by this Act, \$793,000.

##### OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded by this Act, including programs involving intergovernmental affairs and liaison within the executive branch, \$4,186,000: Provided, That these funds may be transferred to agencies of the Department of Agriculture funded by this Act to maintain personnel at the agency level: Provided further, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations.

##### OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, \$792,000.

##### OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Under Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service; the Agricultural Marketing Service; and the Grain Inspection, Packers and Stockyards Administration; \$791,000.

##### OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, \$792,000.

##### OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, \$916,000.

## OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, \$918,000.

##### OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, \$913,000.

##### OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, \$786,000. (7 U.S.C. 2201-2202).

##### OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

For necessary salaries and expenses of the Office of the Assistant Secretary for Civil Rights to carry out programs funded by this Act, \$808,000.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 12-9913-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Office of the Secretary .....	3	36	10
00.02 Under/Assistant Secretaries .....	6	9	12
00.03 Infoshare Program .....	9		
00.04 Homeland Security .....	49		
09.01 Reimbursable program .....	6		
10.00 Total new obligations .....	73	45	22
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	14	38	38
22.00 New budget authority (gross) .....	97	45	20
23.90 Total budgetary resources available for obligation	111	83	58
23.95 Total new obligations .....	-73	-45	-22
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	38	38	38
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	93	47	22
41.00 Transferred to other accounts .....	-2	-2	-2
43.00 Appropriation (total discretionary) .....	91	45	20
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	9		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
68.90 Spending authority from offsetting collections (total discretionary) .....	6		
70.00 Total new budget authority (gross) .....	97	45	20
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10	46	21
73.10 Total new obligations .....	73	45	22
73.20 Total outlays (gross) .....	-33	-70	-25
73.40 Adjustments in expired accounts (net) .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	3		

**General and special funds—Continued****OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS—  
Continued****Program and Financing** (in millions of dollars)—Continued

Identification code 12-9913-0-1-352	2002 actual	2003 est.	2004 est.
74.10 Change in uncollected customer payments from Federal sources (expired) .....	-6		
74.40 Obligated balance, end of year .....	46	21	18
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	28	35	15
86.93 Outlays from discretionary balances .....	5	35	10
87.00 Total outlays (gross) .....	33	70	25
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-6		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	3		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	-3		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	91	45	20
90.00 Outlays .....	29	70	25

The Office of the Secretary covers the overall planning, coordination, and administration of the Department's programs. This includes the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and their immediate staffs, who provide top policy guidance for the Department; maintain relationships with agricultural organizations and others in the development of farm programs; and provide liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

Funds are also proposed for the Office of the Secretary's account for negotiating and monitoring trade agreements; for technical trade support in the areas of, biotechnology, sanitary and phyto-sanitary issues.

**Object Classification** (in millions of dollars)

Identification code 12-9913-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	6	6	8
12.1 Civilian personnel benefits .....	1	2	2
25.2 Other services .....	60	37	12
99.0 Direct obligations .....	67	45	22
99.0 Reimbursable obligations .....	6		
99.9 Total new obligations .....	73	45	22

**Personnel Summary**

Identification code 12-9913-0-1-352	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	63	88	87

**FUND FOR RURAL AMERICA****Program and Financing** (in millions of dollars)

Identification code 12-0012-0-1-999	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	34	23	14
73.20 Total outlays (gross) .....	-11	-9	-10
74.40 Obligated balance, end of year .....	23	14	4
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	11	9	10

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....	11	9	10

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) initially established the Fund for Rural America to provide support to rural communities across the United States. The 2002 Farm Bill (Farm Security and Rural Investment Act of 2002) repealed the Fund for Rural America.

**Trust Funds****GIFTS AND BEQUESTS****Unavailable Collections** (in millions of dollars)

Identification code 12-8203-0-7-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.00 Gifts and bequests .....	1	1	1
<b>Appropriations:</b>			
05.00 Gifts and bequests .....	-1	-1	-1
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 12-8203-0-7-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		1	1
10.00 Total new obligations (object class 99.5) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2	2	2
22.00 New budget authority (gross) .....	1	1	1
23.90 Total budgetary resources available for obligation	3	3	3
23.95 Total new obligations .....	-1	-1	-1
24.40 Unobligated balance carried forward, end of year .....	2	2	2

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....	1	1	1

**Change in obligated balances:**

73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	1	1	1
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**Net budget authority and outlays:**

89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1

The Secretary is authorized to accept and administer gifts and bequests of real and personal property to facilitate the work of the Department. Property and the proceeds thereof are used in accordance with the terms of the gift or bequest (7 U.S.C. 2269).

**EXECUTIVE OPERATIONS****Federal Funds****General and special funds:****EXECUTIVE OPERATIONS****CHIEF ECONOMIST**

*For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, energy and new uses, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g),*

and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, \$12,264,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$25,000 is for employment under 5 U.S.C. 3109, \$14,242,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, \$7,980,000. (7 U.S.C. 2201, 2202; 42 U.S.C. 2000d).

HOMELAND SECURITY STAFF

For necessary expenses of the Homeland Security Staff, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), \$1,479,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0705-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Chief Economist .....	9	12	12
00.03 National Appeals Division .....	13	14	14
00.04 Budget and program analysis .....	6	7	8
00.05 Homeland Security Staff .....			1
09.01 Reimbursable program .....	1	1	1
10.00 Total new obligations .....	29	34	37
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	30	36	38
23.95 Total new obligations .....	-29	-34	-37
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	28	33	35
Mandatory:			
62.00 Transferred from other accounts .....	1	2	2
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	30	36	38
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	5	5
73.10 Total new obligations .....	29	34	37
73.20 Total outlays (gross) .....	-28	-36	-38
74.40 Obligated balance, end of year .....	5	5	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	24	30	32
86.93 Outlays from discretionary balances .....	4	4	4
86.97 Outlays from new mandatory authority .....		2	2
87.00 Total outlays (gross) .....	28	36	38
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	29	35	37
90.00 Outlays .....	27	33	36
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

Executive Operations provides support for USDA policy officials and selected Departmentwide services.

The Office of the Chief Economist advises the Secretary of Agriculture on the economic implications of Department

policies and programs and proposed legislation. The Office serves as the single focal point for the Nation's economic intelligence and analysis, risk assessment, and cost-benefit analysis related to domestic and international food and agriculture, provides policy direction for biofuels and new uses, and is responsible for coordination and clearance review of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

WORKLOAD INDICATORS

	2002 actual	2003 est.	2004 est.
World Agricultural Supply and Demand Estimates Reports issued .....	12	12	12
Weekly Weather and Crop Bulletin issued .....	52	52	52

The National Appeals Division conducts administrative hearings and reviews of adverse program decisions made by the Farm Service Agency, the Risk Management Agency, the Natural Resources Conservation Service, and the Rural Development mission area.

WORKLOAD INDICATORS

	2002 actual	2003 est.	2004 est.
Regional or National Training .....	1	1	1

The Office of Budget and Program Analysis provides overall direction and administration of the Department's budgetary functions including: development, presentation, and execution of the budget; review of program and legislative proposals for programs and budget implications; and analysis of program issues and alternatives and preparation of summaries of pertinent data to aid Departmental policy officials and agency program managers in the decisionmaking process.

The Homeland Security Staff formulates emergency preparedness policies and objectives for the Department of Agriculture (USDA). The Staff directs and coordinates all of the Department's program activities that support USDA emergency programs and liaison functions with the Congress, the Department of Homeland Security, and other Federal departments and agencies involving homeland security, natural disasters, other emergencies, and agriculture-related international civil emergency planning and related activities.

Object Classification (in millions of dollars)

Identification code 12-0705-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	18	21	23
12.1 Civilian personnel benefits .....	4	5	5
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
24.0 Printing and reproduction .....			1
25.2 Other services .....	4	4	4
31.0 Equipment .....		1	1
99.0 Direct obligations .....	28	33	36
99.0 Reimbursable obligations .....	1	1	1
99.9 Total new obligations .....	29	34	37

Personnel Summary

Identification code 12-0705-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	233	275	275
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	4	4	4

OFFICE OF THE CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section

General and special funds—Continued

OFFICE OF THE CHIEF FINANCIAL OFFICER—Continued

706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109, \$7,902,000: Provided, That the Chief Financial Officer shall actively market and expand cross-servicing activities of the National Finance Center.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0014-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	5	8	8
09.01 Reimbursable program .....	2	2	2
10.00 Total new obligations .....	8	10	10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	8	10	10
23.95 Total new obligations .....	-8	-10	-10
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	5	8	8
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	2	2	2
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	3	2	2
70.00 Total new budget authority (gross) .....	8	10	10
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	8	10	10
73.20 Total outlays (gross) .....	-9	-10	-10
73.40 Adjustments in expired accounts (net) .....	2	1	1
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	7	10	10
86.93 Outlays from discretionary balances .....	2		
87.00 Total outlays (gross) .....	9	10	10
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-2	-2	-2
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	8	8
90.00 Outlays .....	8	8	8

The Office of the Chief Financial Officer (OCFO) supports the Chief Financial Officer in carrying out the dual roles of chief financial management policy officer and chief financial management advisor to the Secretary and mission area heads. OCFO provides leadership for all financial management, accounting, travel, Federal assistance, and performance measurement activities within the Department. It is responsible for the management and operation of the National Finance Center and the Departmental Working Capital Fund, and provides budget, accounting, and fiscal services to the Office of the Secretary, Departmental Staff Offices, Office of Communications, Office of the Chief Information Officer and Executive Operations.

PERFORMANCE MEASURES

	2002 actual	2003 est.	2004 est.
Achieve an unqualified opinion on the USDA financial statements .....	Preliminary	Unqualified	Unqualified
Implement the Foundation financial information system USDA-wide: USDA employees served .....	98%	100%	N/A

Object Classification (in millions of dollars)

Identification code 12-0014-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	3	6	6
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	1	1	1
99.0 Direct obligations .....	5	8	8
99.0 Reimbursable obligations .....	2	2	2
99.9 Total new obligations .....	8	10	10

Personnel Summary

Identification code 12-0014-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	51	80	80
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	12	12	12

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109, \$31,334,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0013-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Office of the Chief Information Officer .....	10	31	31
09.01 Reimbursable program .....	25	6	6
10.00 Total new obligations .....	35	37	37
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	35	37	37
23.95 Total new obligations .....	-35	-37	-37
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	10	31	31
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	10	6	6
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	15		
68.90 Spending authority from offsetting collections (total discretionary) .....	25	6	6
70.00 Total new budget authority (gross) .....	35	37	37
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-2		
73.10 Total new obligations .....	35	37	37
73.20 Total outlays (gross) .....	-24	-37	-37
73.40 Adjustments in expired accounts (net) .....	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-15		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	9		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	19	37	37

86.93	Outlays from discretionary balances .....	5		
87.00	Total outlays (gross) .....	24	37	37
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-13	-6	-6
Against gross budget authority only:				
88.95	Change in uncollected customer payments from			
	Federal sources (unexpired) .....	-15		
88.96	Portion of offsetting collections (cash) credited to			
	expired accounts .....	3		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	10	31	31
90.00	Outlays .....	10	31	31

The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer (CIO) for all major Federal agencies. The Act requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. To meet the intent of the law and to provide a Departmental focus for information resources management issues, Secretary's Memorandum 1030-30, dated August 8, 1996, established the Office of the Chief Information Officer (OCIO).

The CIO serves as the primary advisor to the Secretary and Mission Area Heads in these areas. OCIO provides leadership for the Department's information and information technology (IT) management activities in support of USDA's program delivery.

OCIO is leading USDA's eGovernment efforts, in coordination with the Presidential eGovernment Initiatives, to transform the Department's delivery of information, programs, and services using eGovernment channels. OCIO is designating the Department's Enterprise Architecture to efficiently support USDA's move towards eGovernment by leveraging economies-of-scale to acquire and share data and supporting IT applications and infrastructure. OCIO is strengthening USDA's Computer Security Program to mitigate threats to USDA's information and IT assets and support the Department's Homeland Security efforts. OCIO continues to facilitate the USDA IT Capital Planning and Control investment review process by providing guidance and support to the Department's Executive IT Investment Review Board, which approves all major technology investments to ensure they economically and effectively support program delivery.

Funded through the USDA Working Capital Fund, OCIO provides automated data processing (ADP) and wide-area telecommunications services to all USDA agencies through the National Information Technology Center and the Telecommunications Services and Operations organization, with locations in Ft. Collins, Colorado, Kansas City, Missouri, and Washington, D.C.

OCIO also has direct management responsibility for the IT component of the Service Center Modernization Initiative (SCMI). This includes the implementation of a common technology infrastructure to replace the outdated and stove-piped systems supporting the Farm Service Agency, the Natural Resources Conservation Service, and Rural Development.

**Performance Measures**

	2002 actual	2003 est.	2004 est.
Percent of appropriate agency information collections from citizens include electronic alternatives .....	n.a.	TBD	75
Number of USDA violations of the Paperwork Reduction Act outstanding .....	32	0	0
Number of enterprise-wide or interdepartmental software, hardware, and related services agreements issued .....	9	10	12
Completed vulnerability assessments for USDA mission critical systems (% of systems completed) .....	80	100	100
Percent of USDA mission critical systems with executable Disaster Recovery Plans .....	20	30	100

**Object Classification** (in millions of dollars)

Identification code 12-0013-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
11.1	Personnel compensation: Full-time permanent .....	5	6	7
12.1	Civilian personnel benefits .....	1	1	1
25.2	Other services .....	2	21	21
25.3	Other purchases of goods and services from Government accounts .....			
31.0	Equipment .....	1	1	1
99.0	Direct obligations .....	9	30	31
99.0	Reimbursable obligations .....	25	6	6
99.5	Below reporting threshold .....	1	1	
99.9	Total new obligations .....	35	37	37

**Personnel Summary**

Identification code 12-0013-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	63	82	82
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	5	5	5

**COMMON COMPUTING ENVIRONMENT**

*For necessary expenses to acquire a Common Computing Environment for the Natural Resources Conservation Service, the Farm and Foreign Agricultural Service and Rural Development mission areas for information technology, systems, and services, \$177,714,000, to remain available until expended, for the capital asset acquisition of shared information technology systems, including services as authorized by 7 U.S.C. 6915-16 and 40 U.S.C. 1421-28: Provided, That obligation of these funds shall be consistent with the Department of Agriculture Service Center Modernization Plan of the county-based agencies, and shall be with the concurrence of the Department's Chief Information Officer.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-0113-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	63	142	177
09.01	Reimbursable program .....		24	23
10.00	Total new obligations .....	63	166	200
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	13	9	
22.00	New budget authority (gross) .....	59	157	200
23.90	Total budgetary resources available for obligation .....	72	166	200
23.95	Total new obligations .....	-63	-166	-200
24.40	Unobligated balance carried forward, end of year .....	9		
<b>New budget authority (gross), detail:</b>				
<b>Discretionary:</b>				
40.00	Appropriation .....	59	133	177
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....		24	23
70.00	Total new budget authority (gross) .....	59	157	200
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	34	42	40
73.10	Total new obligations .....	63	166	200
73.20	Total outlays (gross) .....	-56	-168	-219
74.40	Obligated balance, end of year .....	42	40	21
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	50	132	168
86.93	Outlays from discretionary balances .....	6	36	51

General and special funds—Continued

COMMON COMPUTING ENVIRONMENT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0113-0-1-352	2002 actual	2003 est.	2004 est.
87.00 Total outlays (gross) .....	56	168	219
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....		-24	-23
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	59	133	177
90.00 Outlays .....	56	144	196

The Department of Agriculture Reorganization Act of 1994 requires the Secretary of Agriculture to procure and use computer systems in a manner that enhances efficiency, productivity, and client services, and that promotes computer information sharing among agencies of the Department. In addition, the Clinger Cohen Act of 1996 requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. Congress passed new legislation in 2000, "The Freedom to E-File Act," that requires agencies to make more services available to the public electronically. The USDA Service Center Modernization Initiative (SCMI) has been working to restructure county field offices, modernize and integrate business approaches and replace the current stove-piped and aging information systems with a modern common computing environment (CCE) that optimizes information sharing, customer service, and staff efficiencies. The funds requested under this account would fund essential capital investments needed to implement the modernization plan. Economies of scale in the procurement and management of information technology systems present compelling arguments for coordinating information technology investments. Without these investments, the Department's ability to provide timely and efficient services will continue to erode and the costs of maintaining the separate, aging systems will increase. The increase of \$44.6 million is to fund increased costs for information technology investments by the Farm Service Agency, Rural Development, and the Risk Management Agency. An additional \$4 million is requested to fund ongoing projects necessary to implement the e-gov initiative. In lieu of providing the funding to each individual agency, funding is being provided through the CCE account to encourage increased oversight on expenditures. This change only applies to increased requests for funding. Funding already built into agency budgets to support the CCE remain within each agency's budget. Additional funds in the individual agency budgets will support some CCE investments, the reengineering of business processes and data acquisition needed to maximize the benefits of this technology.

Performance Measure

	2002 actual	2003 est.	2004 est.
Operational SCMI Common Computing Environment .....	90%	100%	100%
Network Servers deployed and operational .....	100%	100%	100%
Telecommunications Network Upgrade .....	50%	100%	100%
Provide web Farm Infrastructure to meet efile deadlines .....	100%	100%	100%
Acquire computer peripherals (GPS units, digital cameras, portable printers, scanners, etc.) .....	35%	70%	100%
Replace original CCD workstations purchased in 1998 .....	n.a.	12,600	n.a.
Reduce percentage of successful intrusions at USDA attributed to service center agencies (SCA) to 5% by 2006. ....	30%	20%	10%
Operate an efficient, effective, and diverse organization and provide electronic access .....	n.a.	90%	95%

Object Classification (in millions of dollars)

Identification code 12-0113-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
23.3 Communications, utilities, and miscellaneous charges .....	3		
25.2 Other services .....	6	75	110
26.0 Supplies and materials .....	22	11	20
31.0 Equipment .....	32	56	47
99.0 Direct obligations .....	63	142	177
99.0 Reimbursable obligations .....		24	23
99.9 Total new obligations .....	63	166	200

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 12-4609-0-4-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Operating expenses:</b>			
09.01 Administration .....	21	24	25
09.02 Communications .....	5	5	5
09.03 Finance and management .....	163	178	180
09.04 Information technology .....	72	79	81
09.05 Executive secretariat .....	2	3	3
09.06 Corporate systems .....	35	39	39
09.09 Subtotal, operating expenses .....	298	328	333
<b>Purchase of equipment:</b>			
09.12 Finance and management .....	4	9	9
09.13 Information technology .....	5	8	8
09.15 Corporate systems .....	8	21	
09.19 Subtotal, purchase of equipment .....	17	38	17
10.00 Total new obligations .....	315	366	350
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	25	63	54
22.00 New budget authority (gross) .....	348	357	336
22.22 Unobligated balance transferred from other accounts .....	6		
23.90 Total budgetary resources available for obligation .....	379	420	390
23.95 Total new obligations .....	-315	-366	-350
24.40 Unobligated balance carried forward, end of year .....	63	54	40
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....		21	
42.00 Transferred from other accounts .....	16		
43.00 Appropriation (total discretionary) .....	16	21	
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	345	336	336
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-13		
68.90 Spending authority from offsetting collections (total discretionary) .....	332	336	336
70.00 Total new budget authority (gross) .....	348	357	336
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-10	16	26
73.10 Total new obligations .....	315	366	350
73.20 Total outlays (gross) .....	-302	-356	-336
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	13		
74.40 Obligated balance, end of year .....	16	26	40
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	16	312	291
86.93 Outlays from discretionary balances .....	286	44	45
87.00 Total outlays (gross) .....	302	356	336
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-345	-336	-336

Against gross budget authority only:	
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....
	13 .....
<b>Net budget authority and outlays:</b>	
89.00	Budget authority .....
90.00	Outlays .....
	16      21 .....
	-43      20 .....

This fund finances by advances or reimbursements certain central services in the Department of Agriculture, including duplicating and other visual information services, art and graphics, video services, supply, centralized accounting systems, centralized automated data processing systems for payroll, personnel, and related services, voucher payments services, and ADP systems. The National Finance Center's expenses are also funded through this fund. The capital consists of \$400 thousand appropriated (7 U.S.C. 2235), and subsequent appropriations of \$32 million as of September 30, 2002. Earnings are kept at a low level through adjustments in rates charged for services to maintain as nearly as possible the nonprofit nature of the fund.

**Object Classification** (in millions of dollars)

Identification code 12-4609-0-4-352	2002 actual	2003 est.	2004 est.	
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	103	112	114
11.3	Other than full-time permanent .....	2	2	2
11.5	Other personnel compensation .....	5	3	3
11.9	Total personnel compensation .....	110	117	119
12.1	Civilian personnel benefits .....	24	24	25
21.0	Travel and transportation of persons .....	2	2	2
22.0	Transportation of things .....	1	1	1
23.1	Rental payments to GSA .....	4	5	5
23.2	Rental payments to others .....	2	2	2
23.3	Communications, utilities, and miscellaneous charges .....	33	42	42
24.0	Printing and reproduction .....	1	2	2
25.2	Other services .....	107	121	123
26.0	Supplies and materials .....	9	9	9
31.0	Equipment .....	22	41	20
99.9	Total new obligations .....	315	366	350

**Personnel Summary**

Identification code 12-4609-0-4-352	2002 actual	2003 est.	2004 est.	
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	2,080	2,125	2,033

**DEPARTMENTAL ADMINISTRATION**

**Federal Funds**

**General and special funds:**

DEPARTMENTAL ADMINISTRATION  
(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, \$45,128,000, to provide for necessary expenses for management support services to offices of the Department and for general administration, security, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-0120-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.08	Direct program .....	37	42	45
09.01	Reimbursable program .....	14	22	18
10.00	Total new obligations .....	51	64	63
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	51	64	63
23.95	Total new obligations .....	-51	-64	-63
23.98	Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>				
<b>Discretionary:</b>				
40.00	Appropriation .....	37	42	45
<b>Spending authority from offsetting collections:</b>				
68.00	Offsetting collections (cash) .....	7	22	18
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	7		
68.90	Spending authority from offsetting collections (total discretionary) .....	14	22	18
70.00	Total new budget authority (gross) .....	51	64	63
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	-2	-10	-8
73.10	Total new obligations .....	51	64	63
73.20	Total outlays (gross) .....	-54	-62	-63
73.40	Adjustments in expired accounts (net) .....	-1		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-7		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	4		
74.40	Obligated balance, end of year .....	-10	-8	-10
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	49	60	58
86.93	Outlays from discretionary balances .....	5	2	4
87.00	Total outlays (gross) .....	54	62	63
<b>Offsets:</b>				
<b>Against gross budget authority and outlays:</b>				
88.00	Offsetting collections (cash) from: Federal sources .....	-14	-22	-18
<b>Against gross budget authority only:</b>				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-7		
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	7		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	37	42	45
90.00	Outlays .....	39	40	45
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	2	2	2
99.01	Outlays .....	2	2	2

Departmental Administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of the Department. These activities include Department-wide programs for human resource management, ethics, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, civil rights and equal opportunity, participation of small and disadvantaged businesses, emergency preparedness, and the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges, Judicial Officer, and Board of Contract Appeals.

Departmental Administration is also responsible for representing USDA in the development of government-wide policies and initiatives; analyzing the impact of government-wide trends and developing appropriate USDA principles, policies, and standards. In addition, Departmental Administration engages in strategic planning and evaluating programs to ensure USDA-wide compliance with applicable laws, rules, and

**General and special funds—Continued**

DEPARTMENTAL ADMINISTRATION—Continued  
(INCLUDING TRANSFERS OF FUNDS)—Continued

regulations pertaining to administrative matters for the Secretary and general officers of the Department.

**Object Classification** (in millions of dollars)

Identification code 12-0120-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	24	29	30
12.1 Civilian personnel benefits .....	5	6	6
23.3 Communications, utilities, and miscellaneous charges .....	1	1	
25.2 Other services .....	3	3	5
25.3 Other purchases of goods and services from Government accounts .....	2	3	3
99.0 Direct obligations .....	35	42	44
99.0 Reimbursable obligations .....	15	21	17
99.5 Below reporting threshold .....	1	1	2
99.9 Total new obligations .....	51	64	63

**Personnel Summary**

Identification code 12-0120-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	324	413	415
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	69	76	76

**HAZARDOUS MATERIALS MANAGEMENT**

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601 et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., \$15,713,000, to remain available until expended: Provided, That appropriations and funds available herein to the Department for Hazardous Materials Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands. (42 U.S.C. 6961, et seq., 42 U.S.C. 9601, et seq.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-0500-0-1-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	21	16	16
10.00 Total new obligations .....	21	16	16
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	1
22.00 New budget authority (gross) .....	17	16	16
22.10 Resources available from recoveries of prior year obligations .....	6		
23.90 Total budgetary resources available for obligation .....	23	17	17
23.95 Total new obligations .....	-21	-16	-16
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	17	16	16
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	18	18	15
73.10 Total new obligations .....	21	16	16

73.20 Total outlays (gross) .....	-18	-18	-18
73.45 Recoveries of prior year obligations .....	-6		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	3		
74.40 Obligated balance, end of year .....	18	15	15

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	14	14	14
86.93 Outlays from discretionary balances .....	4	4	4
87.00 Total outlays (gross) .....	18	18	18

**Net budget authority and outlays:**

89.00 Budget authority .....	17	16	16
90.00 Outlays .....	16	18	18

Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA), the Department has the responsibility to meet the same standards for storage and disposition of hazardous wastes as private businesses. Since the Department has substantial commitments under these Acts, a central fund has been established so that resources may be allocated to the Department's agencies. Allocations are made according to objective criteria.

**PERFORMANCE INDICATORS**

	2002 actual	2003 est.	2004 est.
Number of sites assessed/characterized on need for cleanup .....	147	91	83
Number of cleanup plans .....	32	116	33
Number of non-mine CERCLA cleanups .....	10	32	9
Number of mine CERCLA cleanups .....	19	6	23
Number of UST and other RCRA cleanups .....	6	26	16
Number of agreements reached with potentially responsible parties (PRPs) .....	19	10	10
Estimated value of cleanup/restoration work performed by PRP's (\$ millions) .....	\$14.6	\$5	\$5

**Object Classification** (in millions of dollars)

Identification code 12-0500-0-1-304	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services .....	20	15	15
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	21	16	16

**Personnel Summary**

Identification code 12-0500-0-1-304	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	6	6	

**AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS**

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for alterations and other actions needed for the Department and its agencies to consolidate unneeded space into configurations suitable for release to the Administrator of General Services, and for the operation, maintenance, improvement, and repair of Agriculture buildings, \$199,332,000, to remain available until expended: Provided, That not to exceed 5 percent of amounts which are made available for space rental and related costs for the Department of Agriculture in this Act may be transferred between such appropriations to cover the costs of new or replacement space 15 days after notice thereof is transmitted to the Appropriations Committees of both Houses of Congress.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-0117-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Rental payments to GSA: Non-recurring repairs .....	121	121	124
00.02 Building operations and maintenance .....	31	33	41
00.04 Strategic space plan .....	14	34	34
09.02 Reimbursable program .....	1	2	2
10.00 Total new obligations .....	167	190	201
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	25	41	43
22.00 New budget authority (gross) .....	181	190	200
22.10 Resources available from recoveries of prior year obligations .....	2	2	2
23.90 Total budgetary resources available for obligation .....	208	233	245
23.95 Total new obligations .....	-167	-190	-201
24.40 Unobligated balance carried forward, end of year .....	41	43	44
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	179	189	199
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	1	1	1
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	2	1	1
70.00 Total new budget authority (gross) .....	181	190	200
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	46	24	22
73.10 Total new obligations .....	167	190	201
73.20 Total outlays (gross) .....	-186	-190	-200
73.45 Recoveries of prior year obligations .....	-2	-2	-2
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	24	22	21
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	129	188	198
86.93 Outlays from discretionary balances .....	57	2	2
87.00 Total outlays (gross) .....	186	190	200
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1	-1	-1
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	179	189	199
90.00 Outlays .....	186	189	199

This account finances the General Services Administration's fees for rental of space and related services. The appropriation covers all fees for all regular appropriated accounts within the Department of Agriculture with the exception of the Forest Service. This account also finances the operation and maintenance of four buildings in the Headquarters area.

Beginning in 1995, the account included funds for USDA's strategic space plan. Since then, funds were made available for the construction and occupancy of an office facility at the Beltsville Agricultural Research Center and the design and implementation of a long-term program to renovate and modernize the South Building.

**WORKLOAD INDICATORS**

	2002 actual	2003 est.	2004 est.
Maintenance and Repairs:			
Minor repairs (number) .....	400	800	800
Maintenance (thousands of hours) .....	19,500	19,250	19,000
Service calls (thousands) .....	11,000	10,750	10,500

**Object Classification** (in millions of dollars)

Identification code 12-0117-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	6	6	6
12.1 Civilian personnel benefits .....	2	2	2
23.1 Rental payments to GSA .....	121	121	124
23.3 Communications, utilities, and miscellaneous charges .....	5	5	5
25.2 Other services .....	32	54	62
99.0 Direct obligations .....	166	188	199
99.0 Reimbursable obligations .....	1	2	2
99.9 Total new obligations .....	167	190	201

**Personnel Summary**

Identification code 12-0117-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	89	94	94

**OFFICE OF COMMUNICATIONS**

*Federal Funds*

**General and special funds:**

OFFICE OF COMMUNICATIONS

*For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, \$10,084,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed \$2,000,000 may be used for farmers' bulletins.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-0150-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Public affairs .....	9	10	10
09.01 Reimbursable program .....		1	1
10.00 Total new obligations .....	9	11	11
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	9	11	11
23.95 Total new obligations .....	-9	-11	-11
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	9	10	10
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		1	1
70.00 Total new budget authority (gross) .....	9	11	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-2	-1	
73.10 Total new obligations .....	9	11	11
73.20 Total outlays (gross) .....	-9	-10	-11
73.40 Adjustments in expired accounts (net) .....	1	1	1
74.40 Obligated balance, end of year .....	-1		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	8	10	10
86.93 Outlays from discretionary balances .....	1		1
87.00 Total outlays (gross) .....	9	10	11
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....		-1	-1

**General and special funds—Continued**

OFFICE OF COMMUNICATIONS—Continued

**Program and Financing** (in millions of dollars)—Continued

Identification code 12-0150-0-1-352	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	9	11	11
90.00 Outlays .....	9	10	10
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

*Public affairs*—This office provides general direction, leadership, and coordination of the Department's information program. The major objective is to provide a balanced and useful information program that reports on USDA's research, administrative action, and regulatory activities using all communications media in order to enable the general public and the agricultural industry to have a better understanding of agriculture's services to farmers and to society.

**PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
Random surveys of selected communications initiatives reveal that intended audience received the material or information distributed .....	95%	95%	95%

**Object Classification** (in millions of dollars)

Identification code 12-0150-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	6	7	7
12.1 Civilian personnel benefits .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	1	1	1
99.0 Direct obligations .....	9	10	10
99.0 Reimbursable obligations .....		1	1
99.9 Total new obligations .....	9	11	11

**Personnel Summary**

Identification code 12-0150-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	74	90	90

**OFFICE OF THE INSPECTOR GENERAL**

*Federal Funds*

**General and special funds:**

OFFICE OF THE INSPECTOR GENERAL

*For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, \$81,895,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, including not to exceed \$50,000 for employment under 5 U.S.C. 3109; including not to exceed \$125,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98. (7 U.S.C. 450b, 2201, 2202, 2220, 2270; Public Law 100-504.)*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-0900-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	71	78	82
09.01 Reimbursable program .....	2	2	2
10.00 Total new obligations .....	73	80	84
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	3	3
22.00 New budget authority (gross) .....	75	80	84
23.90 Total budgetary resources available for obligation .....	76	83	87
23.95 Total new obligations .....	-73	-80	-84
24.40 Unobligated balance carried forward, end of year .....	3	3	3
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	71	78	82
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	1	2	2
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	3		
68.90 Spending authority from offsetting collections (total discretionary) .....	4	2	2
70.00 Total new budget authority (gross) .....	75	80	84
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5		
73.10 Total new obligations .....	73	80	84
73.20 Total outlays (gross) .....	-74	-78	-83
73.40 Adjustments in expired accounts (net) .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	70	73	76
86.93 Outlays from discretionary balances .....	4	5	7
87.00 Total outlays (gross) .....	74	78	83
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-2	-2	-2
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	71	78	82
90.00 Outlays .....	72	76	81
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	5	5	5
99.01 Outlays .....	5	5	5

The Office keeps the Secretary and Congress informed about fraud, other serious problems, mismanagement, and deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problems. It reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact these laws have on the Department's programs and the prevention and detection of fraud and mismanagement in such programs. The Office provides policy direction and conducts, supervises, and coordinates all audits and investigations. The office supervises and coordinates other activities in the Department and between the Department and other Federal, State and local government agencies whose purposes are to: (a) promote economy and efficiency; (b) prevent and detect fraud and mismanagement; and (c) identify and prosecute people involved in fraud or mismanagement.

Object Classification (in millions of dollars)				
Identification code 12-0900-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1 Full-time permanent .....	43	45	45	
11.5 Other personnel compensation .....	4	4	4	
11.9 Total personnel compensation .....	47	49	49	
12.1 Civilian personnel benefits .....	13	14	15	
21.0 Travel and transportation of persons .....	5	6	6	
23.3 Communications, utilities, and miscellaneous charges .....	1	1	3	
25.2 Other services .....	2	5	6	
25.3 Other purchases of goods and services from Government accounts .....	1	1	1	
99.0 Direct obligations .....	69	76	80	
99.0 Reimbursable obligations .....	2	2	2	
99.5 Below reporting threshold .....	2	2	2	
99.9 Total new obligations .....	73	80	84	

**Personnel Summary**

Identification code 12-0900-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001 Total compensable workyears: Civilian full-time equivalent employment .....	642	721	721	

**OFFICE OF THE GENERAL COUNSEL**

**Federal Funds**

**General and special funds:**

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, \$37,328,000. (7 U.S.C. 2201; 2202, 2214a.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-2300-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01 Direct program .....	33	36	37	
09.00 Reimbursable program .....	1	1	1	
10.00 Total new obligations .....	34	37	38	

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	34	37	38	
23.95 Total new obligations .....	-34	-37	-38	

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00 Appropriation .....	33	36	37	
<b>Spending authority from offsetting collections: Offsetting collections (cash) .....</b>				
68.00 .....	1	1	1	
70.00 Total new budget authority (gross) .....	34	37	38	

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	2	2	2	
73.10 Total new obligations .....	34	37	38	
73.20 Total outlays (gross) .....	-34	-37	-38	
74.40 Obligated balance, end of year .....	2	2	2	

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	32	35	36	
86.93 Outlays from discretionary balances .....	2	2	2	
87.00 Total outlays (gross) .....	34	37	38	

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
88.00 Offsetting collections (cash) from: Federal sources .....	-1	-1	-1	

Net budget authority and outlays:			
89.00 Budget authority .....	34	37	38
90.00 Outlays .....	33	36	37

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	2	3	3
99.01 Outlays .....	2	3	3

The Office of the General Counsel of the Department of Agriculture provides all legal advice, counsel, and services to the Secretary and to all agencies, offices, and corporations of the Department on all aspects of their operations. It represents the Department in administrative proceedings; non-litigation debt collection proceedings; state water rights adjudications; proceedings before the Environmental Protection Agency, Interstate Commerce Commission, Federal Maritime Administration and International Trade Commission; and, in conjunction with the Department of Justice, in judicial proceedings and litigation. All attorneys and related support personnel devoted to those efforts are under the supervision of the General Counsel.

**Object Classification (in millions of dollars)**

Identification code 12-2300-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
11.1 Personnel compensation: Full-time permanent .....	25	27	28	
12.1 Civilian personnel benefits .....	6	6	6	
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1	
25.2 Other services .....	1	1	1	
31.0 Equipment .....	1	1	1	
99.0 Direct obligations .....	33	36	37	
99.0 Reimbursable obligations .....	1	1	1	
99.9 Total new obligations .....	34	37	38	

**Personnel Summary**

Identification code 12-2300-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001 Total compensable workyears: Civilian full-time equivalent employment .....	315	351	351	
<b>Reimbursable:</b>				
2001 Total compensable workyears: Civilian full-time equivalent employment .....	9	8	8	

**ECONOMIC RESEARCH SERVICE**

**Federal Funds**

**General and special funds:**

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, \$76,657,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944. (7 U.S.C. 292, 411, 427, 1441a, 1704, 1761-68, 2201, 2202, 2225, 3103, 3291, 3311, 3504; 22 U.S.C. 3101; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-1701-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01 Direct program .....	67	73	77	
09.00 Reimbursable program .....	3	3	3	
10.00 Total new obligations .....	70	76	80	

**General and special funds—Continued**

**ECONOMIC RESEARCH SERVICE—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 12-1701-0-1-352	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	70	76	80
23.95 Total new obligations .....	-70	-76	-80
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	67	73	77
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	3	3	3
70.00 Total new budget authority (gross) .....	70	76	80
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	26	23	24
73.10 Total new obligations .....	70	76	80
73.20 Total outlays (gross) .....	-73	-75	-80
74.40 Obligated balance, end of year .....	23	24	26
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	55	66	70
86.93 Outlays from discretionary balances .....	18	9	10
87.00 Total outlays (gross) .....	73	75	80
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-3	-3	-3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	67	73	77
90.00 Outlays .....	70	72	77
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

The Economic Research Service provides economic and other social science research and analysis for public and private decisions on agriculture, food, natural resources, and rural America.

Miscellaneous funds received from States, local organizations, and others are available for support of economic research and analysis (7 U.S.C. 450b, 450h, 3318b).

The 2004 request includes funding for costs associated with development of a security system to provide policy officials with information to respond to threats to U.S. agriculture and for an initiative on strengthening the economic information and analytical basis for genomics research, application, and education program decisions.

**Object Classification (in millions of dollars)**

Identification code 12-1701-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	35	38	39
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	36	39	40
12.1 Civilian personnel benefits .....	8	8	9
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	2	3	5
25.3 Other purchases of goods and services from Government accounts .....	7	8	8
25.5 Research and development contracts .....	8	9	9
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
41.0 Grants, subsidies, and contributions .....	2	2	2
99.0 Direct obligations .....	67	73	77
99.0 Reimbursable obligations .....	3	3	3

99.9 Total new obligations .....	70	76	80
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**Personnel Summary**

Identification code 12-1701-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	476	501	504
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	4	3	3

**NATIONAL AGRICULTURAL STATISTICS SERVICE**

**Federal Funds**

**General and special funds:**

**NATIONAL AGRICULTURAL STATISTICS SERVICE**

*For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture, as authorized by 7 U.S.C. 1621-1627, 22049, and other laws, \$136,182,000, of which up to \$25,279,000 shall be available until expended for the Census of Agriculture: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944, and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 411, 411a, 411b, 427, 471, 475, 476, 501, 951, 953, 955-57, 1621-27, 2201, 2202, 2204, 2225, 2248, 3103, 3311, 3504; 18 U.S.C. 1902, 1905, 2072; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.)*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-1801-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Agricultural estimates .....	85	95	107
00.02 Statistical research and service .....	4	4	4
00.03 Census of Agriculture .....	26	41	25
09.01 Reimbursable program .....	12	16	16
10.00 Total new obligations .....	127	156	152
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		
22.00 New budget authority (gross) .....	127	157	152
23.90 Total budgetary resources available for obligation .....	128	157	152
23.95 Total new obligations .....	-127	-156	-152
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	115	141	136
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	12	16	16
70.00 Total new budget authority (gross) .....	127	157	152
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	9	6	15
73.10 Total new obligations .....	127	156	152
73.20 Total outlays (gross) .....	-127	-147	-152
73.40 Adjustments in expired accounts (net) .....	-3		
74.40 Obligated balance, end of year .....	6	15	15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	121	141	137
86.93 Outlays from discretionary balances .....	6	6	15
87.00 Total outlays (gross) .....	127	147	152

<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-8	-13	-13
88.40	Non-Federal sources .....	-4	-3	-3
88.90	Total, offsetting collections (cash) .....	-12	-16	-16
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	115	141	136
90.00	Outlays .....	115	131	136
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	5	5	5
99.01	Outlays .....	5	5	5

*Agricultural estimates.*—The Service provides the official National and State estimates of acreage, yield, and production of crops, stocks, and value of farm commodities, and numbers of inventory values of livestock items. Data on approximately 120 crops and 45 livestock products are covered in nearly 400 reports issued each year. Detailed data are also collected on agricultural chemical use, labor, and expenditures. In addition, the Census of Agriculture is conducted every five years which provides comprehensive data on the Nation's agricultural industry down to the county level.

The work under this activity is conducted through 46 field offices serving the 50 States and Puerto Rico; most of these offices are operated as joint State and Federal services. Cooperative arrangements with State agencies provide additional State and county data. The 2004 program includes funding related to the restoration and modernization of the Agricultural Estimates program, the continuing development of a locality based agricultural county estimates/small area estimation program, and e-government data dissemination and electronic data reporting.

*Statistical research and service.*—This activity is designed to improve the statistical methods and related technologies by improving sample survey designs and procedures and by testing new forecasting and estimating techniques, such as the use of remote sensing and geographic information systems.

*Census of Agriculture.*—The Census of Agriculture is conducted every five years. A proposed decrease of \$16 million reflects funding of cyclical activities associated with labeling, mailing, processing and analysis for the 2002 Census of Agriculture.

Miscellaneous funds received from local organizations, commodity groups, and others are available for dissemination of reports and for survey work conducted under cooperative agreements (7 U.S.C. 450b, 450h, 3318b).

**Object Classification** (in millions of dollars)

Identification code 12-1801-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	55	74	77
11.3	Other than full-time permanent .....	1	1	1
11.5	Other personnel compensation .....	1	1	1
11.9	Total personnel compensation .....	57	76	79
12.1	Civilian personnel benefits .....	15	19	20
21.0	Travel and transportation of persons .....	1	2	2
22.0	Transportation of things .....	1	1	1
23.3	Communications, utilities, and miscellaneous charges .....	5	7	5
24.0	Printing and reproduction .....	1	1	1
25.2	Other services .....	22	18	15
25.3	Other purchases of goods and services from Government accounts .....	7	11	7
25.7	Operation and maintenance of equipment .....	2	1	1
26.0	Supplies and materials .....	1	1	1
31.0	Equipment .....	3	4	4
99.0	Direct obligations .....	114	141	136
99.0	Reimbursable obligations .....	11	15	16
99.5	Below reporting threshold .....	2		

99.9	Total new obligations .....	127	156	152
<b>Personnel Summary</b>				
Identification code 12-1801-0-1-352		2002 actual	2003 est.	2004 est.
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	981	1,252	1,262
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	106	106	106

**AGRICULTURAL RESEARCH SERVICE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, and for land exchanges where the lands exchanged shall be of equal value or shall be equalized by a payment of money to the grantor which shall not exceed 25 percent of the total value of the land or interests transferred out of Federal ownership, \$987,303,000: Provided, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$115,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: Provided further, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed \$375,000, except for greenhouses or greenhouses, which shall each be limited to \$1,200,000, and except for 10 buildings to be constructed or improved at a cost not to exceed \$750,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or \$375,000, whichever is greater: Provided further, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: Provided further, That appropriations hereunder shall be available for granting easements at the Beltsville Agricultural Research Center: Provided further, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): Provided further, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.*

*None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.*

*In fiscal year 2004, the agency is authorized to charge fees, commensurate with the fair market value, for any permit, easement, lease, or other special use authorization for the occupancy or use of land and facilities (including land and facilities at the Beltsville Agricultural Research Center) issued by the agency, as authorized by law, and such fees shall be credited to this account, and shall remain available until expended for authorized purposes. (7 U.S.C. 328, 427, 427i, 1281 note, 1621, 2201, 2204, 2225, 2250, 3101 note; 10 U.S.C. 2306; 16 U.S.C. 590(a)-590(b), 590(k); 18 U.S.C. 1114; 19 U.S.C. 1306(a), 1306(c); 20 U.S.C. 191-194; 21 U.S.C. 113a, 114c, 114e-131; 42 U.S.C. 1476(e), 1483)*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## General and special funds—Continued

## SALARIES AND EXPENSES—Continued

## Unavailable Collections (in millions of dollars)

Identification code 12-1400-0-1-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	5	5	5
07.99 Balance, end of year .....	5	5	5

## Program and Financing (in millions of dollars)

Identification code 12-1400-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Research on soil, water and air science .....	103	102	103
00.02 Research on plant science .....	365	346	356
00.03 Research on animal science .....	179	177	183
00.04 Research on commodity conversion and delivery .....	169	177	186
00.05 Human nutrition research .....	75	77	77
00.06 Integration of agricultural systems .....	37	39	41
00.07 Repair and maintenance of facilities .....	18	18	18
00.08 Homeland security .....	9	22	.....
00.09 Collaborative research program .....	2	5	.....
00.10 Agricultural information and library science .....	22	22	23
00.11 Construction/Miscellaneous Fees .....	.....	2	.....
09.00 Reimbursable program .....	50	60	60
10.00 Total new obligations .....	1,029	1,047	1,047
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	29	4
22.00 New budget authority (gross) .....	1,056	1,021	1,051
23.90 Total budgetary resources available for obligation .....	1,059	1,050	1,055
23.95 Total new obligations .....	-1,029	-1,047	-1,047
23.98 Unobligated balance expiring or withdrawn .....	-3	.....	.....
24.40 Unobligated balance carried forward, end of year .....	29	4	8
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,002	957	987
40.73 Reduction pursuant to P.L. 107-206 .....	-1	.....	.....
42.00 Transferred from other accounts .....	5	.....	.....
43.00 Appropriation (total discretionary) .....	1,006	957	987
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	50	64	64
70.00 Total new budget authority (gross) .....	1,056	1,021	1,051
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	277	301	270
73.10 Total new obligations .....	1,029	1,047	1,047
73.20 Total outlays (gross) .....	-1,005	-1,078	-1,049
74.40 Obligated balance, end of year .....	301	270	268
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	820	829	854
86.93 Outlays from discretionary balances .....	185	249	195
87.00 Total outlays (gross) .....	1,005	1,078	1,049
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-43	-55	-55
88.40 Non-Federal sources .....	-7	-9	-9
88.90 Total, offsetting collections (cash) .....	-50	-64	-64
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,006	957	987
90.00 Outlays .....	955	1,014	985

The Agricultural Research Service conducts research to provide the means for a safer, more economical supply of agricultural products for the Nation and to provide producers with technologies to competitively supply these products. Technology needs of regulatory, technical assistance and education agencies of USDA and other Federal agencies are supported

through ARS research. The Service uses coordinated, interdisciplinary approaches to perform basic and applied research on soil and water conservation, plant and animal sciences, commodity conversion and delivery, human nutrition, and integrated agricultural systems. In 2004, the Service proposes increased emphases for critical research needs in agriculture, such as: biosecurity; emerging and exotic diseases of plants and animals; sequencing and bioinformatics; and information technology cyber security. Consistent with the 2003 budget, the 2004 budget also proposes to eliminate funding for unrequested Congressional earmarks added in 2001 and 2002, as well as some less critical base programs. In 2002, the Service submitted 68 new patent applications, participated in 61 new Cooperative research and development agreements (CRADAs), licensed 24 new products, and developed 63 new plant varieties to release to industry for further development and marketing.

*Research on soil, water, and air sciences.*—Research is conducted to improve soil and water management, irrigation, and conservation practices; to protect natural resources from harmful effects of soil, air, and water pollutants and to minimize certain agricultural pollution problems; and to determine the relation of soil types and water to plant, animal, and human nutrition.

*Research on plant science.*—Research is conducted to increase plant productivity by improving plant varieties, developing new crop resources, and improving crop production practices, including methods to control plant diseases, nematodes, insects, and weeds.

*Research on animal science.*—Research is conducted to increase livestock productivity (including poultry) through improved breeding, feeding, and management practices, and to develop methods for controlling diseases, parasites, and insect pests affecting these animals.

*Research on commodity conversion and delivery.*—Research is conducted to develop new and improved foods, feeds, products, and processes for agricultural commodities and to improve the processing, transportation, storage, wholesaling, and retailing of products. Research is also conducted on means to ensure the safety of food and feed supplies, control insect pests of man and his belongings, and reduce the hazards to human life resulting from pesticide residues and other causes.

*Human nutrition research.*—Research is conducted on subjects such as human nutritional requirements and the composition and nutritive value of foods, to promote optimum human health through improved nutrition.

*Integration of agricultural systems.*—Research is conducted to develop integrated systems for efficiently producing, processing, and marketing agricultural products, and to develop alternative agricultural systems that are less dependent upon nonrenewable resources and that are productive, efficient, and sustainable in the long term.

*Agricultural information and library services.*—The National Agricultural Library provides a variety of information products and services through: (1) the administration of a unique collection of books, journals, and other information materials about food and agriculture to ensure accessibility to their contents; (2) the development and maintenance of cooperative efforts in the library and related information areas, with other Federal agencies and with educational institutions in each State; and (3) an active program of information dissemination.

*Repair and maintenance of facilities.*—Funds are used to restore, upgrade, and maintain Federal facilities to meet OSHA and EPA requirements, provide suitable workspace for in-house research programs, and to retrofit existing structures for better energy utilization.

*Collaborative Research Program.*—Funds from the U.S. Agency for International Development (AID), allow USDA to

provide short-term scientific exchanges to the New Independent States of the former Soviet Union (NIS), in developing a market-based agricultural system necessary to meet the food needs of their populations and to develop and strengthen trade linkages between their countries and related agribusiness and agricultural enterprise in the U.S.

**Reimbursements.**—Agricultural Research Service performs program research activities and services for other USDA, Federal, and non-Federal agencies. These activities and services are paid for on a reimbursable basis.

A portion of funds related to the operation and programs at the Plum Island Animal Disease Center is included in the budget of the Department of Homeland Security, to which the facility was transferred.

**Object Classification** (in millions of dollars)

Identification code 12-1400-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	405	433	454
11.3 Other than full-time permanent .....	17	19	20
11.5 Other personnel compensation .....	12	12	12
11.9 Total personnel compensation .....	434	464	486
12.1 Civilian personnel benefits .....	104	112	118
21.0 Travel and transportation of persons .....	18	16	15
22.0 Transportation of things .....	1	1	1
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	36	31	31
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	1	1	1
25.2 Other services .....	18	19	15
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
25.4 Operation and maintenance of facilities .....	20	18	18
25.5 Research and development contracts .....	148	144	127
25.7 Operation and maintenance of equipment .....	6	5	5
25.8 Subsistence and support of persons .....	2	2	2
26.0 Supplies and materials .....	96	88	84
31.0 Equipment .....	55	50	48
32.0 Land and structures .....	12	10	10
41.0 Grants, subsidies, and contributions .....	25	23	23
99.0 Direct obligations .....	979	987	987
99.0 Reimbursable obligations .....	50	60	60
99.9 Total new obligations .....	1,029	1,047	1,047

**Personnel Summary**

Identification code 12-1400-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	7,923	8,117	8,247
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	161	161	161

**BUILDINGS AND FACILITIES**

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, \$24,000,000, to remain available until expended (7 U.S.C. 2209b): Provided, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-1401-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Building and facilities projects .....	51	81	50
10.00 Total new obligations .....	51	81	50
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	127	266	198
22.00 New budget authority (gross) .....	190	15	24
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	318	281	222
23.95 Total new obligations .....	-51	-81	-50
24.40 Unobligated balance carried forward, end of year .....	266	198	172
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	190	15	24
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	50	59	81
73.10 Total new obligations .....	51	81	50
73.20 Total outlays (gross) .....	-42	-59	-78
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	59	81	53
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	2	3
86.93 Outlays from discretionary balances .....	40	57	75
87.00 Total outlays (gross) .....	42	59	78
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	190	15	24
90.00 Outlays .....	42	59	78

This account provides funds for acquisition of land, construction, repair, improvement, extension, alterations, and purchases of fixed equipment or facilities of or used by the Agricultural Research Service. The 2004 request provides for biosecurity upgrades of a number of Agricultural Research Service facilities as well as continuing modernization of the National Agricultural Library.

**Object Classification** (in millions of dollars)

Identification code 12-1401-0-1-352	2002 actual	2003 est.	2004 est.
25.2 Other services .....	47	75	46
32.0 Land and structures .....	4	6	4
99.9 Total new obligations .....	51	81	50

**Trust Funds**

**MISCELLANEOUS CONTRIBUTED FUNDS**

**Unavailable Collections** (in millions of dollars)

Identification code 12-8214-0-7-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.20 Science and education contributed funds .....	18	20	23
<b>Appropriations:</b>			
05.00 Miscellaneous contributed funds .....	-18	-20	-23
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 12-8214-0-7-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Miscellaneous contributed funds .....	20	20	23
10.00 Total new obligations .....	20	20	23

**General and special funds—Continued**

MISCELLANEOUS CONTRIBUTED FUNDS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-8214-0-7-352	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	19	17	17
22.00 New budget authority (gross)	18	20	23
23.90 Total budgetary resources available for obligation	37	37	40
23.95 Total new obligations	-20	-20	-23
24.40 Unobligated balance carried forward, end of year	17	17	17
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund)	18	20	23
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	12	12	12
73.10 Total new obligations	20	20	23
73.20 Total outlays (gross)	-20	-20	-22
74.40 Obligated balance, end of year	12	12	13
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	6	10	12
86.98 Outlays from mandatory balances	14	10	10
87.00 Total outlays (gross)	20	20	22
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	18	20	23
90.00 Outlays	20	20	22

Miscellaneous contributed funds received from States, local organizations, individuals, and others are available for work under cooperative agreements on research activities.

Object Classification (in millions of dollars)

Identification code 12-8214-0-7-352	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent	5	5	5
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	2	2	5
25.5 Research and development contracts	7	7	7
26.0 Supplies and materials	3	3	3
31.0 Equipment	1	1	1
41.0 Grants, subsidies, and contributions	1	1	1
99.9 Total new obligations	20	20	23

**Personnel Summary**

Identification code 12-8214-0-7-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	96	96	96

**COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE**

**Federal Funds**

**General and special funds:**

INTEGRATED ACTIVITIES

For the integrated research, education, and extension grants programs, including necessary administrative expenses, \$62,865,000 as follows: for competitive grants program authorized under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998, \$41,852,000, including \$12,971,000 for the water quality program, \$14,967,000 for the food safety program, \$4,531,000 for the regional pest management centers program, \$4,889,000 for the Food Quality Protection Act risk mitigation program for major food crop systems, \$1,497,000 for the crops affected by Food Quality Protection Act implementation, \$2,498,000 for the methyl bromide transition program, and \$499,000 for the organic transition program; for a competitive international science and education grants program authorized

under section 1459A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, to remain available until expended, \$1,000,000; for grants programs authorized under section 2(c)(1)(B) of Public Law 89-106, as amended, \$4,013,000, including \$2,500,000, to remain available until September 30, 2005, for the critical issues program, and \$1,513,000 for the regional rural development centers program; and \$16,000,000 for the homeland security program authorized under section 1484 of the National Agricultural Research, Extension, and Teaching Act of 1977, to remain available until September 30, 2005. (7 U.S.C. 450i(c)(1)(B), 3292b, 3351, 7626.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1502-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.20 Water quality	13	13	13
00.30 Food safety	15	15	15
00.40 Regional pest management centers	5	5	5
00.50 Crops at risk from Food Quality Protection Act implementation	1	1	1
00.60 Food Quality Protection Act risk mitigation program	5	5	5
00.70 Methyl bromide transition program	2	2	2
00.71 Homeland Security			16
00.86 International science and education grants		1	1
00.87 Rural development centers		1	2
00.88 Organic transition	2	1	1
00.89 Critical issues—plant and animal diseases		1	2
10.00 Total new obligations	43	45	63
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	43	45	63
23.95 Total new obligations	-43	-45	-63
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	43	45	63
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	73	97	111
73.10 Total new obligations	43	45	63
73.20 Total outlays (gross)	-19	-31	-42
74.40 Obligated balance, end of year	97	111	132
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	1	2	10
86.93 Outlays from discretionary balances	18	29	32
87.00 Total outlays (gross)	19	31	42
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	43	45	63
90.00 Outlays	19	31	42

Note.—2004 estimates include critical issues previously financed from the USDA Cooperative State Research, Education, and Extension Service (CSREES) Research and Education activities account and Rural Development Centers previously financed from the USDA CSREES Research and Education activities and Extension activities accounts.

Under the Integrated activities account, research, education and/or extension grants are awarded for competitive and non-competitive programs.

**Water quality.**—This funding will enable CSREES and the State Agricultural Experiment Stations and the Cooperative Extension system to become viable partners with other state and federal agencies in addressing water quality issues of national importance. Funds will be awarded based upon peer review of competitive proposals for projects that have components for research and extension.

**Food safety.**—Funding will support research, education and extension programs to improve safety of food products and create a more informed public about food safety issues.

**Regional pest management centers.**—Funding will provide management and coordination for USDA and State activities that support informed regulatory decisions concerning pesticides that significantly benefit U.S. food production without causing adverse effects on the environment.

*Crops at risk from FQPA implementation.*—Funding will support the development of multi-tactic IPM strategies. Grant opportunities will be available to colleges and universities.

*FQPA Risk mitigation program for major food crop systems.*—Funds are proposed to support a program to address risk mitigation that will have a food production system focus, integrating food safety and water quality considerations as impacted by FQPA. Emphasis will be placed on development and implementation of new innovative pest management systems designed to maintain crop productivity and profitability while meeting or exceeding environmental quality and human health standards.

*Methyl bromide transition program.*—This is a grant program designed to support the discovery and implementation of practical pest management alternatives for commodities affected by the methyl bromide phase-out in 2005.

*Organic transition program.*—This program supports the development and implementation of biologically based pest management practices that mitigate the ecological, agronomic, and economic risks associated with the transition from conventional to organic agricultural production systems.

*International science and education grants program.*—This program focuses on incorporating substantive international activities into programs related to food systems, agriculture and natural resources at U.S. land-grant colleges and universities.

*Critical issues program.*—Funds are proposed to develop early intervention strategies to prevent, manage or eradicate new and emerging diseases, both plant and animal, which would prevent loss of revenue to growers or producers.

*Regional rural development centers.*—Funding will support activities that pursue a holistic development strategy that tailors programming to meet regional and local needs and addresses areas of opportunity arising from a consumer-driven agricultural economy.

*Homeland security program.*—This program provides support to an unified network of public agricultural institutions to identify and respond to high risk biological pathogens in the food and agricultural system.

Object Classification (in millions of dollars)			
Identification code 12-1502-0-1-352		2002 actual	2003 est. 2004 est.
11.1	Personnel compensation: Full-time permanent .....	1	1 1
41.0	Grants, subsidies, and contributions .....	42	44 62
99.9	Total new obligations .....	43	45 63

Personnel Summary			
Identification code 12-1502-0-1-352		2002 actual	2003 est. 2004 est.
Direct:			
1001	Total compensable workyears: Civilian full-time equivalent employment .....	8	8 8

INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS

Program and Financing (in millions of dollars)			
Identification code 12-1503-0-1-352		2002 actual	2003 est. 2004 est.
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....		
40.35	Appropriation rescinded .....	-120	-120 -120
43.00	Appropriation (total discretionary) .....	-120	-120 -120
Mandatory:			
60.00	Appropriation .....	120	240
60.35	Appropriation deferred .....		-120

62.00	Transferred from other accounts .....			120
62.50	Appropriation (total mandatory) .....	120	120	120
70.00	Total new budget authority (gross) .....			
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	201	172	131
73.20	Total outlays (gross) .....	-39	-41	-45
73.40	Adjustments in expired accounts (net) .....	10		
74.40	Obligated balance, end of year .....	172	131	86
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....		-6	-6
86.93	Outlays from discretionary balances .....			-42
86.97	Outlays from new mandatory authority .....		6	6
86.98	Outlays from mandatory balances .....	39	41	87
87.00	Total outlays (gross) .....	39	41	45
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	39	41	45

*1998 Research Act.*—The Agricultural Research, Extension, and Education Reform Act of 1998 authorized the annual appropriation of \$120 million for high priority research, extension, and education. The Farm Security and Rural Investment Act of 2002 authorizes \$120 million for 2004. These funds are available for two years. The 2000 appropriations language blocked the use of 2000 funds in 2000. However, these funds were available in 2001. The 2002 appropriations language blocked the use of 2001 and 2002 funds in 2002. The 2003 budget includes language that would block implementation of the program during 2003. This action is continued in the FY 2004 budget.

RESEARCH AND EDUCATION ACTIVITIES

*For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, \$514,228,000, as follows: to carry out the provisions of the Hatch Act of 1887, \$180,148,000; for grants for cooperative forestry research, \$21,884,000; for payments to the 1890 land-grant colleges, including Tuskegee University and West Virginia State College, \$36,000,000, of which \$1,507,496 shall be made available only for the purpose of ensuring that each institution shall receive no less than \$1,000,000; for special grants for agricultural research, \$3,341,000; for special grants for agricultural research on improved pest control, \$15,006,000; for competitive research grants, \$200,000,000; for the support of animal health and disease programs, \$5,098,000; for the 1994 research grants program for 1994 institutions pursuant to Section 536 of Public Law 103-382, \$998,000, to remain available until expended; for higher education graduate fellowship grants, \$4,500,000, to remain available until expended; for higher education challenge grants, \$5,500,000; for a higher education multicultural scholars program, \$998,000, to remain available until expended; for an education grants program for Hispanic-serving Institutions, \$3,492,000; for noncompetitive grants for the purpose of carrying out all provisions of 7 U.S.C. 3242 to individual eligible institutions or consortia of eligible institutions in Alaska and in Hawaii, with funds awarded equally to each of the States of Alaska and Hawaii, \$2,997,000; for a secondary agriculture education program and 2-year post-secondary education, \$1,000,000; for aquaculture grants, \$3,996,000; for sustainable agriculture research and education (7 U.S.C. 5811), \$9,230,000; for a program of capacity building grants to colleges eligible to receive funds under the Act of August 30, 1890, including Tuskegee University and West Virginia State College, \$9,479,000, to remain available until expended; for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103-382, \$2,250,000; and for necessary expenses of Research and Education Activities, of which not to exceed \$100,000 shall be for employment under 5 U.S.C. 3109, \$8,311,000.*

*None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products: Provided, That this paragraph shall not apply to research on the medical, biotechnological, food, and industrial uses of tobacco. (7 U.S.C. 301 note, 321-26, 328, 361a-*

**General and special funds—Continued**

**RESEARCH AND EDUCATION ACTIVITIES—Continued**

*i, 450i(b)–(c), 2209b, 3152(b)(1) and (4)–(6), 3152(j), 3195, 3222, 3241, 3322, 5811; 16 U.S.C. 582–a7.)*

**NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND**

*For the Native American Institutions Endowment Fund authorized by Public Law 103–382 (7 U.S.C. 301 note), \$9,000,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 12–1500–0–1–352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	32	39	46
Receipts:			
02.40 Federal payment, Native American Institutions Endowment Fund	7	7	9
02.41 Earnings on investments	2	2	3
02.99 Total receipts and collections	9	9	12
04.00 Total: Balances and collections	41	48	58
Appropriations:			
05.00 Cooperative state research activities	–2	–2	–3
07.99 Balance, end of year	39	46	55

**Program and Financing (in millions of dollars)**

Identification code 12–1500–0–1–352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Payments under the Hatch Act	180	180	180
00.02 Cooperative forestry research	22	22	22
00.03 Payments to 1890 colleges and Tuskegee University	35	35	36
00.04 Special research grants	131	33	33
00.05 National research initiative competitive grants	150	240	200
00.06 Animal health and disease research	5	5	5
00.07 Federal administration	22	10	10
00.08 Higher education	27	29	30
00.09 Native American Institutions Endowment Fund	9	9	11
09.00 Reimbursable program	12	16	16
10.00 Total new obligations	593	579	543
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	116	86	83
22.00 New budget authority (gross)	563	576	542
23.90 Total budgetary resources available for obligation	679	662	625
23.95 Total new obligations	–593	–579	–543
24.40 Unobligated balance carried forward, end of year	86	83	82
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	549	558	523
40.20 Appropriation (special fund)	2	2	3
43.00 Appropriation (total discretionary)	551	560	526
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	15	16	16
68.10 Change in uncollected customer payments from Federal sources (unexpired)	–3		
68.90 Spending authority from offsetting collections (total discretionary)	12	16	16
70.00 Total new budget authority (gross)	563	576	542
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	482	543	562
73.10 Total new obligations	593	579	543
73.20 Total outlays (gross)	–527	–560	–544
73.40 Adjustments in expired accounts (net)	–19		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	3		
74.10 Change in uncollected customer payments from Federal sources (expired)	11		
74.40 Obligated balance, end of year	543	562	561

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	213	303	286
86.93 Outlays from discretionary balances	307	252	256
86.98 Outlays from mandatory balances	7	5	2
87.00 Total outlays (gross)	527	560	544

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	–12	–16	–16
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	3		
88.96 Portion of offsetting collections (cash) credited to expired accounts	–3		

**Net budget authority and outlays:**

89.00 Budget authority	551	560	526
90.00 Outlays	515	544	528

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value	28	30	
92.02 Total investments, end of year: Federal securities:			
Par value	30		

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority	1	1	1
99.01 Outlays	1	1	1

*Note.*—In 2004 funding for critical issues and rural development centers is included in the account for integrated activities.

Cooperative State Research, Education, and Extension Service participates in a nationwide system of agricultural research and education program planning and coordination between State institutions and the U.S. Department of Agriculture. It assists in maintaining cooperation among the State institutions, and between the State institutions and their Federal research partners. The Agency administers grants and payments to State institutions to supplement State and local funding for agricultural research and higher education.

*Payments under the Hatch Act.*—Funds under the Hatch Act are allocated on a formula basis to agricultural experiment stations of the land-grant colleges in the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, Micronesia, and Northern Mariana Islands.

*Cooperative forestry research.*—These funds are allocated by formula to land-grant colleges or agricultural experiment stations in the 50 States, Puerto Rico, Guam, the Virgin Islands, and other State-supported colleges and universities having a forestry school and offering graduate training in forestry sciences.

*Payments to 1890 colleges and Tuskegee University and West Virginia State College.*—Funds allocated on a formula basis support agricultural research and broaden the curricula at the eighteen 1890 land-grant colleges, including Tuskegee University and West Virginia State College.

*Special research grants.*—This program addresses research areas of national interest. Funding is proposed for grant programs in IR–4 minor crop pest management, pest management alternatives, and sustainable agriculture. Funding is also proposed for integrated pest management. Advances in these areas will provide producers with safe, alternative pest control methods resulting in more farmers increasing the number of acres on which Integrated Pest Management (IPM) methods are used. Funding proposed for IR–4 minor crop pest management and minor use animal drugs will address the growing need for registration of safe pesticides and drugs for minor crops and animals and lead to reduced levels of chemical and drug residues in food products by half. These pest management programs will be coordinated to address Food Quality and Protection Act issues. The IR–4 and IPM programs are contained under improved pest control funding. Improved pest control also includes Pest Management Alternatives, and Expert IPM Decision Support System Programs.

A grant program for global change is proposed for research at universities as part of a coordinated Federal initiative. Funding is also proposed for the National Biological Impact Assessment Program, and aquaculture centers. The 2004 budget eliminates funding for unrequested earmarks.

**National research initiative competitive grants.**—Funding is being proposed for the National Research Initiative (NRI). Research scientists throughout the U.S. scientific community compete for funding under this program. The performance goal has been to attract the widest possible involvement of U.S. scientists in agricultural research to increase the knowledge base related to U.S. agriculture, food, and the environment and maintain world leadership in agricultural science and engineering. NRI funding has resulted in increased participation by universities which are not traditionally considered agricultural schools and of highly skilled researchers in projects addressing agricultural issues. The outcomes include the efficient communication of research results to scientific, engineering, and community user groups. These grants support research in plants and animals; natural resources and the environment; nutrition, food safety, and health; markets, trade, and rural development; and processing for adding value or developing new products.

**Animal health and disease research.**—Funds, distributed by formula, support livestock and poultry disease research in sixty-seven colleges of veterinary medicine and in eligible agricultural experiment stations.

**1994 Institutions Research.**—Funding is proposed to continue the competitive research grants program to build the research capacity at the thirty 1994 institutions by supporting agricultural research activities that address tribal, national and multistate priorities.

**Federal administration.**—A coordinating and review staff assists in maintaining cooperation within and among the States, and between the States and their Federal research partners. This staff also administers research and education grants and payments to States. Federal administration is funded from a combination of program set-asides from formula and grant programs and from direct appropriation for administration.

**Higher education.**—Funding is proposed for graduate fellowships grants, competitive challenge grants, Hispanic-serving institutions education grants program, and a multicultural scholars program. Funding is also proposed for Native American institutions, Alaska Native-serving and Native Hawaiian-serving Institutions, and Secondary Agriculture Education and 2-year Post-secondary programs. Proposed funding for these higher education programs would support approximately 180 grants. These programs will enable universities to broaden their curricula; increase faculty development; student research projects; and the number of new scholars recruited in the food and agricultural sciences. In addition, an increased number of graduate students, including minority graduate students, will be enrolled in the agricultural sciences. Funding is also proposed for a capacity building program at the 1890 institutions as part of the USDA initiative to strengthen these institutions through a broadening of curricula, increased faculty development and student research projects. Proposed funding would support approximately 43 teaching and research grants. The 2004 budget includes increases for Graduate fellowship grants and the 1994 Institutions grants.

**Reimbursable program.**—Funds support basic and applied agriculture research and activities performed for other USDA, Federal, and non-Federal agencies.

**Native American Institutions Endowment Fund.**—This program provides for an endowment for the 1994 land-grant institutions (31 Tribally controlled colleges) to strengthen the infrastructure of these institutions and develop Indian expertise for the food and agricultural sciences and businesses and

their own communities. At the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the fund, distribute the adjusted income on a formula basis to the 1994 land-grant institutions. The 2004 budget includes an increase for the endowment fund.

**Object Classification (in millions of dollars)**

Identification code 12-1500-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	11	11	11
12.1 Civilian personnel benefits .....	2	2	2
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	1	1	1
25.3 Other purchases of goods and services from Government accounts .....	4	4	4
26.0 Supplies and materials .....	1	1	1
41.0 Grants, subsidies, and contributions .....	561	543	507
99.0 Direct obligations .....	581	563	527
99.0 Reimbursable obligations .....	12	16	16
99.9 Total new obligations .....	593	579	543

**Personnel Summary**

Identification code 12-1500-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	181	216	216
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	9	9	9

**BUILDINGS AND FACILITIES**

**Program and Financing (in millions of dollars)**

Identification code 12-1501-0-1-352	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3	3	3
24.40 Unobligated balance carried forward, end of year .....	3	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	41	17	13
73.20 Total outlays (gross) .....	-24	-4	-4
74.40 Obligated balance, end of year .....	17	13	9
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	24	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	24	4	4

Funds provide grants to States and other eligible recipients for the acquisition of land, construction, repair, improvement, extension, alteration and purchase of fixed equipment or facilities to carry out agricultural research, extension, and teaching programs. No funding is proposed in 2004.

**Personnel Summary**

Identification code 12-1501-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1		

**EXTENSION ACTIVITIES**

*For payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and Amer-*

**General and special funds—Continued**

**EXTENSION ACTIVITIES—Continued**

ican Samoa, \$422,268,000, as follows: payments for cooperative extension work under the Smith-Lever Act, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93-471, for retirement and employees' compensation costs for extension agents, \$275,940,000; payments for extension work at the 1994 Institutions under the Smith-Lever Act, \$3,273,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, \$60,909,000; payments for the pest management program under section 3(d) of the Act, \$10,759,000; payments to upgrade research, extension, and teaching facilities at the 1890 land-grant colleges, including Tuskegee University and West Virginia State College, as authorized by section 1447 of Public Law 95-113, \$13,500,000, to remain available until expended; payments for youth-at-risk programs under section 3(d) of the Smith-Lever Act, \$8,481,000; for youth farm safety education and certification extension grants, to be awarded competitively under section 3(d) of the Smith-Lever Act, \$499,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, \$4,093,000; payments for Indian reservation agents under section 3(d) of the Smith-Lever Act, \$1,996,000; payments for sustainable agriculture programs under section 3(d) of the Act, \$3,792,000; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act and Tuskegee University and West Virginia State College, \$32,117,000, of which \$1,724,884 shall be made available only for the purpose of ensuring that each institution shall receive no less than \$1,000,000; and for necessary expenses of Extension Activities, \$6,909,000. (7 U.S.C. 343(b)(3), 7 U.S.C. 3222(b), 16 U.S.C. 1671 et seq.; 7 U.S.C. 321-326 and 328).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-0502-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Smith-Lever Act, 3(b) and 3(c) .....	276	276	276
00.02 Youth at risk .....	8	8	8
00.04 Expanded food and nutrition education program (EFNEP) .....	59	59	61
00.05 Pest management .....	11	11	11
00.06 Farm safety .....	5		
00.09 Indian reservation extension agents .....	2	2	2
00.12 Rural development .....	1		
00.13 Payments to 1890 colleges and Tuskegee University .....	31	31	32
00.15 Renewable resources extension act .....	4	4	4
00.16 Federal administration .....	17	8	7
00.18 Rural health and safety education .....	3		
00.19 1890 facilities (section 1447) .....	4	14	14
00.21 Sustainable agriculture .....	5	4	4
00.22 1994 institutions activities .....	3	3	3
00.23 Youth Farm Safety Program .....	1	1	1
00.24 Agricultural Risk Grants .....	2		
00.25 Grants to Youth Serving Organizations .....	8		
09.00 Reimbursable program .....	17	25	25
10.00 Total new obligations .....	457	446	448
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	15	12
22.00 New budget authority (gross) .....	466	443	447
23.90 Total budgetary resources available for obligation .....	472	458	459
23.95 Total new obligations .....	-457	-446	-448
24.40 Unobligated balance carried forward, end of year .....	15	12	11
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	439	418	422
Mandatory:			
62.00 Transferred from other accounts .....	10		
62.50 Appropriation (total mandatory) .....	10		
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	17	25	25
70.00 Total new budget authority (gross) .....	466	443	447

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	244	223	204
73.10 Total new obligations .....	457	446	448
73.20 Total outlays (gross) .....	-449	-465	-473
73.40 Adjustments in expired accounts (net) .....	-28		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	-1		
74.40 Obligated balance, end of year .....	223	204	179
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	273	275	278
86.93 Outlays from discretionary balances .....	173	189	195
86.98 Outlays from mandatory balances .....	3	1	
87.00 Total outlays (gross) .....	449	465	473
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-17	-25	-25
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	449	418	420
90.00 Outlays .....	432	440	448
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

Note.—In 2004 funding for rural development centers is included in the account for integrated activities.

The Cooperative Extension System, a national educational network, is a dynamic organization pledged to meeting the country's needs for research-based educational programs that will enable people to make practical decisions to improve their lives. To accomplish its mission, the Cooperative Extension System adjusts programs to meet the shifting needs and priorities of the people it serves.

The nonformal educational network combines the expertise and resources of federal, state, and local partners. The partners in this unique System are: (a) The Cooperative State Research, Education, and Extension Service at the U.S. Department of Agriculture; (b) Extension professionals at land-grant universities throughout the United States and its territories; and (c) Extension professionals in nearly all of the Nation's 3,150 counties. Thousands of paraprofessionals and nearly 3 million volunteers support this partnership and magnify its impact. Strong linkages with both public and private external groups are also crucial to the Cooperative Extension System's strength and vitality.

Programs supported with Smith-Lever 3(b) and (c) legislated formula funds, are the major educational efforts central to the mission of the System and common to most Extension units. They are the ongoing priority efforts of the System, involving many discipline-based and multi-disciplinary programs. These programs are the foundation of the Extension organization and partnership that are intended to increase the number of community-based projects, families, and individuals reached to disseminate research findings as widely and quickly as possible. The use of electronic mail, satellite transmission of courses, and computer-assisted instruction are encouraged to communicate ideas.

Extension resources are provided to the States by these formula funds and competitively-awarded programs such as sustainable agriculture. Smith-Lever 3(b) and (c) funds and payments to the 1890 colleges and Tuskegee University and West Virginia State College provide funds to support the Extension infrastructure.

Funds for designated programs, funded by Smith-Lever 3(d) such as youth-at-risk and expanded food and nutrition education program (EFNEP), provide support for the Cooperative Extension System to address identified priority issues.

In 2004 funding has been requested for: the Expanded Food and Nutrition Education Program, pest management, children, youth and families at risk, a youth farm safety education and certification pilot project, extension services on

Indian reservations, sustainable agriculture, and 1994 (Native American) institutions.

Object Classification (in millions of dollars)			
Identification code 12-0502-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	10	10	10
12.1 Civilian personnel benefits .....	2	2	2
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	4	4	4
25.3 Other purchases of goods and services from Government accounts .....	3	3	3
41.0 Grants, subsidies, and contributions .....	420	401	403
99.0 Direct obligations .....	440	421	423
99.0 Reimbursable obligations .....	17	25	25
99.9 Total new obligations .....	457	446	448

Personnel Summary			
Identification code 12-0502-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	175	215	215

**OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS**

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), \$4,003,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 12-0601-0-1-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.10 Direct Program Activity .....		3	4
10.00 Total new obligations (object class 41.0) .....		3	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		4	4
22.00 New budget authority (gross) .....	3	3	4
23.90 Total budgetary resources available for obligation .....	3	7	8
23.95 Total new obligations .....		-3	-4
24.40 Unobligated balance carried forward, end of year .....	4	4	4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3	3	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	2
73.10 Total new obligations .....		3	4
73.20 Total outlays (gross) .....		-3	-4
74.40 Obligated balance, end of year .....	2	2	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		3	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	3	4
90.00 Outlays .....		3	4

*Outreach for Socially Disadvantaged Farmers Grants.*—This competitive program is authorized under section 2501 of Title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990. The Secretary of Agriculture is authorized to make grants to eligible institutions and organizations so that they may provide outreach and technical assistance to encourage and assist socially disadvantaged farmers and ranchers to

own and operate farms and ranches and to participate in agricultural programs.

Personnel Summary			
Identification code 12-0601-0-1-351	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	3	3	3

**ANIMAL AND PLANT HEALTH INSPECTION SERVICE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; and to protect the environment, as authorized by law, \$694,897,000, of which \$4,139,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: Provided, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: Provided further, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: Provided further, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year 2004, the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Unavailable Collections (in millions of dollars)			
Identification code 12-1600-0-1-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	170	185	185
Receipts:			
02.00 Agricultural quarantine inspection fees .....	231	331	285
04.00 Total: Balances and collections .....	401	516	470
Appropriations:			
05.00 Salaries and expenses .....	-216	-331	-285
05.99 Total appropriations .....	-216	-331	-285
07.99 Balance, end of year .....	185	185	185

Program and Financing (in millions of dollars)			
Identification code 12-1600-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Pest and disease exclusion .....	192	193	195
00.02 Plant and animal health monitoring .....	92	141	141

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

**Program and Financing** (in millions of dollars)—Continued

Identification code 12-1600-0-1-352	2002 actual	2003 est.	2004 est.
00.03 Pest and disease management programs .....	220	323	296
00.04 Animal care .....	16	15	15
00.05 Scientific and technical services .....	55	66	72
00.06 Contingencies .....	6	4	4
00.07 Emergency program funding .....	191	172	.....
00.09 Supplemental Appropriations .....	40	65	.....
00.10 Regional Office Consolidation .....	6	.....	.....
00.11 Physical/Operational Security .....	.....	.....	6
01.00 Total direct program .....	818	979	729
09.01 Reimbursable program .....	96	88	82
10.00 Total new obligations .....	914	1,067	811
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	312	346	211
22.00 New budget authority (gross) .....	945	932	885
22.10 Resources available from recoveries of prior year obligations .....	9	.....	.....
23.90 Total budgetary resources available for obligation	1,266	1,278	1,096
23.95 Total new obligations .....	-914	-1,067	-811
23.98 Unobligated balance expiring or withdrawn .....	-6	.....	.....
24.40 Unobligated balance carried forward, end of year .....	346	211	285
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	523	692	695
40.20 Appropriation (special fund) .....	85	.....	.....
42.00 Transferred from other accounts .....	200	.....	.....
43.00 Appropriation (total discretionary) .....	808	692	695
Mandatory:			
60.20 Appropriation (special fund) .....	131	331	285
61.00 Transferred to other accounts .....	-90	-179	-177
62.50 Appropriation (total mandatory) .....	41	152	108
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	74	88	82
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	22	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	96	88	82
70.00 Total new budget authority (gross) .....	945	932	885
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	145	214	125
73.10 Total new obligations .....	914	1,067	811
73.20 Total outlays (gross) .....	-821	-1,156	-898
73.40 Adjustments in expired accounts (net) .....	-1	.....	.....
73.45 Recoveries of prior year obligations .....	-9	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-22	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired) .....	8	.....	.....
74.40 Obligated balance, end of year .....	214	125	38
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	536	676	673
86.93 Outlays from discretionary balances .....	256	322	114
86.97 Outlays from new mandatory authority .....	29	144	103
86.98 Outlays from mandatory balances .....	.....	14	8
87.00 Total outlays (gross) .....	821	1,156	898
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-84	-88	-82
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-22	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	10	.....	.....

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	849	844	803
90.00 Outlays .....	737	1,068	816
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	13	16	16
99.01 Outlays .....	13	16	16

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	849	844	803
Outlays .....	737	1,068	816
Legislative proposal, not subject to PAYGO:			
Budget Authority .....	.....	.....	-8
Outlays .....	.....	.....	-8
<b>Total:</b>			
Budget Authority .....	849	844	795
Outlays .....	737	1,068	808

The major objectives of the Animal and Plant Health Inspection Service (APHIS) are to protect the animal and plant resources of the Nation from destructive pests and diseases. This mission is carried out under the five major areas of activity, as follows:

**Pest and disease exclusion.**—The Agency develops protocols for trade and travel to prevent the entry of plant or animal pests and diseases into the United States and conducts quarantines and treatments of regulated products. APHIS develops and conducts preclearance programs to ensure that agricultural products destined for U.S. ports-of-entry do not present a risk to U.S. agriculture. APHIS engages in cooperative programs in foreign countries to control pests of imminent concern to the United States. APHIS also certifies plants and plant products for export and regulates imports and exports of designated endangered plant species. The 2004 budget proposes significant increases to enhance overseas surveillance and eradication efforts and to identify exotic animal diseases more effectively.

**Plant and animal health monitoring.**—The Agency conducts programs to assess animal and plant health and to detect endemic and exotic diseases and pests. The plant and animal health monitoring programs are primarily cooperative efforts of the Federal and State governments, and industry. The Agency also carries out surveys in cooperation with the States to detect harmful plant and animal pests and diseases and to determine if there is a need for pest eradication programs.

**Pest and disease management programs.**—The Agency carries out programs to control and eradicate infestations and animal diseases that threaten the United States; to reduce agricultural losses caused by predatory animals, birds, and rodents; to provide technical assistance to States, counties, farmer or rancher groups, and foundations; and to ensure compliance with interstate movement and disease control regulations. Interstate shipments of plants, livestock, and related materials are monitored and regulated to prevent the spread of disease. APHIS protects agriculture from detrimental animal predators through identification, demonstration, and application of the most appropriate methods of control. The budget implements a consistent set of cost-share criteria among Federal and non-Federal partners to respond to a plant and animal infestation. In addition, the 2004 budget includes a significant increase to expand surveillance of chronic wasting disease in captive and free-ranging cervids and to increase security measures for hazardous materials used to control wildlife.

**Animal care.**—The Agency conducts regulatory activities which ensure the humane care and handling of animals used in research, exhibition, or the wholesale pet trade. The Agency is also responsible for administering the Horse Protection

Act, which prohibits the showing, selling, or exhibition of sore horses.

*Scientific and technical services.*—APHIS develops methods to control animals and pests that are detrimental to agriculture, other wildlife, and public safety. The agency regulates genetic research to guard against the release of potentially harmful organisms into the environment. APHIS also conducts veterinary diagnostic laboratory activities and biologic regulatory enforcement to ensure that the products developed for combatting disease are potent, safe, and pure. It also provides and directs technology development in coordination with other groups in APHIS and Plant Protection and Quarantine (PPQ) officials to support PPQ programs of the Agency and its cooperators at the State, national, and international levels.

The 2004 budget proposes significant increases to continue enhanced biosecurity efforts and laboratory network activities implemented with 2002 emergency supplemental funds in response to the September 11, 2001, terrorist attacks.

Funding to support inspections of people, cargo and transport from overseas related to agricultural products and a portion of funds for the Plum Island Animal Disease Center is included in the budget of the Department of Homeland Security.

**Object Classification** (in millions of dollars)

Identification code 12-1600-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	151	246	217
11.3 Other than full-time permanent .....	1		
11.5 Other personnel compensation .....	47	59	62
11.9 Total personnel compensation .....	199	305	279
12.1 Civilian personnel benefits .....	65	86	86
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	31	27	27
22.0 Transportation of things .....	7	9	9
23.2 Rental payments to others .....	8	15	15
23.3 Communications, utilities, and miscellaneous charges .....	18	10	10
24.0 Printing and reproduction .....	2	3	3
25.2 Other services .....	329	333	166
26.0 Supplies and materials .....	47	56	34
31.0 Equipment .....	34	71	48
<b>Grants, subsidies, and contributions:</b>			
41.0 United States-Colombia Commission to Prevent Foot-and-Mouth Disease .....	1	2	1
41.0 Joint Screwworm eradication programs .....	9	12	9
41.0 Joint Commission on the Mediterranean Fruit Fly .....	6	14	6
41.0 Other grants, subsidies, and contributions .....	27	34	34
42.0 Other insurance claims and indemnities .....	34	1	1
99.0 Direct obligations .....	818	979	729
99.0 Reimbursable obligations .....	96	88	82
99.9 Total new obligations .....	914	1,067	811

**Personnel Summary**

Identification code 12-1600-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	4,359	5,122	4,573
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	748	748	725

**SALARIES AND EXPENSES**  
(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 12-1600-2-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.04 Animal care .....			-8
01.00 Total direct program .....			-8
09.01 Reimbursable program .....			8
10.00 Total new obligations .....			
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....			-8
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....			8
70.00 Total new budget authority (gross) .....			
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.40 Offsetting collections (cash) from: Non-Federal sources .....			-8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			-8
90.00 Outlays .....			-8

**Object Classification** (in millions of dollars)

Identification code 12-1600-2-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....			-4
11.3 Other than full-time permanent .....			-3
11.5 Other personnel compensation .....			-1
11.9 Total personnel compensation .....			-8
99.0 Reimbursable obligations: Reimbursable obligations .....			8
99.9 Total new obligations .....			

**Personnel Summary**

Identification code 12-1600-2-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....			-78
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....			78

**BUILDINGS AND FACILITIES**

*For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, \$4,996,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-1601-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	8	10	5
10.00 Total new obligations (object class 25.2) .....	8	10	5
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	12	22	22

**General and special funds—Continued**

**BUILDINGS AND FACILITIES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 12-1601-0-1-352	2002 actual	2003 est.	2004 est.
22.00 New budget authority (gross) .....	18	10	5
23.90 Total budgetary resources available for obligation	30	32	27
23.95 Total new obligations .....	-8	-10	-5
24.40 Unobligated balance carried forward, end of year .....	22	22	22
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	18	10	5
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	11	17	9
73.10 Total new obligations .....	8	10	5
73.20 Total outlays (gross) .....	-2	-18	-9
74.40 Obligated balance, end of year .....	17	9	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	2	1
86.93 Outlays from discretionary balances .....	1	16	8
87.00 Total outlays (gross) .....	2	18	9
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	18	10	5
90.00 Outlays .....	2	18	9

The buildings and facilities account provides for construction, repairs, preventive maintenance, and alterations, as needed, for APHIS operated facilities, which include animal quarantine stations, border inspection stations, sterile insect rearing facilities, and laboratories.

The 2004 budget proposes \$5 million for this program, which consists of repairs, alterations, preventive maintenance, and renovations for currently owned APHIS facilities

**Trust Funds**

**MISCELLANEOUS TRUST FUNDS**

**Unavailable Collections (in millions of dollars)**

Identification code 12-9971-0-7-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Miscellaneous contributed funds .....	15	13	13
Appropriations:			
05.00 Miscellaneous trust funds .....	-15	-13	-13
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 12-9971-0-7-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	26	14	14
10.00 Total new obligations .....	26	14	14
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	19	8	8
22.00 New budget authority (gross) .....	15	13	13
23.90 Total budgetary resources available for obligation	34	21	21
23.95 Total new obligations .....	-26	-14	-14
24.40 Unobligated balance carried forward, end of year .....	8	8	8
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	15	13	13
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-10	2	2

73.10 Total new obligations .....	26	14	14
73.20 Total outlays (gross) .....	-13	-12	-13
74.40 Obligated balance, end of year .....	2	2	2

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	8	7	8
86.98 Outlays from mandatory balances .....	5	5	5
87.00 Total outlays (gross) .....	13	12	13

**Net budget authority and outlays:**

89.00 Budget authority .....	15	13	13
90.00 Outlays .....	13	12	13

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others:

*Miscellaneous contributed funds.*—Funds are received from States, local organizations, individuals, and others and are available for plant and animal quarantine inspection and cooperative plant and animal disease and pest control activities (7 U.S.C. 450b, 2220). Commencing in 1979, fees were collected for the importation of commercial birds.

**Object Classification (in millions of dollars)**

Identification code 12-9971-0-7-352	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	4	5	5
11.3 Other than full-time permanent .....	3	1	1
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	8	7	7
12.1 Civilian personnel benefits .....	15	4	4
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	1	1	1
26.0 Supplies and materials .....	1	1	1
99.9 Total new obligations .....	26	14	14

**Personnel Summary**

Identification code 12-9971-0-7-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	108	108	108

**FOOD SAFETY AND INSPECTION SERVICE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses to carry out services authorized by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, including not to exceed \$50,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$797,149,000, of which no less than \$713,677,000 shall be available for Federal food safety inspection; and in addition, \$1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1327 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1387): Provided, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. (7 U.S.C. 450, 1901-06; 10 U.S.C. 2306; 18 U.S.C. 1114; 21 U.S.C. 451-470, 601-624, 641-645, 661, 671-680, 691-692; 694-695; Public Law 99-641.)*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-3700-0-1-554	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	704	763	797
09.01 Reimbursable program .....	99	99	99
10.00 Total new obligations .....	803	862	896
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	10	29	22
22.00 New budget authority (gross) .....	832	855	896
23.90 Total budgetary resources available for obligation	842	884	918
23.95 Total new obligations .....	-803	-862	-896
23.98 Unobligated balance expiring or withdrawn .....	-12		
24.40 Unobligated balance carried forward, end of year .....	29	22	22
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	731	756	797
40.00 Appropriation .....			
40.76 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	730	756	797
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	102	99	99
70.00 Total new budget authority (gross) .....	832	855	896
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	69	73	83
73.10 Total new obligations .....	803	862	896
73.20 Total outlays (gross) .....	-814	-852	-896
73.40 Adjustments in expired accounts (net) .....	15		
74.40 Obligated balance, end of year .....	73	83	83
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	764	835	876
86.93 Outlays from discretionary balances .....	50	17	20
87.00 Total outlays (gross) .....	814	852	896
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-1		
88.40 Non-Federal sources .....	-101	-99	-99
88.90 Total, offsetting collections (cash) .....	-102	-99	-99
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	730	756	797
90.00 Outlays .....	713	753	797
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	53	41	41
99.01 Outlays .....	53	41	41

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	730	756	797
Outlays .....	712	753	797
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			-122
Outlays .....			-122
Total:			
Budget Authority .....	730	756	675
Outlays .....	712	753	675

The primary objectives of the Food Safety and Inspection Service (FSIS) are to ensure that meat, poultry, shell egg, and egg products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat In-

spection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act. Providing adequate resources for Federal food safety agencies is a priority of the Administration, and the 2004 budget proposes a \$41 million increase for inspection of meat, poultry, shell egg and egg products. This increase will cover pay cost increases for Federal and State inspection programs, and initiatives for: continued improvements toward a science-driven, risk-based food safety program, and strengthening information technology and education. In addition to the current risk-based food safety pilot program, FSIS will move beyond the pilot by expanding opportunities to participate in the program to all poultry plants on a voluntary basis.

Legislation will be proposed to charge user fees to reimburse all inspection beyond a primary 8 hour shift at all establishments inspected by the Food Safety and Inspection Service (FSIS). Currently, fees to reimburse the cost of overtime inspection required at some FSIS inspected establishments, but not at others. The Federal government would continue to pay the full costs for a primary, eight hour inspection shift.

**FEDERALLY FUNDED INSPECTION ACTIVITIES**

	2002 actual	2003 est.	2004 est.
<b>Federally inspected establishments:</b>			
Slaughter plants .....	118	128	128
Processing plants .....	4,152	4,175	4,175
Combination slaughter and processing plants .....	964	980	980
Talmadge-Aiken plants .....	359	329	329
Import establishments .....	118	115	115
Egg plants .....	74	72	72
Other plants .....	575	580	580
<b>Federally inspected and passed production (millions of pounds):</b>			
Meat slaughter .....	42,237	45,000	45,000
Poultry slaughter .....	50,444	51,300	52,300
Egg products .....	3,727	3,750	3,800
<b>Import/export activity (millions of pounds):</b>			
Meat and poultry imported .....	3,910	4,105	4,310
Meat and poultry exported .....	11,252	11,814	12,405
<b>Inspection Review:</b>			
Consumer safety officer assessments .....	900	2,000	2,500
In-depth verification reviews .....	21	23	25
<b>States and territories with cooperative programs:<sup>a</sup></b>			
Intrastate inspection .....	28	28	28
Talmadge-Aiken inspection .....	9	9	9
Number of slaughter and/or processing plants (excludes exempt plants) .....	2,081	2,100	2,100
Pounds inspected slaughter (millions) .....	502	502	502
<b>Compliance activities:</b>			
Corrective action reviews .....	29,199	29,000	30,000
Corrective actions completed .....	536	500	500
<b>Product Testing (samples analyzed):</b>			
Food chemistry .....	6,436	6,500	6,500
Food microbiology .....	83,797	85,000	86,000
Chemical residues .....	45,509	46,000	46,000
Antibiotic residues .....	252,599	253,000	253,000
Pathology samples .....	5,877	5,900	5,900
<b>Egg Products:</b>			
Food microbiology .....	1,767	1,800	1,800
Chemical residues .....	1,632	1,600	1,600
<b>Consumer Education and public outreach:</b>			
Meat and poultry hotline calls received .....	85,572	86,000	86,500
Website visits .....	980,787	982,000	983,000
Electronic messages received .....	6,955	7,000	7,100
Publication subscriptions .....	17,343	17,400	17,500
<b>Epidemiological Investigations:</b>			
Cooperative efforts with State and public health offices	37	37	37
Illnesses reported and treated <sup>b</sup> .....	770	800	800
<b>Field Automation and Information Management Project:</b>			
Number of computers to be provided to federal field inspection staff .....	568	1,750	725
Number of computers to be provided to state field inspection staff .....	26	40	740

<sup>a</sup> States with cooperative agreements which are operating programs.

<sup>b</sup> Data must be collected over a number of years to chart national trends and estimate the incidence of foodborne illness and treatment.

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Object Classification (in millions of dollars)**

Identification code 12-3700-0-1-554	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	398	419	437
11.3 Other than full-time permanent .....	15	16	17
11.5 Other personnel compensation .....	20	20	21
11.9 Total personnel compensation .....	433	455	475
12.1 Civilian personnel benefits .....	136	135	145
13.0 Benefits for former personnel .....	2	1	2
21.0 Travel and transportation of persons .....	26	26	30
22.0 Transportation of things .....	4	2	3
23.1 Rental payments to GSA .....	1	1	1
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	9	10	11
24.0 Printing and reproduction .....	1	2	2
25.1 Advisory and assistance services .....	8	11	13
25.2 Other services .....	12	6	7
25.3 Other purchases of goods and services from Government accounts .....	13	26	25
25.4 Operation and maintenance of facilities .....		2	2
25.7 Operation and maintenance of equipment .....		1	
25.8 Subsistence and support of persons .....		1	1
26.0 Supplies and materials .....	9	12	11
31.0 Equipment .....	9	28	26
41.0 Grants, subsidies, and contributions .....	39	43	42
99.0 Direct obligations .....	703	763	797
99.5 Reimbursable obligations .....	99	99	99
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	803	862	896

**Personnel Summary**

Identification code 12-3700-0-1-554	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	9,259	9,428	9,582
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	286	216	216

**SALARIES AND EXPENSES**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 12-3700-2-1-554	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....			-122
09.01 Reimbursable program .....			122
10.00 Total new obligations .....			
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....			-122
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....			122
70.00 Total new budget authority (gross) .....			
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.40 Offsetting collections (cash) from: Non-Federal sources .....			-122
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			-122
90.00 Outlays .....			-122

**Object Classification (in millions of dollars)**

Identification code 12-3700-2-1-554	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....			-68
11.3 Other than full-time permanent .....			-3
11.5 Other personnel compensation .....			-3
11.9 Total personnel compensation .....			-74
12.1 Civilian personnel benefits .....			-21
21.0 Travel and transportation of persons .....			-5
23.3 Communications, utilities, and miscellaneous charges .....			-2
25.1 Advisory and assistance services .....			-9
25.2 Other services .....			-1
25.3 Other purchases of goods and services from Government accounts .....			-4
26.0 Supplies and materials .....			-3
31.0 Equipment .....			-3
99.0 Direct obligations .....			-122
99.0 Reimbursable obligations .....			122
99.9 Total new obligations .....			

**Personnel Summary**

Identification code 12-3700-2-1-554	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....			-1,592
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....			1,592

**Trust Funds**

**EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS**

**Unavailable Collections (in millions of dollars)**

Identification code 12-8137-0-7-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.20 Fees for inspection and grading of farm products .....		3	3
<b>Appropriations:</b>			
05.00 Expenses and refunds, inspection and grading of farm products .....		-3	-3
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 12-8137-0-7-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	5	3	3
10.00 Total new obligations .....	5	3	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	1	
22.00 New budget authority (gross) .....		3	3
23.90 Total budgetary resources available for obligation .....	7	4	3
23.95 Total new obligations .....	-5	-3	-3
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....		3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		1	1
73.10 Total new obligations .....	5	3	3
73.20 Total outlays (gross) .....	-5	-3	-3
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		3	3

86.98	Outlays from mandatory balances .....	5		
87.00	Total outlays (gross) .....	5	3	3

**Net budget authority and outlays:**

89.00	Budget authority .....		3	3
90.00	Outlays .....	5	3	3

Under authority of the Agricultural Marketing Act of 1946, Federal meat and poultry inspection services are provided upon request and for a fee in cases where inspection is not mandated by statute. This service includes: certifying products for export beyond the requirements of export certificates; inspecting certain animals and poultry intended for human food where inspection is not required by statute, such as buffalo, rabbit, and quail; and inspecting products intended for animal consumption.

**Object Classification** (in millions of dollars)

Identification code 12-8137-0-7-352	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	2	1	1
11.5	Other personnel compensation .....	1	1	1
11.9	Total personnel compensation .....	2	2	2
12.1	Civilian personnel benefits .....	1		
99.0	Direct obligations .....	4	2	2
99.5	Below reporting threshold .....	1	1	1
99.9	Total new obligations .....	5	3	3

**Personnel Summary**

Identification code 12-8137-0-7-352	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	34	36	36

**GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses to carry out the provisions of the United States Grain Standards Act, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$25,000 for employment under 5 U.S.C. 3109, \$41,688,000: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. (7 U.S.C. 71, 74-79, 84-87, 181-229, 1621-27)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-2400-0-1-352	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Standardization .....	4	5	5
00.02	Compliance .....	5	6	6
00.03	Methods development .....	6	7	7
00.04	Packers and stockyards program .....	18	22	24
10.00	Total new obligations .....	33	40	42

**Budgetary resources available for obligation:**

22.00	New budget authority (gross) .....	33	40	42
23.95	Total new obligations .....	-33	-40	-42

**New budget authority (gross), detail:**

Discretionary:

40.00	Appropriation .....	33	40	42
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**Change in obligated balances:**

72.40	Obligated balance, start of year .....	7	5	6
73.10	Total new obligations .....	33	40	42
73.20	Total outlays (gross) .....	-33	-39	-42
73.40	Adjustments in expired accounts (net) .....	-2		
74.40	Obligated balance, end of year .....	5	6	6

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	28	34	36
86.93	Outlays from discretionary balances .....	5	5	6

87.00	Total outlays (gross) .....	33	39	42
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**Net budget authority and outlays:**

89.00	Budget authority .....	33	40	42
90.00	Outlays .....	32	39	42

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	2	2	2
99.01	Outlays .....	2	2	2

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	33	40	42
Outlays .....	33	39	42
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority .....		-27	-29
Outlays .....		-27	-29
<b>Total:</b>			
Budget Authority .....	33	13	13
Outlays .....	33	12	13

The Grain Inspection, Packers and Stockyards Administration (GIPSA) establishes official United States standards for grain, promotes the uniform application thereof by official inspection personnel, provides for an official inspection system for grain, and regulates the weighing and certification of the weight of grain shipped in interstate or foreign commerce as authorized by the U.S. Grain Standards Act (USGSA), as amended, and the regulations thereof, and the Agricultural Marketing Act of 1946 (AMA).

Standardization activities include establishing and updating U.S. grain standards, research, and developing and improving methods to ensure the accurate and uniform application of the standards.

The compliance activities ensure the accurate and uniform application of the USGSA and applicable provisions of the AMA. The compliance program functions include: (1) evaluating alleged violations and initiating preliminary investigations; (2) initiating the implementation of corrective actions; (3) conducting management and technical reviews; (4) administering the designations and delegations of State and private agencies to perform official functions and monitoring the performance of the agencies; (5) identifying and, where appropriate, waiving and monitoring conflicts of interest; (6) licensing personnel of delegated States and designated agencies; (7) registering persons/firms engaged in the business of buying grain for sale in foreign commerce, and in the business of handling, weighing, or transporting of grain for sale in foreign commerce; (8) responding to audits of Grain Inspection programs; and (9) reviewing and, when appropriate, approving official agencies' fee schedules.

The Office of International Affairs briefs foreign buyers, assesses foreign inspection and weighing techniques, and responds to foreign quality and quantity complaints.

General and special funds—Continued

SALARIES AND EXPENSES—Continued

An advisory committee consisting of members from the grain industry exists to advise the Agency regarding efficient and economical implementation of the USGSA.

The Grain Quality Improvement Act of 1986 was enacted on November 10, 1986, to improve the quality of U.S. grain by prohibiting the introduction and reintroduction of dockage and foreign material to grain.

For 2004, authorizing legislation will be submitted to permit, subject to appropriations, the collection and use of fees to cover the cost of standardization activities.

The goal of the Packers and Stockyards program is to ensure the integrity of the livestock, meat, and poultry markets and the marketplace in order to protect producers against unfair, deceptive, or discriminatory practices as well as those that are predatory or monopolistic in nature. Consumers and members of the livestock, poultry, and meat industries are also protected against unfair business practices in the marketing of livestock, meat and poultry, and from restrictions on competition which could unduly affect prices. The Agency also carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for pre-notification of security interests against farm products.

Authorizing legislation will be submitted that would establish a license fee that, subject to appropriations, would allow the collection and expenditure of funds for all costs associated with administering the Packers and Stockyards Act.

MAIN WORKLOAD FACTORS

	2002 actual	2003 est.	2004 est.
U.S. standards in effect at end of year .....	19	19	19
Standards reviews in progress .....	3	3	3
Standards reviews completed .....	3	3	3
Inspection techniques developed .....	63	80	40
On-site investigations .....	8	7	7
Designations renewed .....	20	20	18
Registration certificates issued .....	83	83	81
Investigations .....	1,435	1,550	1,550
Market agencies/dealers registered .....	6,024	6,050	6,050
Stockyards posted .....	1,510	1,435	1,435
Slaughtering and processing packers subject to the Act (estimated) .....	6,000	6,000	6,000
Distributors, brokers, and dealers subject to the Act (estimated) .....	6,800	6,800	6,800
Poultry operations subject to the Act .....	205	205	205

Object Classification (in millions of dollars)

Identification code 12-2400-0-1-352	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	20	22	23
12.1 Civilian personnel benefits .....	5	6	6
21.0 Travel and transportation of persons .....	1	2	2
23.3 Communications, utilities, and miscellaneous charges .....	1	1	2
25.2 Other services .....	3	5	5
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	2	3	3
99.9 Total new obligations .....	33	40	42

Personnel Summary

Identification code 12-2400-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	327	375	375

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-2400-2-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Standardization .....		-5	-5
00.04 Packers and stockyards program .....		-22	-24
09.01 Reimbursable program .....		27	29
10.00 Total new obligations .....			
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		-27	-29
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		27	29
70.00 Total new budget authority (gross) .....			
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....		-27	-29
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		-27	-29
90.00 Outlays .....		-27	-29

Legislation will be proposed to establish a fee for the standardization activities of the Grain Inspection, Packers and Stockyards Administration, and a licensing fee to cover the costs of administering meat packers and stockyards activities.

This is one of the proposals in the budget to charge fees to users directly availing themselves of, or subject to, a government service, program or activity, in order to cover the government's costs. Legislation will be proposed to authorize the fees.

Object Classification (in millions of dollars)

Identification code 12-2400-2-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....		-14	-16
12.1 Civilian personnel benefits .....		-5	-5
21.0 Travel and transportation of persons .....		-1	-1
23.3 Communications, utilities, and miscellaneous charges .....		-1	-1
25.2 Other services .....		-3	-3
26.0 Supplies and materials .....		-1	-1
31.0 Equipment .....		-2	-2
99.0 Direct obligations .....		-27	-29
99.0 Reimbursable obligations .....		27	29
99.9 Total new obligations .....			

Personnel Summary

Identification code 12-2400-2-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....		-252	-252
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....		252	252

Public enterprise funds:

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Not to exceed \$42,463,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: Provided, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress. (7 U.S.C. 71, 74-79, 84-87, 1621-27)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-4050-0-3-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program .....	34	42	42
10.00 Total new obligations .....	34	42	42
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	4	4
22.00 New budget authority (gross) .....	34	42	42
23.90 Total budgetary resources available for obligation .....	39	46	46
23.95 Total new obligations .....	-34	-42	-42
24.40 Unobligated balance carried forward, end of year .....	4	4	4
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	34	42	42
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-3	-4	-4
73.10 Total new obligations .....	34	42	42
73.20 Total outlays (gross) .....	-34	-42	-42
74.40 Obligated balance, end of year .....	-4	-4	-4
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	34	42	42
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-34	-42	-42
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1		

The Grain Inspection, Packers and Stockyards Administration (GIPSA) provides a uniform system for the inspection and weighing of grain. Services provided under this system are financed through a fee supported revolving fund. This authority has been extended through September 2005.

Fee supported programs include direct services, supervision activities and administrative functions. Direct services include official grain inspection and weighing by GIPSA employees at certain export ports as well as the inspection of U.S. grain shipped through Canada. The Agency supervises the inspection and weighing activities performed by its own employees. The Agency also oversees the inspection and weighing of grain performed by employees of 8 delegated States and 51 designated State and private agencies. The Agency provides an appeal service of original grain inspections and a registration system for grain exporting firms. Through support from the Association of American Railroads and user fees, GIPSA conducts a railroad track scale testing program. In addition, the agency provides grading services, on request, for rice and grain related products under the authority of the Agricultural Marketing Act of 1946 (AMA).

	2002 actual	2003 est.	2004 est.
Export grain inspected and/or weighed (million metric tons):			
By Federal personnel .....	81.6	81.7	85.9
By delegated States .....	24.3	24.3	25.5
Quantity of grain inspected (all official inspections) domestically million metric tons .....	131.1	119.0	133.3
Number of inspections and reinspections:			
By Federal personnel .....	101,568	100,000	100,000
By delegated state/official agency licenses .....	1,728,016	1,700,000	1,700,000
Number of appeals .....	3,700	3,700	3,700
Number of appeals carried to the Board of Appeals and Review .....	530	530	530
Quantity of rice inspected (million metric tons) .....	2.8	2.9	2.8
Quantity of rice exports (million metric tons) .....	3.5	3.6	2.8

**Object Classification** (in millions of dollars)

Identification code 12-4050-0-3-352	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	17	22	22
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	5	6	6
11.9 Total personnel compensation .....	23	29	29
12.1 Civilian personnel benefits .....	5	6	6
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	2	3	3
26.0 Supplies and materials .....	1	1	1
99.9 Total new obligations .....	34	42	42

**Personnel Summary**

Identification code 12-4050-0-3-352	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	408	455	455

**AGRICULTURAL MARKETING SERVICE**

**Federal Funds**

**General and special funds:**

**MARKETING SERVICES**

*For necessary expenses to carry out services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States, including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$90,000 for employment under 5 U.S.C. 3109, \$75,071,000, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.*

*Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law. (7 U.S.C. 91-99, 136i-136l, 138-138l, 291-292, 415b-415d, 471-476, 501-508, 581-599, 951-957, 1031-1056, 1291, 1551-56, 1621-27, 2204(b)(c), 4401-06, 6501-22; 15 U.S.C. 714-714p; 21 U.S.C. 1031-56; 26 U.S.C. 6804, 7233, 7263, 7492-93, 7701; 49 U.S.C. 1653.)*

**LIMITATION ON ADMINISTRATIVE EXPENSES LEVEL**

*Not to exceed \$62,577,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: Provided, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress. (7 U.S.C. 15b, 51-65, 511-511q, 511r)*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-2500-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Market news service .....	29	30	30
00.02 Inspection and standardization .....	6	6	6
00.03 Market protection and promotion .....	29	33	34
00.04 Wholesale market development .....	3	3	3
00.05 Transportation services .....	3	3	3
09.01 Reimbursable program .....	41	64	66
10.00 Total new obligations .....	111	139	142

**General and special funds—Continued****MARKETING SERVICES—Continued****LIMITATION ON ADMINISTRATIVE EXPENSES LEVEL—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 12-2500-0-1-352	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	13	18	18
22.00 New budget authority (gross)	117	140	142
23.90 Total budgetary resources available for obligation	130	158	160
23.95 Total new obligations	-111	-139	-142
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	18	18	19
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	71	75	76
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	46	65	66
70.00 Total new budget authority (gross)	117	140	142
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	2	9	23
73.10 Total new obligations	111	139	142
73.20 Total outlays (gross)	-121	-126	-146
73.40 Adjustments in expired accounts (net)	18	2	2
74.10 Change in uncollected customer payments from Federal sources (expired)	-1	-1	-1
74.40 Obligated balance, end of year	9	23	20
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	117	127	133
86.93 Outlays from discretionary balances	4	-1	13
87.00 Total outlays (gross)	121	126	146
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-46	-65	-66
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	71	75	76
90.00 Outlays	75	61	80
<b>Memorandum (non-add) entries:</b>			
92.02 Total investments, end of year: Federal securities: Par value	13	13	13

Agricultural Marketing Service activities assist producers and handlers of agricultural commodities by providing a variety of marketing services. These services continue to become more complex as the volume of agricultural commodities increases, as a greater number of new processed commodities are developed, and as the agricultural market structure undergoes extensive changes. Marketing changes include increased concentration in food retailing, direct buying, decentralization of processing, growth of interregional competition, vertical integration, and contract farming.

The individual Marketing Services activities include:

**Market news service.**—The market news program provides the agricultural community with information pertaining to the movement of agricultural products. This nationwide service provides daily reports on the supply, demand, and price of over 700 commodities on domestic and foreign markets.

**Inspection, grading and standardization.**—Nationally uniform standards of quality for agricultural products are established and applied to specific lots of products to: promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; and encourage better preparation of uniform quality products for market. Grading services are provided for cotton and domestic and imported tobacco.

Quarterly inspection of egg handlers and hatcheries is conducted to ensure the proper disposition of shell eggs unfit for human consumption.

**MARKET NEWS PROGRAM**

	2002 actual	2003 est.	2004 est.
Percentage of reports released on time	93%	93%	93%

**COTTON AND TOBACCO USER FEE PROGRAM**

	2002 actual	2003 est.	2004 est.
Cotton classed (samples in millions)	20.4	16	16
Tobacco graded at auction markets and contract delivery stations (million pounds)	648	334	334
Imported tobacco inspected at markets and ports of entry (million kilograms)	175	175	175

**FEDERALLY FUNDED INSPECTION AND PROCUREMENT ACTIVITIES**

	2002 actual	2003 est.	2004 est.
States and Commonwealths with cooperative agreements	40	40	40
Percentage of noncomplying shell egg lots that are reprocessed or diverted	100%	100%	100%

**STANDARDIZATION ACTIVITIES**

	2002 actual	2003 est.	2004 est.
International and U.S. standards in effect, end of fiscal year	598	600	600
Number of commodities covered	225	225	225

**Market protection and promotion.**—This program consists of: (1) the research and promotion programs which are designed to improve the competitive position and expand markets for cotton, eggs and egg products, honey, pork, beef, dairy products, potatoes, watermelons, mushrooms, soybeans, fluid milk, popcorn, blueberries, avocado, and peanut; (2) the Federal Seed Act; and (3) the administration of the Capper-Volstead Act and the Agricultural Fair Practices Act.

The pesticide recordkeeping program monitors compliance of private certified applicators with Federal regulations requiring them to keep records of restricted pesticides used in agricultural production.

The pesticide data program develops comprehensive, statistically defensible information on pesticide residues in food to improve government dietary risk procedures.

Federal seed inspectors conduct tests on seed samples to help ensure truthful labeling of agricultural and vegetable seeds sold in interstate commerce.

The Capper-Volstead Act and the Agricultural Fair Practices Act protect producers against discriminatory practices by handlers, permit producers to engage in cooperative efforts, and ensure that such cooperatives do not engage in practices that monopolize or restrain trade.

The national organic program certifies that organically produced food products meet national standards.

**MARKET PROTECTION AND PROMOTION ACTIVITIES**

	2002 actual	2003 est.	2004 est.
<b>Pesticide data program:</b>			
Number of analyses performed	100,000	100,000	100,000
Percentage of sampling and analysis goal	100%	100%	100%
<b>Pesticide recordkeeping:</b>			
Number of State/Federal inspections conducted	5,124	4,900	4,900
Percentage of sampling goal attained	98%	98%	98%
<b>Seed Act:</b>			
Interstate investigations:			
Completed	491	441	391
Pending	695	750	795
Seed samples tested	1,502	1,600	1,600
Percentage of cases submitted that are completed	94%	92%	92%
<b>Plant Variety Protection Act:</b>			
Percentage of application processing goal completed	100%	100%	100%
Number of applications received	274	256	256
Certificates of protection issued	389	389	389
Research and promotion collections (dollars in millions)	673	687	687
Percentage of board budgets and marketing plans approved within time frame goal	91%	91%	91%

**Wholesale market development.**—This program is designed to enhance the marketing of agricultural commodities in the

United States by conducting research into more efficient marketing methods for agricultural commodities and by providing technical assistance to urban areas interested in improving their food distribution facilities.

*Transportation Services.*—The activities are designed to ensure that the Nation's transportation systems will adequately serve the needs of agriculture and rural areas of the United States.

**WHOLESALE MARKET DEVELOPMENT ACTIVITIES**

	2002 actual	2003 est.	2004 est.
Number of projects completed .....	8	8	8

**TRANSPORTATION SERVICES ACTIVITIES**

	2002 actual	2003 est.	2004 est.
Number of projects completed .....	10	10	10

**Object Classification (in millions of dollars)**

Identification code 12-2500-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	28	29	30
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	29	30	31
12.1 Civilian personnel benefits .....	7	8	8
21.0 Travel and transportation of persons .....	3	3	3
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
25.2 Other services .....	18	20	20
25.3 Other purchases of goods and services from Government accounts .....	4	4	4
25.7 Operation and maintenance of equipment .....	2	2	2
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	2	3	3
99.0 Direct obligations .....	70	75	76
99.0 Reimbursable obligations .....	41	64	66
99.9 Total new obligations .....	111	139	142

**Personnel Summary**

Identification code 12-2500-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	552	566	566
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	649	649	649

**PAYMENTS TO STATES AND POSSESSIONS**

*For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,347,000.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-2501-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		1	1
10.00 Total new obligations (object class 41.0) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1	1	1
23.95 Total new obligations .....	-1	-1	-1

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	1	1	1

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	2	3	1
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1
74.40 Obligated balance, end of year .....	3	1	1

**Outlays (gross), detail:**

86.93 Outlays from discretionary balances .....	1	1	1
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**Net budget authority and outlays:**

89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1

Grants are made on a matching fund basis to State departments of agriculture to carry out specifically approved programs designed to enhance marketing efficiency. Under this activity, specialists work with farmers, marketing firms, and other agencies in solving marketing problems and in using research results.

**PERISHABLE AGRICULTURAL COMMODITIES ACT FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 12-5070-0-2-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.00 Deposits of Perishable Agricultural Commodities Act fees .....	9	8	8
<b>Appropriations:</b>			
05.00 Perishable Agricultural Commodities Act fund .....	-9	-8	-8
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 12-5070-0-2-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		9	9
10.00 Total new obligations .....		9	9
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	10	10
22.00 New budget authority (gross) .....	9	8	8
23.90 Total budgetary resources available for obligation .....	10	18	18
23.95 Total new obligations .....		-9	-9
24.40 Unobligated balance carried forward, end of year .....	10	10	9

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.20 Appropriation (special fund) .....	9	8	8

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	1	2	1
73.10 Total new obligations .....	9	9	9
73.20 Total outlays (gross) .....		-8	-8
74.40 Obligated balance, end of year .....	2	1	1

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....		8	8
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**Net budget authority and outlays:**

89.00 Budget authority .....	9	8	8
90.00 Outlays .....	-1	8	8

**Memorandum (non-add) entries:**

92.02 Total investments, end of year: Federal securities: Par value .....	12		
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**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....		1	1
99.01 Outlays .....		1	1

**General and special funds—Continued**

**PERISHABLE AGRICULTURAL COMMODITIES ACT FUND—Continued**

License fees are deposited in this special fund and are used to meet the costs of administering the Perishable Agricultural Commodities and the Produce Agency Acts (7 U.S.C. 491–497, 499a–499s).

The Acts are intended to ensure equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal agreements between the two parties, (b) formal decisions involving payment of reparation awards, and/or (c) suspension or revocation of license and/or publication of the facts. Beginning October 1, 1994, an additional fee was instituted for the filing of formal and informal complaints of violations of the Act. The November 1995 amendments to the Perishable Agricultural Commodities Act: (1) increase the license fee and phase out fees for wholesale grocers and retailers by 1999; (2) provide permanent authority to the Secretary of Agriculture to set license and reparation complaint filing fees; and (3) repeal the 25 percent maximum funding reserve cap.

A 1984 amendment to the Perishable Agricultural Commodities Act requires traders to have trust assets on hand to meet their obligations to fruit and vegetable suppliers. To preserve their trust and establish their rights ahead of other creditors, unpaid suppliers file notice with both the Department and their debtors that payment is due.

**PERISHABLE AGRICULTURAL COMMODITIES ACT ACTIVITIES**

	2002 actual	2003 est.	2004 est.
Percentage of informal reparation complaints completed within time frame goal .....	85%	85%	85%

**Object Classification (in millions of dollars)**

Identification code 12–5070–0–2–352	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	5	5	5
12.1 Civilian personnel benefits .....	1	1	1
21.0 Travel and transportation of persons .....	1		
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	1	1	1
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
33.0 Investments and loans .....	–10		
99.9 Total new obligations .....		9	9

**Personnel Summary**

Identification code 12–5070–0–2–352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	95	95	95

**FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)**

(INCLUDING TRANSFERS OF FUNDS)

*Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612e), shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than \$15,392,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 12–5209–0–2–605	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	10,436	10,084	10,003
<b>Receipts:</b>			
02.00 30 percent of customs duties, Funds for strengthening markets, income and supply .....	5,787	5,716	6,224
02.40 General fund payment. Funds for strengthening markets, income and supply .....		1	1
02.80 Funds for strengthening markets, income, and supply, offsetting collections .....	1	1	1
02.99 Total receipts and collections .....	5,788	5,718	6,226
04.00 Total: Balances and collections .....	16,224	15,802	16,229
<b>Appropriations:</b>			
05.00 Funds for strengthening markets, income, and supply (section 32) .....	–6,140	–5,799	–5,823
05.99 Total appropriations .....	–6,140	–5,799	–5,823
07.99 Balance, end of year .....	10,084	10,003	10,406

**Program and Financing (in millions of dollars)**

Identification code 12–5209–0–2–605	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
<b>Commodity program payments:</b>			
00.01 Child nutrition program purchases .....	400	15	400
00.02 Emergency surplus removal .....	207	185	416
00.03 Direct payment program .....	173		
00.04 Fruit and Vegetable Pilot Program .....	6		
00.05 Lamb grading and certification support .....	1	1	
00.06 Livestock Compensation Program .....		937	
00.07 State option contract .....		5	5
00.08 Removal of defective commodities .....		1	1
00.91 Subtotal, Commodity program payments .....	787	1,144	822
01.01 Administrative expenses .....	17	26	26
01.92 Total direct program .....	804	1,170	848
09.11 Reimbursable program .....	1	1	1
10.00 Total new obligations .....	805	1,171	849
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	108	192	
22.00 New budget authority (gross) .....	889	979	1,149
23.00 Total budgetary resources available for obligation .....	997	1,171	1,149
23.95 Total new obligations .....	–805	–1,171	–849
24.40 Unobligated balance carried forward, end of year .....	192		300
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
60.20 Appropriation (special fund) .....	6,139	5,798	5,822
61.00 Transferred to other accounts .....	–5,251	–4,820	–4,674
62.50 Appropriation (total mandatory) .....	888	978	1,148
69.00 Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	889	979	1,149
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	148	36	36
73.10 Total new obligations .....	805	1,171	849
73.20 Total outlays (gross) .....	–915	–1,170	–848
74.40 Obligated balance, end of year .....	36	36	36
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	660	942	673
86.98 Outlays from mandatory balances .....	255	228	175
87.00 Total outlays (gross) .....	915	1,170	848
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	–1	–1	–1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	888	978	1,148
90.00 Outlays .....	916	1,169	847

Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00	Budget authority .....	1	1
99.01	Outlays .....	1	1

Under section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each calendar year is automatically appropriated for expanding outlets for nonbasic commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Most of the funds are transferred to the Food and Nutrition Service and are used to purchase commodities under section 6 of the National School Lunch Act and other authorities specified in the child nutrition appropriation. If unforeseen commodity surpluses should develop, unobligated reserve balances are available for surplus removal.

Object Classification (in millions of dollars)			
Identification code 12-5209-0-2-605	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1	Personnel compensation: Full-time permanent .....	9	12
12.1	Civilian personnel benefits .....	2	3
21.0	Travel and transportation of persons .....	1	1
22.0	Transportation of things .....	1	1
23.3	Communications, utilities, and miscellaneous charges .....	1	1
25.2	Other services .....	4	4
25.3	Other purchases of goods and services from Government accounts .....	2	2
25.7	Operation and maintenance of equipment .....	1	1
26.0	Supplies and materials: Grants of commodities to States .....	782	1,144
31.0	Equipment .....	1	1
99.0	Direct obligations .....	804	1,170
99.0	Reimbursable obligations .....	1	1
99.9	Total new obligations .....	805	1,171

Personnel Summary			
Identification code 12-5209-0-2-605	2002 actual	2003 est.	2004 est.
Direct:			
1001	Total compensable workyears: Civilian full-time equivalent employment .....	168	177
Reimbursable:			
2001	Total compensable workyears: Civilian full-time equivalent employment .....	13	13

**Trust Funds**

**EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS**

Unavailable Collections (in millions of dollars)			
Identification code 12-8015-0-7-352	2002 actual	2003 est.	2004 est.
01.99	Balance, start of year .....	2	2
Receipts:			
02.20	Deposits of fees from inspection and grading of farm products .....	122	118
02.41	Payments from general fund, Wool research, development, and promotion .....	2	2
02.42	Interest on investments in public debt securities, AMS .....	1	
02.99	Total receipts and collections .....	125	120
04.00	Total: Balances and collections .....	127	122
Appropriations:			
05.00	Expenses and refunds, inspection and grading of farm products .....	-125	-120
07.99	Balance, end of year .....	2	2

**Program and Financing (in millions of dollars)**

Identification code 12-8015-0-7-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Dairy products .....	5	6
00.02	Fruits and vegetables .....	53	54
00.03	Meat grading .....	22	23
00.04	Poultry products .....	23	25
00.05	Miscellaneous agricultural commodities .....	15	12
10.00	Total new obligations .....	118	120
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	7	18
22.00	New budget authority (gross) .....	130	120
23.90	Total budgetary resources available for obligation .....	137	138
23.95	Total new obligations .....	-118	-120
24.40	Unobligated balance carried forward, end of year .....	18	20

New budget authority (gross), detail:			
Mandatory:			
60.26	Appropriation (trust fund) .....	125	120
62.00	Transferred from other accounts .....	5	
62.50	Appropriation (total mandatory) .....	130	120

Change in obligated balances:			
72.40	Obligated balance, start of year .....	21	24
73.10	Total new obligations .....	118	120
73.20	Total outlays (gross) .....	-116	-115
74.40	Obligated balance, end of year .....	24	29

Outlays (gross), detail:			
86.97	Outlays from new mandatory authority .....	116	115
86.98	Outlays from mandatory balances .....		5
87.00	Total outlays (gross) .....	116	115

Net budget authority and outlays:			
89.00	Budget authority .....	130	120
90.00	Outlays .....	116	115

Memorandum (non-add) entries:			
92.02	Total investments, end of year: Federal securities: Par value .....	36	

Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00	Budget authority .....	6	6
99.01	Outlays .....	6	6

*Expenses and refunds, inspection and grading of farm products.*—The commodity grading programs provide grading, examination, and certification services for a wide variety of fresh and processed food commodities using federally approved grade standards and purchase specifications. Commodities graded include poultry, livestock, meat, dairy products, and fresh and processed fruits and vegetables. These programs use official grade standards which reflect the relative quality of a particular food commodity based on laboratory testing and characteristics such as taste, color, weight, and physical condition. Producers voluntarily request grading and certification services which are provided on a fee for service basis.

**WORKLOAD INDICATORS**

	2002 actual	2003 est.	2004 est.
Weighted average cost per cwt. (1990 index) .....	.08	.08	.08

**Object Classification (in millions of dollars)**

Identification code 12-8015-0-7-352	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1	Full-time permanent .....	58	60
11.3	Other than full-time permanent .....	5	5
11.5	Other personnel compensation .....	9	9
11.9	Total personnel compensation .....	72	74
12.1	Civilian personnel benefits .....	17	17
13.0	Benefits for former personnel .....	1	1

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-8015-0-7-352	2002 actual	2003 est.	2004 est.
21.0 Travel and transportation of persons .....	6	7	7
23.2 Rental payments to others .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
24.0 Printing and reproduction .....		1	1
25.2 Other services .....	15	10	10
25.3 Other purchases of goods and services from Government accounts .....	1	2	2
26.0 Supplies and materials .....	1	2	2
31.0 Equipment .....	1	2	2
99.9 Total new obligations .....	118	120	120

Personnel Summary

Identification code 12-8015-0-7-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,530	1,507	1,507

MILK MARKET ORDERS ASSESSMENT FUND

Unavailable Collections (in millions of dollars)

Identification code 12-8412-0-8-351	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.80 Milk market orders assessment fund, offsetting collections .....	44	44	44
Appropriations:			
05.00 Milk market orders assessment fund .....	-44	-44	-44
07.99 Balance, end of year .....			

Program and Financing (in millions of dollars)

Identification code 12-8412-0-8-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Administration .....	37	41	44
09.02 Marketing service .....	8	7	7
10.00 Total new obligations .....	45	48	51
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	37	36	32
22.00 New budget authority (gross) .....	44	44	44
23.90 Total budgetary resources available for obligation .....	81	80	76
23.95 Total new obligations .....	-45	-48	-51
24.40 Unobligated balance carried forward, end of year .....	36	32	25
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	44	44	44
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	44	46	50
73.10 Total new obligations .....	45	48	51
73.20 Total outlays (gross) .....	-43	-44	-44
74.40 Obligated balance, end of year .....	46	50	57
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	43	44	44
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-44	-44	-44
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-1		

Note.—The administration fund totals are comprised of 31 separate independent order accounts in 1998.

The Secretary of Agriculture is authorized by the Agricultural Marketing Agreement Act of 1937, as amended—under certain conditions—to issue Federal milk marketing orders establishing minimum prices which handlers are required to pay for milk purchased from producers. The Secretary has reduced the number of milk marketing orders from 31 to 11, consistent with the 1996 Farm Bill authorities.

Market administrators are appointed by the Secretary and are responsible for carrying out the terms of specific marketing orders. Their operating expenses, partly financed by assessments on regulated handlers and partly by deductions from producers, are reported in these schedules. These funds are collected locally, deposited in local banks, and disbursed directly by the market administrator.

Expenses of local offices are met from an administrative fund and a marketing service fund, which are prescribed in each order. The administrative fund is derived from prorated handler assessments. The marketing service fund of the individual order disseminates market information to producers who are not members of a qualified cooperative. It also provides for the verification of the weights, sampling, and testing of milk from these producers. The cost of these services is borne by such producers.

The maximum rates for administrative assessment and for marketing services are set forth in each order and adjustments below these rates are made from time to time upon recommendations by the market administrator and upon approval of the Agricultural Marketing Service to provide reserves at about a 6-month operating level. Upon termination of any order, the statute provides for distributing the proceeds from net assets pro rata to contributing handlers or producers, as the case may be.

WORKLOAD INDICATORS

	2002 actual	2003 est.	2004 est.
Percentage of formal and informal rulemaking completed within internal timeframes .....	85%	85%	85%

Object Classification (in millions of dollars)

Identification code 12-8412-0-8-351	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	27	29	31
12.1 Civilian personnel benefits .....	6	7	7
21.0 Travel and transportation of persons .....	3	3	3
23.2 Rental payments to others .....	3	3	3
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.2 Other services .....	1	1	1
26.0 Supplies and materials .....	1	1	2
31.0 Equipment .....	2	2	2
99.9 Total new obligations .....	45	48	51

Personnel Summary

Identification code 12-8412-0-8-351	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	440	443	443

RISK MANAGEMENT AGENCY

Federal Funds

General and special funds:

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), \$78,488,000: Provided, That not to exceed \$1,000 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-2707-0-1-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	74	71	78
10.00 Total new obligations .....	74	71	78
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	74	71	78
23.95 Total new obligations .....	-74	-71	-78
23.98 Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	75	71	78
40.76 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	74	71	78
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	39	24	22
73.10 Total new obligations .....	74	71	78
73.20 Total outlays (gross) .....	-84	-73	-76
73.40 Adjustments in expired accounts (net) .....	-4		
74.40 Obligated balance, end of year .....	24	22	24
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	45	50	55
86.93 Outlays from discretionary balances .....	39	23	21
87.00 Total outlays (gross) .....	84	73	76
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	74	71	78
90.00 Outlays .....	84	73	76
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	5	6	7
99.01 Outlays .....	5	6	7

This appropriation finances the administrative and operating expenses of the Risk Management Agency (RMA), which provides crop insurance to farmers.

The Federal government reimburses private insurance companies for certain administrative expenses incurred while delivering the crop insurance program.

Current law provides this through mandatory funding. The 2004 budget includes a proposal that would reduce the reimbursement rate for crop insurance policies from 24.5 to 20 percent through appropriations language to amend the Federal Crop Insurance Act. This proposal would increase efficiency in the delivery of crop insurance.

**Object Classification** (in millions of dollars)

Identification code 12-2707-0-1-351	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	33	35	38
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	34	36	39
12.1 Civilian personnel benefits .....	8	8	8
21.0 Travel and transportation of persons .....	2	2	2
23.2 Rental payments to others .....			1
23.3 Communications, utilities, and miscellaneous charges .....	2	1	1
25.2 Other services .....	24	20	25
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	2	2	
99.9 Total new obligations .....	74	71	78

**Personnel Summary**

Identification code 12-2707-0-1-351	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	510	568	568

**CORPORATIONS**

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Public enterprise funds:**

**FEDERAL CROP INSURANCE CORPORATION FUND**

For payments as authorized by section 516 of the Federal Crop Insurance Act, such sums as may be necessary, to remain available until expended (7 U.S.C. 1516).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-4085-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 Change in delivery and other expenses .....		-115	-68
01.01 Indemnities .....	3,160	4,366	3,090
09.01 Reimbursable program .....	685	681	653
10.00 Total new obligations .....	3,845	4,932	3,675
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1,225	1,017	71
22.00 New budget authority (gross) .....	3,637	3,986	4,156
23.90 Total budgetary resources available for obligation .....	4,862	5,003	4,227
23.95 Total new obligations .....	-3,845	-4,932	-3,675
24.40 Unobligated balance carried forward, end of year .....	1,017	71	552
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.35 Appropriation rescinded .....		-115	-68
Mandatory:			
60.00 Appropriation .....	2,820	2,911	3,368
61.00 Transferred to other accounts .....	-2		
62.50 Appropriation (total mandatory) .....	2,818	2,911	3,368
69.00 Offsetting collections (cash) .....	819	1,190	856
70.00 Total new budget authority (gross) .....	3,637	3,986	4,156
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,225	1,305	1,921
73.10 Total new obligations .....	3,845	4,932	3,675
73.20 Total outlays (gross) .....	-3,765	-4,316	-3,559
74.40 Obligated balance, end of year .....	1,305	1,921	2,037
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		-115	-68
86.97 Outlays from new mandatory authority .....	2,105	2,158	2,090
86.98 Outlays from mandatory balances .....	1,660	2,273	1,537
87.00 Total outlays (gross) .....	3,765	4,316	3,559
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-819	-1,190	-856

## Public enterprise funds—Continued

## FEDERAL CROP INSURANCE CORPORATION FUND—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 12-4085-0-3-351	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2,818	2,796	3,300
90.00 Outlays .....	2,947	3,126	2,703

The Federal Crop Insurance Corporation (FCIC), a wholly-owned government corporation, provides multi-peril and catastrophic crop insurance protection against losses from unavoidable natural events. The Federal Crop Insurance Reform Act of 1994 (Reform Act) and the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) brought many changes to the program. With the reduced price support activities promulgated by the 1996 Act, the crop insurance program is an integral part of the broad-based safety net and includes programs involving revenue insurance, and education in the use of futures markets to manage risks.

Commercial insurance companies deliver crop insurance policies to the producer in all states. For producers who obtain Catastrophic Crop Insurance (CAT), which compensates the farmer for losses up to 50 percent of the individual's average yield at 55 percent of the expected market price, the premium is entirely subsidized. The cost to the producer for this type of coverage is an annual administrative fee of \$100 per crop per county.

Additional coverage is available to producers who wish to insure crops above the 50 percent coverage level/55 percent price level. Policyholders can elect to be paid up to 100 percent of the market price established by FCIC for each unit of production their actual yield is less than the individual yield guarantee. Premium rates for additional coverage depend on the level of coverage of protection selected and vary from crop to crop and county to county. Producers are assessed a fee of \$30 per crop, per county, in addition to a share of premium. The additional levels of insurance coverage are more attractive to farmers due to availability of optional units, other policy provisions not available with CAT coverage, and the ability to obtain a level of protection that permits them to use crop insurance as loan collateral and to achieve greater financial security.

As mandated by the 1996 Act, revenue insurance programs are available under which producers of wheat, certain feed grains, soybeans, rice, and cotton are protected against loss of revenue stemming from low prices, poor yields, or a combination of both. Two of the revenue insurance plans were privately developed and submitted to FCIC: Crop Revenue Coverage (CRC) and Revenue Assurance (RA). The Income Protection (IP) plan was developed by FCIC. These three plans have many similar features and some very distinctive features. All provide a guaranteed revenue by combining coverage on both yield and price variability. CRC and RA also provide protection against price increases at the time of harvest from an initial price guarantee established near the time of planting. Indemnities are due when any combination of yield and price result in revenue that is less than the revenue guarantee. Revenue protection for all products is provided by extending traditional multi-peril crop insurance protection, based on actual production history, to include price variability. The price component common to CRC, RA, and IP uses the commodity futures market for price discovery. These programs all seek to help ensure a certain level of annual income and are offered through private insurance companies. For 1999, a Group Risk Income Protection plan was developed by the private sector to provide protection against decline in county revenue, based on futures market prices and NASS county average yields, as adjusted by FCIC. FCIC is also

piloting an Adjusted Gross Revenue (AGR) program, which is designed to insure a portion of a producers gross revenue based on their Schedule F Farm and Income Tax reports.

A legislative proposal amending the Federal Crop Insurance Act is included in the 2004 Budget. It is designed to promote efficiency in the delivery of crop insurance by eliminating unnecessary expenditures.

On June 20, 2000, based on the Agricultural Risk Protection Act of 2000 (ARPA), the Risk Management Agency (RMA) began improving basic products by implementing higher premium subsidies to make additional coverage more affordable to producers, making adjustments in actual production history guarantees to address multiple year disasters, and revising administrative fees for CAT and additional coverage. On September 17, 2001, RMA published an interim rule in the Federal Register in accordance with ARPA, that allows RMA to reimburse developers of private crop insurance products for their research and development costs and maintenance costs once the FCIC's Board of Directors (Board) approves the products. During 2002, RMA awarded over \$21 million in projects, as authorized by ARPA, to accomplish many of the research and development mandates required by ARPA. These projects were awarded to public and private entities, including a pool of contractors in a base research and development contract that was initiated with a period of performance through September 30, 2002. On November 15, 2001, the Board approved two livestock pilot programs—Livestock gross margin and Livestock risk protection—as allowed by ARPA. The pilot livestock programs cover swine in the State of Iowa and were made available beginning in 2002.

RMA continues to improve and update the terms and conditions of all crop insurance policies, which better clarifies and defines the insurance protection provided by the insurance policies and the duties and responsibilities of the policyholder and insurance provided.

In crop year 2002, 206.3 million acres were insured, with an estimated \$3,000 million in total premium income, including \$1,793 million in premium subsidy.

The Corporation's budget is presented in accordance with generally accepted accounting principles, the Financial Accounting Standards Board (FASB) Statement No. 60, "Accounting and Reporting by Insurance Enterprises," and Statement No. 5, "Accounting for Contingencies."

The following table compares the scope of the insurance operations planned for 2004. Amounts in the 2002 column are as of September 30, 2002, and pertain to the 2002 crop year.

	2002 crop year estimate	2003 crop year estimate	2004 crop year estimate
Number of States .....	50	50	50
Number of counties .....	3,022	3,022	3,022
Insurance in force (millions) .....	35,904	36,075	37,948
Insured acreage (millions) .....	206	208	208
Producer premium (millions) <sup>1</sup> .....	1,207	1,127	1,183
Premium subsidy (millions) <sup>1</sup> .....	1,793	1,699	1,782
Total premium (millions) <sup>1</sup> .....	3,000	2,826	2,965
Indemnities (million) <sup>1</sup> .....	4,260	3,038	3,188
Loss ratio .....	1.420	1.075	1.075

<sup>1</sup> Includes amounts that will appear on the books of the reinsured companies. The Corporation records will only reflect the net reinsurance income and net reinsurance loss.

**Financing.**—The Corporation is authorized under the Federal Crop Insurance Act, as amended, to use funds from the issuance of capital stock which provides working capital for the Corporation.

Receipts, which are for deposit to this fund, come mainly from premiums paid by farmers. The principal payments from this fund are for indemnities to insured farmers, and administrative expenses for approved insurance providers.

Premium subsidies are authorized by section 508(b) of the Federal Crop Insurance Act, as amended, and are received through appropriations.

**PREMIUM AND SUBSIDY**

[In millions of dollars]

	2002 fiscal year actual	2003 fiscal year estimate	2004 fiscal year estimate
<b>Premiums:</b>			
Additional coverage premium subsidy .....	1,542	1,464	1,527
Catastrophic coverage—Reinsurance premium subsidy .....	240	236	243
Subtotal, premium subsidy .....	1,782	1,700	1,770
Producer premium .....	1,200	1,139	1,175
Total premiums .....	1,782	2,839	2,945
<b>Indemnities:</b>			
Additional coverage .....	2,908	3,911	2,843
Catastrophic coverage—Reinsurance .....	252	340	247
Total indemnities .....	3,160	4,251	3,090

For crop years 1948 through 2001, indemnities (\$26,425 million) exceeded premium income (\$24,213 million) by \$2,212 million; the loss ratio for the period was 1.09.

The following table summarizes the insurance operations for 2002, 2003, and 2004:

**NET INCOME OR LOSS (-) ON INSURANCE OPERATIONS**

[In millions of dollars]

	2002 fiscal year est.	2003 fiscal year est.	2004 fiscal year est.
Producer premium less indemnities .....	-1,960	-3,112	-1,915
Interest expense, net .....	1	0	0
Delivery expenses <sup>1</sup> .....	-626	-613	-643
Other income or expense, net .....	149	881	295
ARPA costs .....	-41	-67	-77
Reinsurance underwriting gain (+) or loss (-) .....	-342	0	370
Net income or loss (-) .....	-2,820	-2,911	-3,300

<sup>1</sup> Figures reflect delivery expenses borne by the Fund in accordance with the Agricultural Research, Extension and Education Reform Act of 1998, P.L. 105-185.

**Statement of Operations (in millions of dollars)**

Identification code 12-4085-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	914	819	1,190	856
0102 Expense .....	-3,976	-4,927	-4,932	-3,743
0105 Net income or loss (-) .....	-3,062	-4,108	-3,742	-2,887
0199 Total comprehensive income .....	-3,062	-4,108	-3,742	-2,887

**Balance Sheet (in millions of dollars)**

Identification code 12-4085-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	2,353	2,567	2,567	2,567
1206 Non-Federal assets: Receivables, net .....	1,357	750	750	750
1803 Other Federal assets: Property, plant and equipment, net .....	1	1	1	1
1999 Total assets .....	3,711	3,318	3,318	3,318
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....		1	1	1
2105 Other .....	-1	175	175	175
Non-Federal liabilities:				
2201 Accounts payable .....	93	70	70	70
2207 Other .....	3,427	1,750	1,750	1,750
2999 Total liabilities .....	3,519	1,996	1,996	1,996
<b>NET POSITION:</b>				
3100 Appropriated capital .....	252	700	700	700
3300 Cumulative results of operations .....	-60	622	622	622
3999 Total net position .....	192	1,322	1,322	1,322
4999 Total liabilities and net position .....	3,711	3,318	3,318	3,318

**Object Classification (in millions of dollars)**

Identification code 12-4085-0-3-351	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.2 Other services .....			-68
42.0 Insurance claims and indemnities (reinsured buyup) .....	3,160	4,251	3,090
99.0 Direct obligations .....	3,160	4,251	3,022
42.0 Reimbursable obligations: Insurance claims and indemnities .....	685	681	653
99.9 Total new obligations .....	3,845	4,932	3,675

**FARM SERVICE AGENCY**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, \$1,016,836,000: Provided, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: Provided further, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: Provided further, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$1,000,000 shall be available for employment under 5 U.S.C. 3109.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-0600-0-1-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Farm programs .....	595	643	611
00.02 Conservation and environment .....	97	130	141
00.04 Commodity operations .....	1	1	1
00.05 Administrative and information technology .....	232	242	243
00.06 Civil rights and equal employment opportunity .....	19	22	21
03.00 Subtotal, direct program .....	944	1,038	1,017
Reimbursable program:			
09.01 Farm loans .....	273	279	290
09.02 Other programs .....	158	129	155
09.99 Subtotal, reimbursable program .....	431	408	445
10.00 Total new obligations .....	1,375	1,446	1,462

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	4	2	
22.00 New budget authority (gross) .....	1,369	1,444	1,462
22.10 Resources available from recoveries of prior year obligations .....	3		
23.90 Total budgetary resources available for obligation .....	1,376	1,446	1,462
23.95 Total new obligations .....	-1,375	-1,446	-1,462
24.40 Unobligated balance carried forward, end of year .....	2		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	939	1,036	1,017
40.76 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	938	1,036	1,017
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	413	408	445
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	18		
68.90 Spending authority from offsetting collections (total discretionary) .....	431	408	445

**General and special funds—Continued****SALARIES AND EXPENSES—Continued**  
(INCLUDING TRANSFERS OF FUNDS)—Continued**Program and Financing** (in millions of dollars)—Continued

Identification code 12-0600-0-1-351	2002 actual	2003 est.	2004 est.
70.00 Total new budget authority (gross) .....	1,369	1,444	1,462
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	166	180	159
73.10 Total new obligations .....	1,375	1,446	1,462
73.20 Total outlays (gross) .....	-1,322	-1,465	-1,518
73.40 Adjustments in expired accounts (net) .....	-18		
73.45 Recoveries of prior year obligations .....	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-18		
74.40 Obligated balance, end of year .....	180	159	101
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,219	1,337	1,357
86.93 Outlays from discretionary balances .....	103	128	161
87.00 Total outlays (gross) .....	1,322	1,465	1,518
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-385	-377	-414
88.40 Non-Federal sources .....	-28	-31	-31
88.90 Total, offsetting collections (cash) .....	-413	-408	-445
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-18		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	938	1,036	1,017
90.00 Outlays .....	909	1,057	1,073
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	67	73	87
99.01 Outlays .....	67	73	87

The Farm Service Agency (FSA) was established October 3, 1994, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, P.L. 103-354. The Department of Agriculture Reorganization Act of 1994 was amended on April 4, 1996, by the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), P.L. 104-127. The FSA administers a variety of activities, such as farm income support programs through various loans and payments; the Conservation Reserve Program (CRP); the Emergency Conservation Program; the Hazardous Waste Management Program; the Commodity Operation Programs including the warehouse examination function; farm ownership, farm operating, emergency disaster, and other loan programs; price support and production control programs for tobacco and peanuts; and the Noninsured Crop Disaster Assistance Program (NAP), which provides crop loss protection for growers of many crops for which crop insurance is not available. The Agency also assists in the administration of several conservation cost-share programs financed by the Commodity Credit Corporation (CCC), including the Environmental Quality Incentives Program (EQIP). In addition, FSA currently provides certain administrative support services to the Foreign Agricultural Service (FAS) and to the Risk Management Agency (RMA).

This consolidated administrative expenses account includes funds to cover expenses of programs administered by, and functions assigned to, the Agency. The funds consist of a direct appropriation, transfers from program loan accounts under credit reform procedures, user fees, and advances and reimbursements from other sources. This is a consolidated account for administrative expenses of national, regional, State, and county offices.

USDA's Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and Rural Development (RD) offices act as separate franchises, with offices often located adjacent to each other. Prior efforts to improve the efficiency of USDA's county-based offices have resulted in significant co-location, and introduction of new information technology to simplify customer transactions. However, the separate hierarchical structures at State, regional, and headquarter levels are set in law, and this hinders further attempts to achieve additional efficiencies.

This budget proposes changes that will allow the agencies to operate together more efficiently within the current organizational constraints. These changes will also increase the provision of core customer services, including technical assistance visits and eligibility determinations, while maintaining or reducing the number of personnel and/or the cost associated with the provision of the service. Specifically, the Administration proposes that the FSA, Rural Development, and NRCS field offices seek the following improvements:

- Capitalize on the significant investments made in information technology (IT) and establish a merged structure to provide IT support to the Service Centers. This will reduce overlap, duplication of effort, and disjointed systems.
- Restructure the administrative support offices to improve efficiency of service provision of personnel, travel, payroll, and procurement.
- Review the field office structure to determine the correct level of offices necessary to provide services.
- Begin centralizing loan servicing functions that do not need to be performed at the field level. These functions include mass mailings, general information collection and storage, collecting payments, and sending out statements.
- FSA along with Rural Development will conduct a review and develop a pilot loan asset sale. The sale will include a loan mix that results in the greatest budgetary savings to the Federal government.

*Farm programs.*—These programs provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonably priced supply of food and fiber. Objectives of the Agency include providing direct and counter-cyclical payments, providing marketing assistance loans and loan deficiency payments enabling recipients to continue farming operations without marketing their product immediately after harvest, stabilizing the price and production of tobacco, and providing a financial assistance safety net to eligible producers when natural disasters result in a catastrophic loss of production or prevent planting of noninsured crops, and timely approval of crop prices, average yields, and payment factors for the Noninsured Crop Disaster Assistance Program (NAP).

Farm program activities include the following functions dealing with the administration of programs carried out through the farmer committee system of the FSA: (a) developing program regulations and procedures; (b) collecting and compiling basic data for individual farms; (c) establishing individual farm allotments for tobacco and farm planting history; (d) notifying producers of established allotments and farm planting histories; (e) determining farm marketing quotas for tobacco and peanuts; (f) conducting referendums and certifying results; (g) accepting farmer certifications and checking compliance for specific purposes; (h) issuing marketing cards so that production from the allotted acreage can be marketed without penalty; (i) processing commodity loan documents and issuing checks; (j) processing direct and counter-cyclical payments and issuing checks; (k) certifying payment eligibility and monitoring payment limitations; and (l) processing farm storage facility loans and issuing checks.

**Conservation and environment.**—These programs assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, air, and wildlife resources on America's farmland and ranches while protecting the human and natural environment. Objectives of the Agency include improving environmental quality, protecting natural resources, and enhancing habitat for fish and wildlife, including threatened and endangered species, providing Emergency Conservation Program funding for farmers and ranchers to rehabilitate damaged farmland and for carrying out emergency conservation measures during periods of severe drought or flooding, protecting the public health of communities through implementation of the Hazardous Waste Management Program, assisting NRCS with EQIP program policy and procedure development, and implementing administrative processes and procedures for contracting, financial reporting, and other financial operations. This activity includes: (a) processing producer requests for conservation cost-sharing and issuing conservation reserve rental payments; and (b) issuing checks for other conservation programs.

**Commodity operations.**—This activity includes: (a) overall management of CCC-owned commodities; (b) purchasing commodities; (c) donating commodities; (d) selling commodities; (e) accounting for loans and commodities; and (f) commercial warehouse activities, which include improving the effectiveness and efficiency of FSA's commodity acquisition, procurement, storage, and distribution activities to support domestic and international food assistance programs and administering the U.S. Warehouse Act (USWA). The Agency provides for the examination of warehouses licensed under the U.S. Warehouse Act and non-licensed warehouses storing CCC-owned or pledged commodities. Examiners perform periodic examinations of the facilities and the warehouse records to ensure protection of depositors against potential losses of the stored commodities and to ensure compliance with the U.S. Warehouse Act and any CCC storage agreements.

**Farm loans (reimbursable).**—Provides for administering the direct and guaranteed loan programs covered under the Agricultural Credit Insurance Fund (ACIF). Objectives of the Agency include improving the economic viability of farmers and ranchers, reducing losses in direct loan programs, responding to loan making and servicing requests, and maximizing financial and technical assistance to under-served groups. Activities include reviewing applications, servicing the loan portfolio, and providing technical assistance and guidance to borrowers. These administrative expenses are transferred to this consolidated account from the ACIF. Appropriations representing subsidy amounts necessary to support the individual program loan levels under Federal Credit Reform are made to the ACIF account.

**Other reimbursable activities.**—FSA collects a fee or is reimbursed for performing a variety of services for other Federal agencies, CCC, industry, and others, including certain administrative support services for the Risk Management Agency and the Foreign Agricultural Service, and for county office services provided to Federal and non-Federal entities, including a variety of services to producers.

23.3	Communications, utilities, and miscellaneous charges .....	13	17	17
24.0	Printing and reproduction .....	1	1	1
25.2	Other services .....	88	107	93
26.0	Supplies and materials .....	6	7	7
31.0	Equipment .....	20	11	11
41.0	Grants, subsidies, and contributions .....	600	659	646
42.0	Insurance claims and indemnities .....		1	1
99.0	Direct obligations .....	944	1,038	1,017
99.0	Reimbursable obligations .....	431	408	445
99.9	Total new obligations .....	1,375	1,446	1,462

**Personnel Summary**

Identification code 12-0600-0-1-351	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2,467	2,463	2,444
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	3,394	3,398	3,473

**STATE MEDIATION GRANTS**

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101-5106), \$4,000,000.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-0170-0-1-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 State Mediation grants .....	3	4	4
10.00 Total new obligations (object class 41.0) .....	3	4	4
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	3	4	4
23.95 Total new obligations .....	-3	-4	-4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3	4	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	3
73.10 Total new obligations .....	3	4	4
73.20 Total outlays (gross) .....	-3	-3	-3
74.40 Obligated balance, end of year .....	2	3	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	1	1
86.93 Outlays from discretionary balances .....	2	2	2
87.00 Total outlays (gross) .....	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	4	4
90.00 Outlays .....	3	3	3

This grant program is authorized by Title V of the Agricultural Credit Act of 1987, P.L. 100-233, as amended. Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P.L. 103-354) to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticide use. Grants are made to States whose agricultural mediation programs have been certified by the Farm Service Agency. A grant will not exceed 70 percent of the total fiscal year funds that a qualifying State requires to operate and

**Object Classification (in millions of dollars)**

Identification code 12-0600-0-1-351	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	157	169	173
11.3 Other than full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	5	6	6
11.9 Total personnel compensation .....	165	178	182
12.1 Civilian personnel benefits .....	36	39	41
13.0 Benefits for former personnel .....	1		
21.0 Travel and transportation of persons .....	11	12	12
22.0 Transportation of things .....	2	3	3
23.2 Rental payments to others .....	1	3	3

**General and special funds—Continued**

## STATE MEDIATION GRANTS—Continued

administer its agricultural mediation program. In no case will the total amount of a grant exceed \$500,000 annually.

**GRANT OBLIGATIONS**

	2002 actual	2003 est.	2004 est.
Number of States receiving grants .....	27	29	32
Amount of grants (in millions of dollars) .....	3.5	3.5	4

## TREE ASSISTANCE PROGRAM

**Program and Financing** (in millions of dollars)

Identification code 12-2701-0-1-351	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	5	2
73.20 Total outlays (gross) .....		-2	-2
74.40 Obligated balance, end of year .....	5	2	2
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....		2	2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		2	2

Funding of \$14 million for the Tree assistance program (TAP) was provided by the 1998 Emergency Supplemental Appropriations Act, P.L. 105-174, for obligation through September 30, 1998. The 1999 Appropriations Act, P.L. 105-277, extended the use of unobligated 1998 TAP funds through September 30, 1999, with any unobligated balance expiring.

TAP provided cost-share payments of up to 100 percent to orchard and vineyard growers who replanted or rehabilitated orchard trees and vineyards lost to damaging weather, including freezes, excessive rainfalls, floods, droughts, tornadoes, and earthquakes. Eligible owners could not receive more than \$25,000 per person. No outlays occurred during 2002. The 1997 TAP expired at the end of 2002, and the 1998 and 1999 TAP will expire at the end of 2003 and 2004, respectively.

The Farm Security and Rural Investment Act of 2002 reauthorized the program, with some modifications. No funding is requested for 2004.

## CONSERVATION RESERVE PROGRAM

**Program and Financing** (in millions of dollars)

Identification code 12-3319-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Technical assistance .....		2	
10.00 Total new obligations (object class 25.2) .....		2	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	2	
23.95 Total new obligations .....		-2	
24.40 Unobligated balance carried forward, end of year .....	2		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		2	
73.20 Total outlays (gross) .....		-2	
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The Conservation Reserve Program (CRP) was originally mandated by the Food Security Act of 1985. The Federal Agriculture Improvement and Reform Act of 1996 and the Farm Security and Rural Investment Act of 2002 reauthorized the program but changed the funding source from direct appropriation to the Commodity Credit Corporation. Only very minimal CCC funds were used for program operations in 1996 since annual rental payments had been made very early in the fiscal year using CRP appropriated funds.

Annual rental payments, cost-share payments, and technical assistance for acres enrolled in the program are paid through the Commodity Credit Corporation. Just under \$2 million in unobligated appropriated funds were available at the end of 2002; these funds are expected to be exhausted in 2003 for technical assistance. In providing technical assistance, the Natural Resources Conservation Service determines eligibility, develops conservation plans, and helps install approved practices. The Forest Service and cooperating State forestry agencies develop plans for tree planting and assist in carrying them out. The Cooperative State Research, Education, and Extension Service provides information and educational assistance to inform landowners and operators about the program. Local soil and water conservation districts approve conservation plans. To ensure maximum program benefits, USDA consults with land grant universities, State soil and water agencies, State fish and wildlife agencies, the U.S. Fish and Wildlife Services, and others.

CRP program payments are included under the Commodity Credit Corporation account.

## AGRICULTURAL CONSERVATION PROGRAM

**Program and Financing** (in millions of dollars)

Identification code 12-3315-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 ACP Payments .....	6		
10.00 Total new obligations (object class 41.0) .....	6		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	1	1
22.00 New budget authority (gross) .....	6		
22.10 Resources available from recoveries of prior year obligations .....	3		
22.21 Unobligated balance transferred to other accounts .....	-6		
23.90 Total budgetary resources available for obligation .....	7	1	1
23.95 Total new obligations .....	-6		
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.10 Spending authority from offsetting collections (change in uncollected customer payments from federal sources) (unexpired) .....	6		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	11	7	5
73.10 Total new obligations .....	6		
73.20 Total outlays (gross) .....	-1	-2	-2
73.45 Recoveries of prior year obligations .....	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-6		
74.40 Obligated balance, end of year .....	7	5	3
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	1	2	2
<b>Offsets:</b>			
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-6		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			

90.00 Outlays .....	1	2	2
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This program was terminated at the beginning of 1997 in accordance with the Federal Agriculture Improvement and Reform Act of 1996. The objectives of the Agricultural Conservation Program (ACP) were incorporated into the Environmental Quality Incentives Program which is funded by the Commodity Credit Corporation and administered under the lead of the Natural Resources Conservation Service.

The primary objectives of the program were to conserve soil and water resources. Along with annual agreements, cost sharing was authorized for long-term agreements of 3–10 years. At the end of 2002, there were \$6.2 million in unliquidated obligations for ACP agreements.

**EMERGENCY CONSERVATION PROGRAM**

**Program and Financing (in millions of dollars)**

Identification code 12–3316–0–1–453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 ECP payments .....	32	52	43
10.00 Total new obligations (object class 41.0) .....	32	52	43
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	106	74	71
22.00 New budget authority (gross) .....		49	
23.90 Total budgetary resources available for obligation .....	106	123	71
23.95 Total new obligations .....	– 32	– 52	– 43
24.40 Unobligated balance carried forward, end of year .....	74	71	28
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		49	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	29	29	2
73.10 Total new obligations .....	32	52	43
73.20 Total outlays (gross) .....	– 32	– 79	– 45
74.40 Obligated balance, end of year .....	29	2	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		33	
86.93 Outlays from discretionary balances .....	32	46	45
87.00 Total outlays (gross) .....	32	79	45
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		49	
90.00 Outlays .....	32	79	45

This program was authorized by the Agricultural Credit Act of 1978 (16 U.S.C. 2201–05). It provides funds for sharing the cost of emergency measures to deal with cases of severe damage to farmlands and rangelands resulting from natural disasters.

Title VIII of the 2001 Agriculture Appropriations Act, P.L. 106–387, provided \$80 million for the Emergency Conservation Program. This funding is available until expended. No funding was provided in the 2002 Agriculture Appropriations Act for ECP. However, the program continued to operate from unobligated funds carried forward from 2001 and recovers throughout the fiscal year. Under the 2002 program, cost-sharing and technical assistance were provided in 44 States to treat farmlands damaged by floods, drought, ice storms, tornadoes, and other natural disasters.

The 2004 budget proposes no funding for this program.

**Credit accounts:**

**AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT**

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, \$1,140,149,000, of which \$1,000,000,000 shall be for guaranteed loans and \$140,149,000 shall be for direct loans; operating loans, \$2,316,249,000, of which \$1,400,000,000 shall be for unsubsidized guaranteed loans, \$266,249,000 shall be for subsidized guaranteed loans and \$650,000,000 shall be for direct loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, \$2,000,000; and for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, \$60,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, \$36,345,000, of which \$5,400,000 shall be for guaranteed loans, and \$30,945,000 shall be for direct loans; operating loans, \$174,350,000, of which \$46,620,000 shall be for unsubsidized guaranteed loans, \$34,000,000 shall be for subsidized guaranteed loans, and \$93,730,000 shall be for direct loans.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$298,136,000, of which \$290,136,000 shall be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

Funds appropriated by this Act to the Agricultural Credit Insurance Program Account for farm ownership and operating direct loans and guaranteed loans may be transferred among these programs: Provided, That the Committees on Appropriations of both Houses of Congress are notified at least 15 days in advance of any transfer.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**DAIRY INDEMNITY PROGRAM**

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers and manufacturers of dairy products under a dairy indemnity program, \$100,000, to remain available until expended: Provided, That such program is carried out by the Secretary in the same manner as the dairy indemnity program described in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–12).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 12–1140–0–1–351	2002 actual	2003 est.	2004 est.
0101 Agriculture credit insurance, downward reestimates of subsidies .....	2	3	4
0102 Negative subsidies/subsidy reestimates .....	53	249	

**Program and Financing (in millions of dollars)**

Identification code 12–1140–0–1–351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	71	115	125
00.02 Guaranteed loan subsidy .....	112	97	86
00.05 Reestimates of direct loan subsidy .....	946	136	
00.06 Interest on reestimates of direct loan subsidy .....	275	7	
00.07 Reestimates of guaranteed loan subsidy .....	59	1	
00.08 Interest on reestimates of guaranteed loan subsidy .....	6		
Administrative expenses:			
00.09 Administrative expenses—salaries and expenses ...	271	279	290
00.10 Administrative expenses—non-recoverable costs ...	8	8	8
10.00 Total new obligations .....	1,748	643	509
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	73	68	68
22.00 New budget authority (gross) .....	1,746	643	509

**Credit accounts—Continued**

**DAIRY INDEMNITY PROGRAM—Continued**  
**(INCLUDING TRANSFERS OF FUNDS)—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 12-1140-0-1-351	2002 actual	2003 est.	2004 est.
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	1,820	711	577
23.95 Total new obligations	-1,748	-643	-509
23.98 Unobligated balance expiring or withdrawn	-5		
24.40 Unobligated balance carried forward, end of year	68	68	68
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	468	499	509
41.00 Transferred to other accounts	-8		
43.00 Appropriation (total discretionary)	460	499	509
Mandatory:			
60.00 Appropriation	1,286	144	
70.00 Total new budget authority (gross)	1,746	643	509
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year		12	8
73.10 Total new obligations	1,748	643	509
73.20 Total outlays (gross)	-1,744	-647	-510
73.40 Adjustments in expired accounts (net)	-3		
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	12	8	7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	449	475	485
86.93 Outlays from discretionary balances	9	28	25
86.97 Outlays from new mandatory authority	1,286	144	
87.00 Total outlays (gross)	1,744	647	510
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	1,746	643	509
90.00 Outlays	1,744	647	510

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 12-1140-0-1-351	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Farm ownership	147	100	140
115002 Farm operating	611	600	650
115003 Emergency disaster	25		
115004 Indian tribe land acquisition	2	2	2
115005 Boll weevil eradication	100	100	60
115006 Seed cotton			
115901 Total direct loan levels	885	802	852
<b>Direct loan subsidy (in percent):</b>			
132001 Farm ownership	2.63	11.61	22.08
132002 Farm operating	8.93	17.25	14.42
132003 Emergency disaster	13.45	20.39	13.83
132004 Indian tribe land acquisition	5.92	8.95	-0.78
132005 Boll weevil eradication	-2.18	-2.70	-6.07
132006 Seed cotton	0.00	0.00	0.00
132901 Weighted average subsidy rate	6.78	13.97	14.20
<b>Direct loan subsidy budget authority:</b>			
133001 Farm ownership	4	12	31
133002 Farm operating	55	103	94
133003 Emergency disaster	3		
133004 Indian tribe land acquisition			
133005 Boll weevil eradication	-2	-3	-4
133006 Seed cotton			
133901 Total subsidy budget authority	60	112	121
<b>Direct loan subsidy outlays:</b>			
134001 Farm ownership	5	12	31
134002 Farm operating	56	104	94
134003 Emergency disaster	28		
134004 Indian tribe land acquisition			
134005 Boll weevil eradication	-2	-3	-4

134006 Seed cotton			
134901 Total subsidy outlays	87	113	121
<b>Direct loan upward reestimate subsidy budget authority:</b>			
135001 Farm ownership	163	129	
135002 Farm operating	776	57	
135003 Emergency disaster	169	12	
135004 Indian tribe land acquisition	3		
135005 Boll weevil eradication	16	30	
135006 Seed cotton		10	
135007 Soil and water	4		
135008 Farm ownership credit sales	89		
135901 Total upward reestimate budget authority	1,220	238	
<b>Direct loan upward reestimate subsidy outlays:</b>			
136001 Farm ownership	163	129	
136002 Farm operating	776	57	
136003 Emergency disaster	169	12	
136004 Indian tribe land acquisition	3		
136005 Boll weevil eradication	16	30	
136006 Seed cotton		10	
136007 Soil and water	4		
136008 Farm ownership credit sales	89		
136901 Total upward reestimate outlays	1,220	238	
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 Farm ownership		-5	
137002 Farm operating		-146	
137003 Emergency disaster	-16	-6	
137004 Indian tribe land acquisition		-4	
137005 Boll weevil eradication	-9	-43	
137006 Seed cotton			
137007 Soil and water		-4	
137008 Farm ownership credit sales	-2	-87	
137901 Total downward reestimate budget authority	-27	-295	
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 Farm ownership		-5	
138002 Farm operating		-146	
138003 Emergency disaster	-16	-6	
138004 Indian tribe land acquisition		-4	
138005 Boll weevil eradication	-9	-43	
138006 Seed cotton			
138007 Soil and water		-4	
138008 Seed loans	-2	-87	
138901 Total downward reestimate subsidy outlays	-27	-295	

**Guaranteed loan levels supportable by subsidy budget authority:**

215001 Farm ownership, unsubsidized	1,161	1,000	1,000
215002 Farm operating, unsubsidized	1,548	1,700	1,400
215003 Farm operating, subsidized	511	300	266
215901 Total loan guarantee levels	3,220	3,000	2,666
<b>Guaranteed loan subsidy (in percent):</b>			
232001 Farm ownership, unsubsidized	0.45	0.75	0.54
232002 Farm operating, unsubsidized	3.51	3.17	3.33
232003 Farm operating, subsidized	13.56	11.80	12.77
232901 Weighted average subsidy rate	3.98	3.23	3.23
<b>Guaranteed loan subsidy budget authority:</b>			
233001 Farm ownership, unsubsidized	5	8	5
233002 Farm operating, unsubsidized	54	54	47
233003 Farm operating, subsidized	69	35	34
233901 Total subsidy budget authority	128	97	86
<b>Guaranteed loan subsidy outlays:</b>			
234001 Farm ownership, unsubsidized	5	7	5
234002 Farm operating, unsubsidized	48	52	47
234003 Farm operating, subsidized	63	32	34
234901 Total subsidy outlays	116	91	86
<b>Guaranteed loan upward reestimate subsidy budget authority:</b>			
235001 Farm ownership, unsubsidized	17	1	
235002 Farm operating, unsubsidized	26		
235003 Farm operating, subsidized	24	6	
235901 Total upward reestimate budget authority	67	7	
<b>Guaranteed loan upward reestimate subsidy outlays:</b>			
236001 Farm ownership, unsubsidized	17	1	
236002 Farm operating, unsubsidized	26		
236003 Farm operating, subsidized	24	6	
236901 Total upward reestimate subsidy outlays	67	7	
<b>Guaranteed loan downward reestimate subsidy budget authority:</b>			
237001 Farm ownership, unsubsidized		-16	

237002 Farm operating, unsubsidized .....	-12	-36	
237003 Farm operating, subsidized .....	-10	-3	
237901 Total downward reestimate subsidy budget authority	-22	-55	
Guaranteed loan downward reestimate subsidy outlays:			
238001 Farm ownership, unsubsidized .....		-16	
238002 Farm operating, unsubsidized .....	-12	-36	
238003 Farm operating, subsidized .....	-10	-3	
238901 Total downward reestimate subsidy outlays .....	-22	-55	
Administrative expense data:			
351001 Budget authority .....	280	287	290
358001 Outlays from balances .....			
359001 Outlays from new authority .....	280	287	290

The Agricultural credit insurance fund program account's loans are authorized by title III of the Consolidated Farm and Rural Development Act, as amended.

This program account includes subsidies to provide direct and guaranteed loans for farm ownership, farm operating, and emergency loans to individuals. Indian tribes and tribal corporations are eligible for Indian land acquisition loans. Boll weevil eradication loans are available to eliminate the cotton boll weevil pest from infested areas.

Additional funding was provided by a 2000 supplemental appropriation, P.L. 106-113, for direct and guaranteed farm ownership, direct and guaranteed operating, and emergency disaster loans. Funding is available until expended.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including credit sales of acquired property), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Under the Dairy indemnity program (DIP), payments are made to farmers and manufacturers of dairy products who are directed to remove their milk or milk products from commercial markets because they contain residues of chemicals that have been registered and approved by the Federal Government, other chemicals, nuclear radiation, or nuclear fallout. Indemnification may also be paid for cows producing such milk.

In 2002, \$124.3 thousand was paid to producers who filed claims under the program.

The 2004 budget requests \$100 thousand for this program.

**Object Classification** (in millions of dollars)

Identification code 12-1140-0-1-351	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts .....	279	287	298
41.0 Grants, subsidies, and contributions .....	1,469	356	211
99.9 Total new obligations .....	1,748	643	509

**AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 12-4212-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating program:			
00.01 Direct loans .....	1,008	977	902
00.02 Advances on behalf of borrowers .....	3	3	3
00.04 Interest on Treasury borrowing .....	334	310	210
00.05 Capital investments .....	4	4	4
00.10 Civil rights and other obligations .....	2		
00.91 Subtotal, Operating program .....	1,351	1,294	1,119
08.01 Negative subsidy receipts .....	-2	-3	-4

<b>Reestimates:</b>			
08.02 Downward reestimate of subsidy .....	25	126	
08.04 Downward reestimate of subsidy—interest .....	2	73	
08.91 Subtotal, reestimates .....	25	196	-4
10.00 Total new obligations .....	1,376	1,490	1,115

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	718	2,534	
22.00 New financing authority (gross) .....	3,589	2,598	2,280
22.10 Resources available from recoveries of prior year obligations .....	17		
22.40 Capital transfer to general fund .....		-2,474	
22.60 Portion applied to repay debt .....	-415	-1,168	-1,165
23.90 Total budgetary resources available for obligation	3,909	1,490	1,115
23.95 Total new obligations .....	-1,376	-1,490	-1,115
24.40 Unobligated balance carried forward, end of year .....	2,534		

**New financing authority (gross), detail:**

<b>Mandatory:</b>			
67.10 Authority to borrow .....	1,176	1,006	1,006
69.00 Offsetting collections (cash) .....	2,414	1,592	1,274
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
69.90 Spending authority from offsetting collections (total mandatory) .....	2,413	1,592	1,274
70.00 Total new financing authority (gross) .....	3,589	2,598	2,280

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	135	165	210
73.10 Total new obligations .....	1,376	1,490	1,115
73.20 Total financing disbursements (gross) .....	-1,330	-1,445	-1,134
73.45 Recoveries of prior year obligations .....	-17		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
74.40 Obligated balance, end of year .....	165	210	191
87.00 Total financing disbursements (gross) .....	1,330	1,445	1,134

**Offsets:**

<b>Against gross financing authority and financing disbursements:</b>			
<b>Offsetting collections (cash) from:</b>			
Federal sources: Payments from program account .....			
88.00 .....	-1,307	-351	-121
88.25 Interest on uninvested funds .....	-130	-111	-115
Non-Federal sources:			
88.40 Repayments of principal .....	-801	-909	-863
88.40 Repayments of interest .....	-170	-221	-175
88.40 Interest and principal repayments—judgments .....	-1		
88.40 Proceeds from sale of acquired property .....	-4		
88.40 Credit Report Fees .....	-1		
88.90 Total, offsetting collections (cash) .....	-2,414	-1,592	-1,274
<b>Against gross financing authority only:</b>			
88.95 Change in receivables from program accounts .....	1		

**Net financing authority and financing disbursements:**

89.00 Financing authority .....	1,176	1,006	1,006
90.00 Financing disbursements .....	-1,084	-147	-140

**Status of Direct Loans** (in millions of dollars)

Identification code 12-4212-0-3-351	2002 actual	2003 est.	2004 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans .....	885	802	852
1121 Limitation available from carry-forward .....	348	225	50
1143 Unobligated limitation carried forward (P.L.106-113) (-) .....	-225	-50	
1150 Total direct loan obligations .....	1,008	977	902
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	4,313	4,560	4,579
1231 Disbursements: Direct loan disbursements .....	962	928	857
1251 Repayments: Repayments and prepayments .....	-665	-858	-961
<b>Write-offs for default:</b>			
1263 Direct loans .....	-50	-51	-54
1264 Other adjustments, net .....			
1290 Outstanding, end of year .....	4,560	4,579	4,421

**Credit accounts—Continued**

**AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT—Continued**

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including credit sales of acquired property that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

This account finances direct loans for farm ownership, farm operating, emergency disaster, Indian land, boll weevil eradication, and credit sales of acquired property.

**Balance Sheet (in millions of dollars)**

Identification code 12-4212-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	651	2,601	500	500
Investments in US securities:				
1106 Receivables, net .....	1,231	243	385	385
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	4,305	4,416	4,521	4,271
1402 Interest receivable .....	171	181	190	200
1403 Accounts receivable from foreclosed property .....	4	4	4	4
1405 Allowance for subsidy cost (-) .....	-1,564	-1,526	-1,525	-1,525
1499 Net present value of assets related to direct loans .....	2,916	3,075	3,190	2,950
1603 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Allowance for estimated uncollectible loans and interest (-) .....	-83	-81	-80	-75
1999 Total assets .....	4,715	5,838	3,995	3,760
<b>LIABILITIES:</b>				
Federal liabilities: Resources payable to Treasury .....				
2104 Treasury .....	4,678	5,544	3,980	3,745
Non-Federal liabilities: Other .....				
2207 Other .....	37	294	15	15
2999 Total liabilities .....	4,715	5,838	3,995	3,760
<b>NET POSITION:</b>				
3999 Total net position .....				
4999 Total liabilities and net position .....	4,715	5,838	3,995	3,760

**AGRICULTURAL CREDIT INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4213-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating program:			
00.01 Default claims .....	52	50	50
00.02 Interest assistance on guaranteed loans .....	119	150	150
00.04 Interest payments to Treasury .....		5	5
00.05 Capital investments .....	1	2	2
00.91 Subtotal, Operating program .....	172	207	207
Reestimates:			
08.02 Downward reestimate of subsidy .....	19	37	
08.04 Downward reestimate of subsidy—interest .....	7	13	
08.91 Subtotal, reestimates .....	26	50	
10.00 Total new obligations .....	198	257	207
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	102	190	82
22.00 New financing authority (gross) .....	228	149	138
22.10 Resources available from recoveries of prior year obligations .....	60		

23.90 Total budgetary resources available for obligation	390	339	220
23.95 Total new obligations .....	-198	-257	-207
24.40 Unobligated balance carried forward, end of year .....	190	82	13

**New financing authority (gross), detail:**

Mandatory:			
69.00 Offsetting collections (cash) .....	228	149	138

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	407	414	528
73.10 Total new obligations .....	198	257	207
73.20 Total financing disbursements (gross) .....	-132	-143	-143
73.45 Recoveries of prior year obligations .....	-60		
74.40 Obligated balance, end of year .....	414	528	594
87.00 Total financing disbursements (gross) .....	132	143	143

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account .....	-183	-98	-86
88.25 Interest on uninvested funds .....	-27	-25	-25
88.40 Fees and premiums .....	-18	-26	-27
88.90 Total, offsetting collections (cash) .....	-228	-149	-138

**Net financing authority and financing disbursements:**

89.00 Financing authority .....			
90.00 Financing disbursements .....	-95	-6	5

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4213-0-3-351	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	2,755	3,000	2,666
2121 Limitation available from carry-forward .....		63	
2143 Uncommitted limitation carried forward .....	-204		
2150 Total guaranteed loan commitments .....	2,551	3,063	2,666
2199 Guaranteed amount of guaranteed loan commitments .....	2,296	2,757	2,399
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	9,111	9,378	10,057
2231 Disbursements of new guaranteed loans .....	2,553	3,000	2,666
2251 Repayments and prepayments .....	-1,897	-2,250	-2,250
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-1	-2	-2
2263 Terminations for default that result in claim payments .....	-69	-69	-75
2264 Other adjustments, net .....	-319		
2290 Outstanding, end of year .....	9,378	10,057	10,396

**Memorandum:**

2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	8,441	9,053	9,364
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**Addendum:**

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	12	10	10
2331 Disbursements for guaranteed loan claims .....	1	2	2
2351 Repayments of loans receivable .....	-1	-1	-1
2361 Write-offs of loans receivable .....	-2	-1	-1
2390 Outstanding, end of year .....	10	10	10

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances commitments made for farm ownership and operating guaranteed loan programs.

**Balance Sheet (in millions of dollars)**

Identification code 12-4213-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	271	604	293	300
Investments in US securities:				
1106 Receivables, net .....	249	14	259	252
1206 Non-Federal assets: Receivables, net .....	1			
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross .....		10	10	10
1502 Interest receivable .....		1		
1505 Allowance for subsidy cost (-) .....		-9		
1599 Net present value of assets related to defaulted guaranteed loans .....		2	10	10
1999 Total assets .....	521	620	562	562
<b>LIABILITIES:</b>				
Federal liabilities:				
2104 Resources payable to Treasury .....		6		
2105 Other .....		56		
Non-Federal liabilities:				
2201 Accounts payable .....	515	414	562	562
2204 Liabilities for loan guarantees .....	6	144		
2999 Total liabilities .....	521	620	562	562
4999 Total liabilities and net position .....	521	620	562	562

**AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4140-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Capital investment:			
00.08 Loan recoverable costs .....	8	8	8
00.09 Minor Capital Improvements .....	1	1	1
00.10 Costs incident to acquisition of property .....	1	1	1
00.91 Direct Program by Activities—Subtotal (1 level) .....	10	10	10
Operating expenses:			
01.08 Administrative expenses—Department of Justice fees .....	1	1	1
01.13 Interest assistance—guaranteed loans .....	7	4	4
01.17 Unclassified costs .....		1	1
01.18 Civil rights settlements .....	1	1	1
01.91 Total operating expenses .....	9	7	7
10.00 Total new obligations .....	19	17	17
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	65		
22.00 New budget authority (gross) .....	62	38	17
22.10 Resources available from recoveries of prior year obligations .....	22		
22.40 Capital transfer to general fund .....	-65		
22.70 Balance of authority to borrow withdrawn .....	-65	-20	
23.90 Total budgetary resources available for obligation .....	19	18	17
23.95 Total new obligations .....	-19	-17	-17
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	862	838	784
69.27 Capital transfer to general fund .....	-800	-800	-767
69.90 Spending authority from offsetting collections (total mandatory) .....	62	38	17
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	45	30	7
73.10 Total new obligations .....	19	17	17
73.20 Total outlays (gross) .....	-12	-38	-17
73.45 Recoveries of prior year obligations .....	-22		
74.40 Obligated balance, end of year .....	30	7	7
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	12	38	17

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Rent on acquired property .....	-1	-1	-1
88.40 Guaranteed loans purchased from holders—principal .....	-2	-1	-1
88.40 Guaranteed loans purchased from holders—interest .....	-1		
88.40 Interest on loans .....	-258	-285	-285
88.40 Guaranteed loss recoveries .....	-1	-1	-1
88.40 Interest on judgments .....	-1	-2	-2
88.40 Interest shared appreciation .....	-3		
88.40 Repayments on loans—principal .....	-547	-484	-430
88.40 Judgments—principal .....	-9	-9	-9
88.40 Shared appreciation recapture .....	-25	-14	-14
88.40 Sale of acquired property/chattels .....	-20	-40	-40
88.40 Undistributed receipts .....	6	-1	-1
88.90 Total, offsetting collections (cash) .....	-862	-838	-784
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-800	-800	-767
90.00 Outlays .....	-850	-800	-767

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4140-0-3-351	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	4,463	3,783	3,175
1251 Repayments: Repayments and prepayments .....	-550	-430	-405
1261 Adjustments: Capitalized interest .....	17	13	12
Write-offs for default:			
1263 Direct loans .....	-124	-191	-184
1264 Other adjustments, net <sup>1</sup> .....	-23		
1290 Outstanding, end of year .....	3,783	3,175	2,598

<sup>1</sup> Amounts shown are based on payment of delinquent installments, advances on behalf of borrowers, acquired property and chattels, loans in kind, and judgments.

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4140-0-3-351	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	411	297	247
2251 Repayments and prepayments .....	-118	-50	-35
2264 Adjustments: Other adjustments, net .....	4		
2290 Outstanding, end of year .....	297	247	212
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	267	222	191

As required by the Federal Credit Reform Act of 1990, this account records for the farm loan programs all cash flows to and from the Government resulting from direct loans obligated, loan guarantees committed, and grants made prior to 1992. New loan activity in 1992 and beyond (including credit sales of acquired property that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts. Payments to settle certain discrimination claims against USDA may also be made from this account.

**Statement of Operations (in millions of dollars)**

Identification code 12-4140-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	146	405	150	
0102 Expense .....	-165	-156	-110	
0105 Net income or loss (-) .....	-19	249	40	

**Balance Sheet (in millions of dollars)**

Identification code 12-4140-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	109	30	90	90

**Credit accounts—Continued**

**AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT—Continued**

**Balance Sheet (in millions of dollars)—Continued**

Identification code 12-4140-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	4,463	3,783	3,175	2,598
1602 Interest receivable .....	135	628	464	380
1603 Allowance for estimated uncollectible loans and interest (-) .....	-900	-777	-250	-250
1604 Direct loans and interest receivable, net .....	3,698	3,634	3,389	2,728
1605 Accounts receivable/judgments receivable .....		189		
1606 Foreclosed property .....	54	44	54	54
1699 Value of assets related to direct loans .....	3,752	3,867	3,443	2,782
1701 Defaulted guaranteed loans, gross .....		13		
1999 Total assets .....	3,861	3,910	3,533	2,872
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....	3,745	3,866	3,427	2,766
Non-Federal liabilities:				
2201 Accounts payable .....	106	22	96	96
2204 Liabilities for loan guarantees .....		13		
2207 Other .....	10	9	10	10
2999 Total liabilities .....	3,861	3,910	3,533	2,872
4999 Total liabilities and net position .....	3,861	3,910	3,533	2,872

**Object Classification (in millions of dollars)**

Identification code 12-4140-0-3-351	2002 actual	2003 est.	2004 est.
25.2 Other services .....	11	5	5
33.0 Investments and loans .....	8	8	8
43.0 Interest and dividends .....		4	4
99.9 Total new obligations .....	19	17	17

**COMMODITY CREDIT CORPORATION**

**CORPORATIONS**

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

**Federal Funds**

**Public enterprise funds:**

**COMMODITY CREDIT CORPORATION FUND**

**REIMBURSEMENT FOR NET REALIZED LOSSES**

For fiscal year 2004, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed.

**HAZARDOUS WASTE MANAGEMENT**

**(LIMITATION ON EXPENSES)**

For fiscal year 2004, the Commodity Credit Corporation shall not expend more than \$5,000,000 for site investigation and cleanup expenses, and operations and maintenance expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9607(g), and

section 6001 of the Resource Conservation and Recovery Act, 42 U.S.C. 6961.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-4336-0-3-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Commodity purchases and related inventory transactions .....	2,481	3,603	3,033
00.02 Storage, transportation and other obligations .....	162	365	348
00.03 Export enhancement program .....	2	28	28
00.04 Market access program .....	97	114	109
00.05 Dairy export incentive program .....	25	36	57
00.06 Section 416/Food for progress ocean transportation .....	302	81	59
00.07 Foreign market development cooperative .....	31	35	35
00.08 Quality Samples Program .....		3	3
00.10 Feed grains .....	3,126	1,319	3,172
00.11 Wheat .....	1,040	661	1,452
00.12 Rice .....	383	818	931
00.13 Cotton .....	1,362	2,308	2,659
00.14 Dairy Program .....		2,400	1,100
00.15 Tobacco Program .....	6		
00.16 Peanut Program .....		1,381	435
00.17 Wool and Mohair Program .....		26	15
00.19 Lentils Program .....		4	4
00.21 Dry Peas Program .....		1	3
00.22 Crop Option Pilot Program .....	2	2	
00.23 Non-Insured Assistance Program .....	181	244	257
00.24 Oilseeds Payment Program .....	2,719	1,159	1,079
00.25 Marketing Loan Writeoffs .....	642	298	354
00.26 Certificates Issued .....	134		
00.27 Crop Disaster Program .....	230	1	
00.28 Other Market Loss Assistance Payments .....		184	
00.29 State Payment Transfers .....	6		
00.31 Livestock Assistance Programs .....	3		
00.32 Disaster reserve assistance/American Indian livestock feed .....	2	6	
00.33 Disaster reserve flood compensation .....	12	14	
00.35 Conservation reserve program (CRP) .....	1,785	1,883	2,022
00.36 Environmental Quality Incentives Program (EQIP) .....	164		
00.39 Farmland Protection Program .....	1		
00.46 Agricultural Management Assistance Program .....	3	8	7
00.47 Reimbursable Agreement/Transfers to State and Federal Agencies .....	55	56	56
00.48 Treasury .....	217	203	383
00.49 Other Interst .....	17	20	19
00.50 EQIP Technical Assistance .....	36		
00.52 CRP Technical Assistance .....		133	97
00.53 EQIP Education Assistance .....	2		
00.57 Agricultural Management Assistance Program Technical Assistance .....	2	5	7
01.92 Total support and related programs .....	15,230	17,399	17,724
09.01 Commodity loans .....	10,131	8,652	8,934
09.03 Reimbursable Program .....	441	563	543
09.04 P. L. 480 ocean transportation .....	522	650	671
09.09 Subtotal, reimbursable programs .....	11,094	9,865	10,148
10.00 Total new obligations .....	26,324	27,264	27,872
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	868		
22.00 New budget authority (gross) .....	27,440	27,089	27,821
22.10 Resources available from recoveries of prior year obligations .....	50		1
22.60 Portion applied to repay debt .....	-2,034	175	50
23.90 Total budgetary resources available for obligation .....	26,324	27,264	27,872
23.95 Total new obligations .....	-26,324	-27,264	-27,872
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.35 Appropriation rescinded .....		-175	-50
<b>Mandatory:</b>			
<b>Appropriation:</b>			
60.00 Appropriation .....	22,821	17,684	17,275
60.00 Appropriation .....			
60.35 Appropriation rescinded .....	-14		
60.47 Portion applied to repay debt .....	-21,194	-16,175	-15,279
60.76 Reduction pursuant to P.L. 107-206 .....	-7		
61.00 Transferred to other accounts .....	-1,606	-1,509	-1,996

62.50	Appropriation (total mandatory) .....			
67.10	Authority to borrow .....	16,745	15,353	15,021
69.00	Offsetting collections (cash) .....	10,695	11,911	12,850
70.00	Total new budget authority (gross) .....	27,440	27,089	27,821
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	3,513	3,595	3,201
73.10	Total new obligations .....	26,324	27,264	27,872
73.20	Total outlays (gross) .....	-26,609	-27,658	-28,210
73.40	Adjustments in expired accounts (net) .....	417		
73.45	Recoveries of prior year obligations .....	-50		-1
74.40	Obligated balance, end of year .....	3,595	3,201	2,863
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....		-175	-50
86.97	Outlays from new mandatory authority .....	7,871	15,484	15,011
86.98	Outlays from mandatory balances .....	18,738	12,349	13,249
87.00	Total outlays (gross) .....	26,609	27,658	28,210
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Sales to special activities .....	-441	-563	-543
88.00	Interest Revenue .....	-16		
88.00	Other Revenue .....	-1		
88.00	Advances from Foreign Assistance Programs (P.L. 480) .....	-966	-1,213	-1,213
Non-Federal sources:				
88.40	Sales and other proceeds .....	-307	-360	-157
88.40	Interest Revenue .....	-63	-77	-114
88.40	Other Revenue .....	-462		
88.40	Loans Repaid .....	-6,644	-8,094	-9,098
88.40	Commodity Certificates Redeemed .....	-1,750	-1,555	-1,671
88.40	Export Credit Sales Program Repayments .....	-17	-22	-29
88.40	Interest Revenue .....	-28	-27	-25
88.90	Total, offsetting collections (cash) .....	-10,695	-11,911	-12,850
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	16,745	15,178	14,971
90.00	Outlays .....	15,914	15,747	15,360

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4336-0-3-999	2002 actual	2003 est.	2004 est.
<b>SHORT TERM CREDIT LOANS</b>			
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....	334	312
1231	Disbursements: Direct loan disbursements .....		
1251	Repayments: Repayments and prepayments .....	-17	-22
1264	Write-offs for default: Other adjustments, net .....	351	
1290	Outstanding, end of year .....	334	283
<b>COMMODITY LOANS</b>			
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans .....		
1131	Direct loan obligations exempt from limitation .....	10,131	8,652
1150	Total direct loan obligations .....	10,131	8,934
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....	1,600	2,012
1231	Disbursements: Direct loan disbursements .....	10,131	8,652
1251	Repayments: Repayments and prepayments .....	-10,079	-8,094
1264	Write-offs for default: Other adjustments, net .....	1,548	-146
1290	Outstanding, end of year .....	1,600	1,735

The Commodity Credit Corporation (CCC) was created to stabilize, support, and protect farm income and prices; help maintain balanced and adequate supplies of agricultural commodities, their products, foods, feeds, and fibers; and help in their orderly distribution.

The Corporation's capital stock of \$100 million is held by the U.S. Treasury. Under present law, up to \$30 billion may be borrowed from the U.S. Treasury to finance operations.

Current, indefinite appropriation authority is requested to cover all net realized losses. Appropriations to the Corporation

for net realized losses have no effect on budget authority, as they are used to repay debt directly with the Treasury.

**Budget assumptions.**—The following general assumptions form the basis for the Corporation's 2003 and 2004 budget estimates: (a) national income will rise both in 2003 and 2004 from the present level; (b) 2003 crop production will increase from 2002 crop levels for some commodities; (c) generally, exports of agricultural commodities in 2004 are expected to be lower than 2003 levels; (d) yields for the 2003 crops are based on recent averages adjusted for trends; and (e) acreage allotments and marketing quotas will be in effect for the 2003 crops of certain kinds of tobacco.

It is difficult to accurately forecast requirements for the year ending September 30, 2004, since the projections are subject to complex and unpredictable factors such as weather, other factors which affect the volume of production of crops not yet planted, feed and food needs here and overseas, and available dollar exchange.

Title II of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, reauthorizes funding for the Conservation Reserve Program (CRP) through calendar year 2007. Up to 39.2 million acres may be enrolled at any one time. CRP is USDA's largest conservation/environmental program. The purpose of CRP, administered by FSA, is to cost-effectively assist farm owners and operators in conserving and improving soil, water, air, and wildlife resources by converting highly erodible and other environmentally sensitive acreage normally devoted to the production of agricultural commodities to a long-term resource-conserving cover. CRP participants enroll contracts for periods from 10 to 15 years in exchange for annual rental payments and cost-share and technical assistance for installing approved conservation practices.

CRP continuous signup acreage, which contributes to the USDA Conservation Buffer Initiative and the Conservation Reserve Enhancement Program (CREP), is estimated to enroll 4 million acres. During 2002, about 425,000 acres were signed up for continuous practices in signup 24. Funding for technical assistance for this signup was authorized in Section 736 of the FY 2002 Agriculture Appropriations Act, which provided \$13 million from funds appropriated for the Environmental Quality Incentives Program.

The 2001 Appropriations Act authorized the Secretary to enroll 500,000 acres during 2001 and 2002 for a Farmable Wetlands Pilot Program and required that the acreage enrolled not reduce the continuous-signup or CREP acreage. This authorization was expanded in the 2002 Farm Bill to include 1 million acres and all states.

A one-year contract extension for CRP participants with contracts of original duration of less than 15 years that were scheduled to expire September 20, 2002, was assumed. A general signup is planned for 2003.

Appropriations are made to reimburse the Corporation for net realized losses sustained in carrying out its operations:

Program	2004 ESTIMATE		
	Gross obligations	Net outlays	Net realized loss for year
<b>Farm income, marketing assistance loans, and price support:</b>			
Commodity loans .....	8,934	2,305	0
Feed grain payments .....	3,172	3,172	3,172
Wheat payments .....	1,452	1,452	1,452
Rice payments .....	931	931	931
Cotton payments .....	2,659	2,659	2,659
Export enhancement program .....	28	28	28
Other support and related .....	6,745	1,861	5,136
<b>Other items not distributed by program:</b>			
Interest .....	402	213	263
All other .....	217	468	217
Total, farm income, marketing assistance loans, and price-support programs .....	24,540	13,089	13,858
<b>Conservation programs:</b>			
Conservation reserve program .....	2,119	2,119	2,190

**Public enterprise funds—Continued**HAZARDOUS WASTE MANAGEMENT—Continued  
(LIMITATION ON EXPENSES)—Continued

## 2004 ESTIMATE—Continued

(In millions of dollars)

Program	Gross obligations	Net outlays	Net realized loss for year
Environmental quality incentives program .....	0	149	849
Wetlands reserve program .....	0	47	360
Farmland protection program .....	0	3	128
Soil and water conservation program .....	0	3	3
Other conservation programs .....	0	0	277
Total, conservation programs .....	2,119	2,321	3,807
Total, Commodity Credit Corporation .....	26,659	15,410	17,665

## PROGRAMS OF THE CORPORATION

*Price support, marketing assistance loans, and related stabilization programs.*—The Corporation conducts programs to support farm income and prices and stabilize the market for agricultural commodities. Price support is provided to producers of agricultural commodities through loans, purchases, payments, and other means. This is done mainly under the Commodity Credit Corporation Charter Act, as amended, the Agricultural Act of 1949 (the 1949 Act), as amended, and the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill).

Price support is mandatory for tobacco and dairy products. Marketing assistance loans are mandatory for wheat, feed grains, oilseeds, upland cotton, peanuts, and rice. Loans are also required to be made for sugar, honey, wool, mohair, extra long staple cotton, and the pulse crops.

One method of providing support is loans to and purchases from producers. With limited exceptions, loans made on commodities are nonrecourse. The commodities serve as collateral for the loan and on maturity the producer may deliver or forfeit such collateral to satisfy the loan obligation without further payment.

Direct purchases may be made from processors as well as producers, depending on the commodity involved. Also, special purchases are made under various laws for the removal of surpluses; for example, the Act of August 19, 1958, as amended, and section 416 of the Agricultural Act of 1949, as amended. The Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill) rescinds Production Flexibility Contracts. Therefore, no PFC payments will be made after fiscal year 2002.

*Direct Payments and Counter-Cyclical Payments.* The 2002 Farm Bill establishes direct payments and counter-cyclical payments for May 2002 through 2007. The eligible commodities for both direct payments and counter-cyclical payments are wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, other oilseeds, and peanuts.

*Direct Payments* are payments to producers for which payment yields and base acres are established. The commodity payment amount is calculated as follows: Payment Amount = specified rate × payment acres × payment yield. At the option of the producer, the producer can choose to receive advance payments (up to 50%) during the producer's selected month. The month selected may be any month during the period beginning on December 1 of the calendar year before the calendar year in which the crop of the covered commodity is harvested through the month within which the direct payment would otherwise be made.

*Counter-Cyclical Payments* are payments to producers for which payment yields and base acres are established for eligible commodities if it is determined that the effective commodity price is less than the target commodity price. Counter-cyclical payments will be made for the crop as soon as practicable after the end of the 12-month marketing year for the eligible commodity. If, before the end of the 12-month

marketing year it is determined that counter-cyclical payments will be required for the eligible commodity, producers will be provided the option to receive partial payment of the projected counter-cyclical payment.

*Marketing assessments.* The 1949 Act mandated assessments for tobacco, and the 1996 Act required such assessments for peanuts and sugar. The 2000 Act suspended sugar marketing assessment collections through 2001. The 2002 Farm Bill did not resume the sugar marketing assessment collections. Tobacco marketing assessments were authorized through crop year 1998.

*Marketing assistance loans.* The 2002 Farm Bill authorized producers of eligible crops to receive non-recourse marketing assistance loans from the government for any quantity of a loan commodity produced on the farm by pledging their production as loan collateral. This loan shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. The loan cannot be extended. As a condition of the receipt of a marketing assistance loan, the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 and applicable wetland protection requirements under subtitle C of title XII of the Act during the term of the loan. Producers of eligible commodities can repay a marketing assistance loan at a rate that is the lesser of (1) the loan rate established for the commodity plus interest; or (2) a rate that the Secretary determines. Special rules apply to upland cotton, rice, and extra long staple cotton. Crops eligible for marketing assistance loans include wheat, corn, barley, oats, grain sorghum, rice, upland cotton, soybeans, extra long staple cotton, other oilseeds, dry peas, lentils, small chickpeas, honey, wool, and mohair.

*Peanut price support program.* Under the 2002 Farm Bill, peanuts qualify for direct payments, counter-cyclical payments, marketing assistance loans and loan deficiency payments for the 2002 through 2007 crops.

The 2002 Farm Bill terminates the marketing quota programs and repeals price support programs. The prior quota programs will stay in effect for the 2001 crop only, with quoto buyout compensation payments being made during fiscal years 2002 through 2006. The prior price support programs will remain in effect for the 2002 crop only notwithstanding any other provision of law or crop insurance policy.

The 2002 Farm Bill established marketing assistance loans for the 2002 through 2007 crops, with the loan rate for peanuts of \$355 per ton. The payment rate shall be the amount by which the established loan rate exceeds the rate at which a loan may be repaid. The Farm Bill also requires that for crop years 2002 through 2006 CCC will pay storage, handling, and other associated costs to ensure proper storage of peanuts for which a loan is made. This authority terminates beginning with the 2007 crop.

*Tobacco program.* The Appropriations Act of 2002 defines "eligible tobacco" as fire-cured tobacco types 22 and 23, dark air-cured tobacco types 35 and 36, and Virginia sun-cured tobacco type 37. It also directed the Secretary to use CCC funds to make payments based on individual tobacco quotas and allotments. USDA is authorized to provide ongoing support to tobacco producers through price support programs and the allotment and quota program. Legislative authority for these activities originated in the Agricultural Act of 1949 and the Agricultural Adjustment Act of 1938, respectively. These payments will be calculated and the total distributed with one-third going to the person that owns the qualifying acres, one-third to the person that controls the qualifying acres, and one-third to the person that grows, could have grown or can grow on the qualifying acres. The same standards of payments will be used as set forth in the Agricultural Risk Protection Act of 2000. No changes to the program were made under the 2002 Farm Bill.

*Sugar program.* Sugar qualifies for price support. The 2002 Farm Bill extended the national average sugar loan rates to cover through the 2007 crops at 18 cents per pound for raw cane sugar and 22.9 cents per pound for refined beet sugar. Loans are available to processors of domestically grown sugarcane and sugar beets for a term of nine months that does not begin or extend beyond the end/beginning of a fiscal year. The non-recourse loans are extended through the 2007 crop for processors of domestically produced sugar beets and sugarcane including for in-process sugar. Loans for in-process sugar have a loan rate of 80% of the loan rate for raw cane sugar or refined beet sugar (based on the source material used). If forfeitures occur, the processor shall convert the in-process into final product at no cost to the CCC. Upon transfer, the processor will receive payment based on the loan rate less 80% of raw cane or refined beet sugar rate times the quantity of sugar transferred. The loan program is assumed to continue through the 2012 crop. The 2002 Farm Bill did not resume the sugar marketing assessment collections but authorized marketing allotments. The 2002 Act provides assistance for sugar donations in the amount of 10,000 tons to compensate sugar producers who suffer losses incurred beyond existing CCC administered programs.

*Dairy program.* Dairy qualifies for milk price supports, recourse loans, and dairy market loss payments. The 2002 Act extended the Dairy Price Support Program from January 1, 2002 to May 31, 2002. The 2002 Farm Bill extended the Dairy Price Support Program from June 1, 2002 through December 31, 2007 at a rate of \$9.90 per hundredweight for milk containing 3.67% butterfat. The support program is carried out through the purchase of butter, nonfat dry milk, and cheese at prices that enable processors to pay dairy farmers, on average, the support price for milk. As under previous law, the Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that minimizes CCC expenditures or other objectives, as the Secretary considers appropriate. Cash CCC inventory sales (with some exceptions) shall be at any price that the Secretary determines will maximize CCC returns. The 2002 Farm Bill repealed all legislative authority for the Dairy Recourse Loan Program but established a new Milk Income Loss Contract Program, under which the Secretary may contract with eligible producers up to September 30, 2005, to make monthly payments when milk prices fall below specified levels.

*Market loss assistance payments.* The 2002 Appropriations Act provided \$75 million to apple producers for market loss assistance. The 2002 Farm Bill provided \$94 million in additional assistance, increasing apple market loss assistance to \$169 million. The 2002 Farm Bill also provided a \$10 million grant to the state of New York for market loss assistance to onion producers who suffered losses to onion crops during 1 or more of the 1996 through 2000 crop years.

*Payment Limitations.* In general, the 2002 Farm Bill revised the Food Security Act of 1985 (7 U.S.C. 1308) for payment limitations. The total amount of direct payments made to a person during any crop year for 1 or more covered commodities may not exceed \$40,000. The total amount of counter-cyclical payments made to a person during any crop year for 1 or more covered commodities may not exceed \$65,000. Separate limits apply to direct and counter-cyclical payments for peanuts. The total amount of gains and payments that a person may receive during any crop year under marketing assistance loan and loan deficiency payment provisions may not exceed \$75,000. Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described above if the average adjusted annual gross income of the individual or entity exceeds \$2,500,000, unless not less than 75 percent of the average adjusted gross income of the individual or entity is derived

from farming, ranching, or forestry operations, as determined by the Secretary. This shall apply during the 2003 through 2007 crop years.

*Noninsured Assistance Program.* The Agricultural Risk Protection Act of 2000 eliminated the area loss requirement for triggers and made other changes. It also included a provision that all types or varieties of a crop or commodity may be considered to be a single eligible crop for NAP assistance.

*Bioenergy Program.* The 2004 President's Budget assumes CCC will continue to make incentive payments, under the Bioenergy Program, to ethanol, biodiesel, and other bioenergy producers to expand production of bio-based fuels. Payments shall be made on a portion of the increase in agricultural commodities purchased for expanded bioenergy production, with smaller and cooperatively-owned facilities receiving higher payment rates. This program is authorized by the CCC Charter Act. The 2002 Farm Bill extends the program through FY 2006 at the program level of \$150 million per year. The budget assumes a reduction in funding to \$100 million.

*Foreign Market Development and Food Assistance Programs.*

*Dairy Export Incentive Program (DEIP).* DEIP provides cash bonus payments to exporters to facilitate commercial sales of U.S. dairy products in overseas markets. Estimates of the quantity of dairy products to be exported under DEIP and associated expenditures were formulated within the maximum allowable expenditure and quantity levels specified in conjunction with provisions of the Uruguay Round Agreement. Consequently, current baseline projections assume that DEIP will not exceed \$116.6 million annually during FYs 2002–2012. Actual DEIP subsidies are further limited on a product-by-product basis under the Uruguay Round.

*Export Enhancement Program (EEP).* Current baseline projections assume an EEP annual program level for FYs 2003–2013 will be \$28 million. However, the 2002 Farm Bill authorizes funding up to \$478 annually for EEP through 2007, which will be available for EEP programming should market conditions warrant. Actual subsidies for EEP are further limited on a product-by-product basis under the Uruguay Round.

*Market Access Program (MAP).* Under the MAP, CCC Funds are used to reimburse participating organizations for a portion of the costs of carrying out overseas marketing and promotional activities. The 2002 Farm Bill continued the authority for the MAP program and increased the funding as follows: \$100 million for FY 2002, \$110 million for FY 2003, \$125 million for FY 2004, \$140 million for FY 2005, and \$200 million for FY 2006 and 2007.

*Foreign Market Development Cooperator Program (FMD) and Quality Samples Program.* Under the FMD program, cost-share assistance is provided to nonprofit commodity and agricultural trade associations to support overseas market development activities that are designed to remove long-term impediments to increased U.S. trade. The 2002 Farm Bill increased the available funds for this program to \$34.5 million for each of fiscal years 2002 through 2007.

CCC will fund the Quality Samples Program at an authorized annual level of \$2.5 million. Under this initiative, samples of U.S. agricultural products will be provided to foreign importers to promote a better understanding and appreciation for the high quality of U.S. products.

*Global Food for Education Initiative (GFEI).* During 2001 and 2002, Section 416(b) authority was used to support the GFEI. Under the initiative commodities were provided to support school-feeding programs in developing countries with the objectives of reducing hunger, improving health, and promoting school enrollment, attendance, and performance. The 2002 Farm Bill authorized a successor program, the McGovern-Dole International Food for Education and Child Nutrition Program. The 2002 Farm Bill authorizes \$100 million

**Public enterprise funds**—ContinuedHAZARDOUS WASTE MANAGEMENT—Continued  
PROGRAMS OF THE CORPORATION—Continued

in CCC funding to carry out the new program in FY 2003 and authorizes appropriated funding in subsequent years. The budget proposes \$50 million for the program in 2004 in a new account under the Foreign Agricultural Service.

*Commodity Donations.* The 2002 Farm Bill authorizes the donation of surplus commodity inventory to domestic nutrition programs. The Corporation may furnish commodities under the authority of section 416(b) of the Agricultural Act of 1949 to carry out programs of assistance in developing countries and friendly countries and pay costs associated with making the commodities available. The Corporation may also use its funds to furnish commodities overseas under the authority of the Food for Progress Act of 1985; however, not more than \$40 million of the funds of the Corporation (exclusive of the costs of commodities) may be used for each fiscal year. Commodities that are acquired by CCC in the normal course of its domestic support operations will be available for donation. The current CCC inventory has nonfat dry milk available for donation.

*The Bill Emerson Humanitarian Trust.* The Bill Emerson Humanitarian Trust (BEHT) is a commodity reserve that was established to ensure that the United States can meet its international food aid commitments. Commodities authorized for the 4-million-ton reserve include wheat, corn, grain sorghum, and rice. The Secretary is authorized to release up to 500,000 metric tons for urgent humanitarian relief in disasters in the case of unanticipated need and to release an additional 500,000 metric tons of eligible commodities that could have been released but were not released in previous years. The Secretary is authorized to release eligible commodities from the reserve when supplies are so limited that eligible commodities cannot be made available for programming under P.L. 480. The 2002 Farm Bill extended the authorization to replenish the BEHT through FY 2007. CCC is authorized to hold funds as well as commodities in the reserve.

*Agricultural management assistance program.*—The 2002 Farm Bill authorized the use of CCC funding of \$20 million for each fiscal year 2003 through 2007, and \$10 million for subsequent years to provide grants to qualified public and private entities for the purpose of educating agricultural producers about the full range of risk management activities, including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, and other risk management strategies. The Secretary delegated authority to Natural Resources Conservation Service, Risk Management Agency, and the Agricultural Marketing Service.

*Conservation programs.*—Title II of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, authorizes funding for new and existing conservation programs implemented by the Farm Service Agency or the Natural Resources Conservation Service and funded through the Commodity Credit Corporation. The bill provides \$7 billion through 2007 to help farmers adopt and maintain conservation systems that protect water quality, reduce soil erosion, protect and enhance wildlife habitat and wetlands, conserve water, and sequester carbon.

The financial assistance for conservation programs where the Natural Resources Conservation Service (NRCS) is the lead agency, is transferred from CCC to NRCS's Farm Security and Rural Investment Programs account (see the NRCS section). Specifically, these programs include the Environmental Quality Incentives Program (EQIP), Wetlands Reserve Program (WRP), Wildlife Habitat Incentives program, Farmland Protection Program, Conservation Security Program, and Grasslands Reserve Program.

The Environmental Conservation Acreage Reserve Program (ECARP) has been renamed Comprehensive Conservation Enhancement Program (CCEP). Authority for Conservation Priority Areas is eliminated in the EQIP but retained in the Conservation Reserve Program (CRP).

The 2002 Farm Bill authorized EQIP funding at \$6.1 billion over 6 years with \$400 million in 2002 and increasing to \$1.3 billion in 2007. The program provides assistance to eligible farmers and ranchers to address soil, water, air, and related natural resource concerns on their lands, in an environmentally beneficial and cost-effective manner. Livestock-related conservation practices will receive 60 percent of the program funding. The 2002 EQIP program was funded at \$400 million with the 2002 appropriations act authorizing use of \$13 million for CRP technical assistance. This reduced the base EQIP program to \$387 million for 2002.

An additional \$25 million of EQIP funds was authorized in 2002 for the Ground and Surface Water Conservation Program (GSWC). GSWC funds in 2002 were targeted to states in the High Plains Aquifer to address this region's declining ground and surface water. A new water savings must be achieved on agricultural operations receiving funding. In 2003, GSWC funding is authorized at \$45 million and for 2004 through 2007; the authorization is \$60 million per year.

The Klamath Basin of Oregon and California has been authorized for \$50 million over the life of the 2002 Farm Bill. In 2002, the Klamath Basin EQIP funding was \$2.5 million. The program is designed to promote the installation of water conservation practices on agricultural lands to improve the quantity and quality of water in the Klamath Basin.

The WRP is authorized under Section 1237 of the Food Security Act of 1985, as amended. The 2002 Farm Bill reauthorized WRP, providing the Secretary the authority to enroll, to the extent practical, 250,000 acres annually, through 2007 with CCC funding. The program offers landowners an opportunity to voluntarily restore and protect wetlands, and associated lands, through long-term agreements, 30-year easements, or perpetual easements on marginal and high-risk agricultural lands. The Farm Security and Rural Investment Act of 2002 (FY 2002 Farm Bill) raised the total statutory acreage enrollment from 1,075,000 to 2,275,000. The total acreage enrollment at the end of 2002 was 1,274,000 acres.

The 2002 Farm Bill also authorized the use of \$275 million of CCC funds for implementation of the watershed rehabilitation provisions of the Watershed Protection and Flood Prevention Program (PL 83-566). The authorized annual CCC funding amounts start at \$45 million in 2003 and increase \$5 million each year to \$65 million in 2007. The 2003 and 2004 budgets, however, do not fund the Small Watershed Rehabilitation Program with CCC funds. Instead, the 2004 budget requests \$10 million from discretionary appropriations to fund this program. No funding for the Small Watershed Rehabilitation Program was requested in the 2003 budget.

Section 14 of PL 83-566 authorizes the Secretary to provide technical and financial assistance to project sponsors to rehabilitate aging dams that were originally constructed under the following USDA water resource programs: Flood Control Act of 1944 (PL 78-534), Watershed Protection and Flood Protection Act of 1954 (PL 83-566), Pilot Watershed Program (1953-54), and the Resource Conservation and Development Program (RC&D). Federal funds are limited to 65% of the total rehabilitation project cost. A priority ranking system identifies sponsor applications that address dams that pose the greatest threat to public health and safety. Dams will be rehabilitated to extend the life of the dams and meet all safety and performance standards.

The Farmland Protection Program (FPP) is a voluntary program that helps farmers and ranchers keep their land in agriculture. The program provides matching funds to State, Tribal, or local governments or non-governmental organiza-

tions with existing farmland protection programs. USDA works with State, Tribal, or local governments or non-governmental organizations to acquire conservation easements from landowners. Participating landowners choose to keep their land in agriculture and agree not to convert the land to agricultural uses. Landowners retain all rights to use the property for agriculture. Through 2001, more than 108,000 acres have been protected in 28 states. The 2002 Farm Bill authorized \$597 million of CCC funds for FPP. Between 2002 and 2007, it is estimated that these funds will protect an additional 1.2 million acres from conversion to non-agricultural uses.

Wildlife Habitat Incentives Program (WHIP) is a voluntary program that provides technical and financial assistance to landowners to develop habitat for fish, upland and wetland wildlife, threatened and endangered species, and other types of wildlife. Program expenditures on habitat improvement projects through 2001 totaled \$62.5 million. The 2002 Farm Bill extended the program through 2007 and authorized an additional \$360 million for WHIP. Of this total, \$15 million were utilized during 2002 bringing the total program enrollment to 12,500 contracts covering almost two million acres.

The Agricultural Risk Protection Act of 2000 authorized CCC funding of \$10 million for 2001 and subsequent years for the Agricultural Management Assistance Program (AMAP). AMAP provides cost-share assistance to producers in not less than 10, nor more than 15, States in which the Federal Crop Insurance Program is historically low as determined by the Secretary of Agriculture. The 2002 Farm Bill increased CCC funding to \$20 million annually. The Secretary delegated authority to Natural Resources Conservation Service, Risk Management Agency, and the Agricultural Marketing Service.

The 2002 Farm Bill authorized the Conservation Security Program (CSP) to provide payments to producers for using conservation systems that address a wide range of priority resource concerns. CSP will focus on land-based conservation practices, and specifically excludes livestock waste handling facilities. Producers can participate at one of three tiers; higher tiers require greater conservation efforts. Participants must use the most cost-effective practices that meet USDA's conservation standards. The 2004 budget proposes to legislatively limit the total amount CSP can spend over ten years (from FY 2003 through FY 2011) to \$2 billion.

The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands, on all highly erodible cropland, other environmentally sensitive cropland, and certain marginal pastureland meeting the eligibility criteria. In addition to cropland in areas adjacent to lakes and streams that can be devoted to filter strips, and cropland subject to overflow and suffering from scour erosion, eligible land may include cropland contributing to water quality problems, and other lands posing environmental threats. Also eligible for the CRP are water quality or wildlife habitat impaired areas that do not meet the highly erodible land (HEL) criteria, such as the Chesapeake Bay, Great Lakes, and Long Island Sound watershed regions.

*Loan operations.*—The following table reflects commodity loan operations of the Corporation:

Item	[In millions of dollars]		
	2002 actual	2003 est.	2004 est.
Loans outstanding, gross, start of year:			
Commodity Credit Corporation .....	1,896	1,600	2,012
Additional loans made .....	10,131	8,652	8,934
Deduct:			
Loans repaid .....	10,079	8,093	9,098
Acquisition of loan collateral .....	164	147	113
Write-offs .....	184	0	0
Total loans outstanding, gross, end of year	1,600	2,012	1,725

*Inventory operations.*—The following table reflects the inventory operations applicable to the preceding programs:

AGRICULTURAL COMMODITIES				
[In millions of dollars]				
Item	2002 actual	2003 est.	2004 est.	
On hand, start of year, gross .....	2,285	2,479	2,426	
Acquisitions:				
Forfeiture of loan collateral .....	164	147	113	
Excess of collateral acquired over loans canceled .....	6	8	4	
Purchases .....	5,331	3,557	2,990	
Transfers and exchanges .....	-27	0	0	
Carrying charges:				
Charges to inventory .....	35	38	39	
Storage and handling (non-add) .....	(67)	(59)	(54)	
Transportation (non-add) .....	(16)	(16)	(12)	
Total acquisitions .....	5,509	3,750	3,146	
Dispositions:				
Domestic donations to:				
Families .....	39	48	69	
Institutions .....	24	228	32	
School lunch .....	0	19	19	
Total domestic donations .....	63	295	120	
Export donations .....	596	279	228	
Sales and transfers:				
Special programs: Title II, Public Law 480 .....	441	563	543	
Title III, Public Law 480 .....	0	0	0	
Other sales .....	2,146	1,915	1,828	
Net loss or gain (-) on sales and transfers .....	2,069	750	489	
Total sales and transfers .....	4,656	3,228	2,860	
Total dispositions .....	5,315	3,803	3,208	
On hand, end of year, gross .....	2,479	2,426	2,364	
Allowances for losses .....	-1,115	-1,092	-1,064	
On hand, end of year, net .....	1,364	1,334	1,300	

*Other data.*—The following table reflects other data which are applicable to price support and related programs:

DATA ON SUPPORT AND RELATED PROGRAMS				
[In millions of dollars]				
Item	2002 actual	2003 est.	2004 est.	
Loans made .....	10,131	8,652	8,934	
Loans repaid .....	10,079	8,094	9,098	
Loan collateral forfeited .....	164	147	113	
Loans outstanding, end of year .....	1,600	2,012	1,735	
Acquisitions .....	5,509	3,750	3,147	
Cost of commodities sold .....	4,656	3,228	2,860	
Cost of commodities donated .....	659	575	348	
Inventory, end of year .....	2,479	2,426	2,364	
Investment in loans and inventory, end of year .....	4,079	4,437	4,098	
Direct producer payments .....	11,963	12,682	13,328	
Net expenditures .....	15,680	15,735	15,191	
Realized losses .....	16,993	16,589	17,665	

*Operating expenses.*—The Corporation carries out its functions through utilization of employees and facilities of other Government agencies. Administrative expenses are incurred by: the Farm Service Agency (FSA); the Foreign Agricultural Service; the Natural Resources Conservation Service; the Risk Management Agency; other agencies of the Department engaged in the Corporation's activities; and the Office of the Inspector General for audit functions. Additional expenses are incurred by FSA county offices for work related to programs of the Corporation, other FSA expenses offset by revenue, custodian, and agency expenses of the Federal Reserve banks and lending agencies, and miscellaneous costs.

Expenses are incurred for acquisition, operation, maintenance, improvement, or disposition of existing property that the Corporation owns or in which it has an interest. These expenses are treated as program expenses. Such program ex-

**Public enterprise funds—Continued**

## HAZARDOUS WASTE MANAGEMENT—Continued

## PROGRAMS OF THE CORPORATION—Continued

penses include inspection, classing, and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors; and special services performed by Federal agencies within and outside this Department. Most of these general expenses, including storage and handling, transportation, inspection, classing and grading, and producer storage payments, are included in program costs. They are shown in the program and financing schedule in the entries entitled "Storage, transportation, and other obligations not included above," and "Producer storage payments."

Section 161 of the 1996 Act amended the CCC Charter Act to significantly limit the use of CCC funds. CCC no longer has authority to purchase personal property except within authorized limitations. CCC spending for equipment or services relating to automated data processing (ADP), information technologies, or related items (including telecommunications equipment and computer hardware and software, but excluding reimbursable agreements) was limited to \$170 million in 1996, and \$275 million for the six-year period including 1997 through 2002, unless additional amounts for such contracts and agreements are provided in advance in appropriation acts. The 1996 Act also requires that CCC submit an itemized report to Congress on a quarterly basis of all expenditures, excluding program payments, of over \$10,000. Subsequent legislation reduced allowable ADP expenditures through 2002 to \$188 million. CCC carried only \$88,000 of the remaining ADP cap into fiscal year 2003.

Section 161 of the 1996 Act also amended section 11 of the CCC Charter Act to limit the use of CCC funds for the transfer and allotment of funds to State and Federal agencies. Beginning on October 1, 1996, the total of these allotments and transfers under that section in a fiscal year, including agreements for ADP or information resource management activities, may not exceed the total of such allotments and transfers in fiscal year 1995. The obligations for these Section 11 activities in 1995 were \$46 million. The 1995 cap was revised to \$36.209 million effective 1999 to exclude the Emerging Markets Program because such transfers are not made pursuant to Section 11 of the CCC Charter Act. In 2001, the Section 11 cap was increased to \$56 million to include FSA loan service fees and the cap remains at \$56 million in fiscal year 2003.

The Corporation receives reimbursement for grain requisitioned pursuant to Public Law 87-152 by the States from Corporation stocks to feed resident wildlife threatened with starvation through the appropriation reimbursement for net realized losses. There have been no requisitions in recent years, however. The Corporation receives reimbursement for the commodity costs and other costs, including administrative costs, for commodities supplied to domestic nutrition programs and international food aid programs.

## FINANCING

**Borrowing authority.**—The Corporation has an authorized capital stock of \$100 million held by the U.S. Treasury and, effective in 1988, authority to have outstanding borrowings up to \$30 billion at any one time.

Funds are borrowed from the Treasury and may also be borrowed from private lending agencies and others. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made to the Corporation by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the Act of March 8, 1938.

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average interest rate of all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest is also paid on other notes and obligations at a rate prescribed by the Corporation and approved by the Secretary of the Treasury.

The Department of Agriculture and Related Agencies Appropriation Act, 1966, made provision for terminating interest after June 30, 1964 on the portion of the Corporation's borrowings from the Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after the end of the fiscal year in which such losses are realized.

**POSITION WITH RESPECT TO BORROWING AUTHORITY, END OF YEAR**

Item	[In millions of dollars]		
	2002 actual	2003 est.	2004 est.
Statutory borrowing authority .....	30,000	30,000	30,000
Deduct: Borrowings from Treasury .....	17,827	18,223	25,062
Net statutory borrowing authority available .....	12,173	11,777	4,938

Note.—Accounts payable, accrued liabilities, and other outstanding obligations not reflected on this table do not become charges against the statutory borrowing authority until they result in borrowings from the Treasury.

**Contract authority.**—Price support and other programs required by statute may result in the Corporation incurring obligations in excess of available funds and borrowing authority. Such obligations are liquidated from subsequent appropriations and other funds that may become available to the Corporation. Any increase in obligations in excess of available fund resources is reported as contract authority in the year involved; a decrease is reported as the application of appropriations and other funds to liquidate the authority.

**Appropriations.**—Under section 2 of Public Law 87-155 annual appropriations are authorized for each fiscal year to reimburse the Corporation for net realized losses incurred as of the close of each year.

The special activities are financed as indicated in the program descriptions above. In addition to certain reimbursements from other agencies, appropriations are made for foreign assistance programs.

**Deficit.**—The net realized losses of the Corporation have previously been reimbursed as follows:

**SUPPORT AND RELATED PROGRAMS**

	[In millions of dollars]	
	2002 actual	2003 est.
Realized losses, 1933 to 2002, inclusive .....		356,948
Reimbursements by the Treasury:		
Reimbursements of realized losses:		
Appropriations (63 times) .....	336,777	
Note cancellations (6 times) .....	2,698	
Less dividends paid to Treasury (4 times) .....	—138	
Total reimbursements for net realized losses .....	339,337	
Other reimbursements:		
Appropriations (2 times) .....	542	
Note cancellation (1 time) .....	56	
Total other reimbursements .....	598	
Total .....		339,935
Realized deficit as of September 30, 2002, support and related programs .....		17,013

Commodity Certificates. Subtitle B of the 2000 Act allows for the use of commodity certificates. In making in-kind payments, CCC may (a) "acquire and use commodities that have been pledged to the Commodity Credit Corporation as collateral for loans made by the Corporation;" (b) "use other commodities owned by the Commodity Credit Corporation;" and (c) "redeem negotiable marketing certificates for cash under terms and conditions established. Commodity certificates discourage producers from forfeiting commodities pledged as collateral for CCC commodity loans. Certificates are used to repay 1998-2002 crop marketing assistance loans when the

adjusted world price (for rice and upland cotton) or the posted county price (for wheat, feed grains, soybeans, and designated minor oilseeds) is lower than the applicable loan rate.

#### Statement of Operations (in millions of dollars)

Identification code 12-4336-0-3-999	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	1,507	3,435	2,901	2,765
0102 Expense .....	-24,887	-20,428	-20,176	-20,376
0105 Net income or loss (-) .....	-23,380	-16,993	-17,275	-17,611

#### Balance Sheet (in millions of dollars)

Identification code 12-4336-0-3-999	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	-1,220	2,453	1,800	1,800
Investments in US securities:				
1106 Receivables, net .....	925	44	44	44
1107 Advances and prepayments .....	20	20	20	20
Non-Federal assets:				
1206 Receivables, net .....	413	411	-240	-496
1207 Advances and prepayments .....	175	104	118	118
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	1,896	1,570	1,813	1,563
1602 Interest receivable .....	275	8,983	9,620	10,394
1603 Allowance for estimated uncollectible loans and interest (-) .....	-285	-158	-198	-171
1604 Direct loans and interest receivable, net .....	1,886	10,395	11,235	11,786
1699 Value of assets related to direct loans .....	1,886	10,395	11,235	11,786
Other Federal assets:				
1802 Inventories and related properties .....	878	1,364	1,335	1,300
1803 Property, plant and equipment, net .....	19	19	22	22
1999 Total assets .....	3,076	14,810	14,334	14,594
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	475	676	475	475
2102 Interest payable .....	123	6,450	915	965
2103 Debt .....	22,732	20,425	20,254	20,465
2105 Other .....	731	1,910	527	527
Non-Federal liabilities:				
2201 Accounts payable .....	27	3	23	22
2207 Other .....	2,696	2,711	1,334	1,334
2999 Total liabilities .....	26,784	32,175	23,528	23,788
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	-23,708	-17,365	-9,194	-9,194
3999 Total net position .....	-23,708	-17,365	-9,194	-9,194
4999 Total liabilities and net position .....	3,076	14,810	14,334	14,594

Note.—In addition to obligations other than liabilities, the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established.

#### Object Classification (in millions of dollars)

Identification code 12-4336-0-3-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
22.0 Transportation of things .....	319	99	72
<b>Other services:</b>			
25.2 Other services .....	173	485	443
26.0 Other services: Storage and handling .....	67	59	54
26.0 Supplies and materials: Costs of commodities sold or donated: P. L. 480 .....	2,482	3,603	3,033
41.0 Grants, subsidies, and contributions .....	11,955	12,930	13,721
43.0 Interest and dividends .....	234	223	402
99.0 Direct obligations .....	15,230	17,399	17,725
<b>Reimbursable obligations:</b>			
22.0 Transportation of things: P. L. 480 ocean transportation .....	522	650	670
26.0 Supplies and materials: Cost of commodities sold or donated: P. L. 480 .....	441	563	543
33.0 Investments and loans .....	10,131	8,652	8,934

99.0 Reimbursable obligations .....	11,094	9,865	10,147
99.9 Total new obligations .....	26,324	27,264	27,872

#### COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, \$4,312,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which \$3,327,000 may be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", and of which \$985,000 may be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 12-1336-0-1-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Guaranteed loan subsidy .....	97	294	297
00.07 Reestimates of subsidy .....	118	376	.....
00.08 Interest on reestimates .....	8	173	.....
00.09 Administrative expenses .....	4	4	4
10.00 Total new obligations .....	227	847	301
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2,405	625	625
22.00 New budget authority (gross) .....	417	847	301
22.40 Capital transfer to general fund .....	-1,970	.....	.....
23.90 Total budgetary resources available for obligation .....	852	1,472	926
23.95 Total new obligations .....	-227	-847	-301
24.40 Unobligated balance carried forward, end of year .....	625	625	625
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	4	4	4
Mandatory:			
Appropriation:			
60.00 Appropriation .....	265	294	297
60.00 Appropriation—upward reestimate .....	148	549	.....
62.50 Appropriation (total mandatory) .....	413	843	297
70.00 Total new budget authority (gross) .....	417	847	301
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	105	69	65
73.10 Total new obligations .....	227	847	301
73.20 Total outlays (gross) .....	-261	-851	-293
74.40 Obligated balance, end of year .....	69	65	73

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	4	4
86.97 Outlays from new mandatory authority .....	204	784	238
86.98 Outlays from mandatory balances .....	53	63	51
87.00 Total outlays (gross) .....	261	851	293

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	417	847	301
90.00 Outlays .....	262	851	293

#### Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1336-0-1-351	2002 actual	2003 est.	2004 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Export guarantee program .....	3,266	4,225	4,155
215901 Total loan guarantee levels .....	3,266	4,225	4,155

**Public enterprise funds—Continued**COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM  
ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in  
millions of dollars)—Continued

Identification code 12-1336-0-1-351	2002 actual	2003 est.	2004 est.
Guaranteed loan subsidy (in percent):			
232001 Export guarantee program .....	6.80	6.96	7.14
232901 Weighted average subsidy rate .....	6.80	6.96	7.14
Guaranteed loan subsidy budget authority:			
233001 Export guarantee program .....	222	294	297
233901 Total subsidy budget authority .....	222	294	297
Guaranteed loan subsidy outlays:			
234001 Export guarantee program .....	110	298	289
234901 Total subsidy outlays .....	110	298	289
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Export guarantee program .....	148	549	.....
235901 Total upward reestimate budget authority .....	148	549	.....
Guaranteed loan upward reestimate subsidy outlays:			
236001 Export guarantee program .....	148	549	.....
236901 Total upward reestimate subsidy outlays .....	148	549	.....
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Export guarantee program .....	-126	-552	.....
237901 Total downward reestimate subsidy budget authority .....	-126	-552	.....
Guaranteed loan downward reestimate subsidy outlays:			
238001 Export guarantee program .....	-126	-552	.....
238901 Total downward reestimate subsidy outlays .....	-126	-552	.....
Administrative expense data:			
351001 Budget authority—administrative expenses .....	4	4	4
359001 Outlays from new authority .....	4	4	4

This is the program account for the GSM-102 and GSM-103 CCC Export Credit Guarantee Programs. The Export Credit Guarantee Program (GSM-102) covers credit terms of up to 3 years. The Intermediate Export Credit Guarantee Program (GSM-103) covers longer credit terms of between 3 and 10 years. Under these programs, CCC does not provide financing, but guarantees payments due from foreign banks and buyers. Because payment is guaranteed, financial institutions in the United States can offer competitive credit terms to foreign banks, usually with interest rates based on the London Inter-Bank Offered Rate (LIBOR). If the foreign bank fails to make any payment as agreed, the exporter or assignee must submit a notice of default to the CCC. A claim for loss must be filed, and the CCC will promptly pay claims found to be in good order. CCC usually guarantees 98 percent of the principal payment due and interest based on a percentage of the one-year Treasury rate.

A portion of the guarantees made available under the GSM-102 program is provided as Supplier Credit Guarantees. Under this activity, CCC guarantees a portion of payment due from importers under short-term financing (for up to 180 days) that exporters have extended directly to the importers for the purchase of U.S. agricultural commodities and products. CCC does not provide financing, but guarantees payment due from an importer. A substantially smaller portion of the value of exports (currently 60 percent) is guaranteed under Supplier Credit Guarantees than under regular GSM-102 guarantees where CCC is guaranteeing foreign bank obligations.

A portion of the GSM-102 guarantees is also made available as Facilities Guarantees. Under this activity, CCC guarantees export financing for capital goods and services to im-

prove handling, marketing, processing, storage, or distribution of imported agricultural commodities and products.

The subsidy estimates for the GSM-102 and GSM-103 programs are determined in large part by the obligor's sovereign or non-sovereign country risk grade. These grades are developed annually by the International Credit Risk Assessment System Committee (ICRAS). In unusual circumstances, an ICRAS grade for a country may change during the fiscal year. The default estimates for GSM guarantees are determined in large part by the risk premia assigned for each risk grade.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the credit guarantees committed in 1992 and beyond (including modifications of credit guarantees that result from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. The 2004 budget displays the GSM loan guarantee volume and the subsidy level that can be justified by forecast economic conditions, the expected supply/demand conditions of countries requesting GSM loan guarantees.

## Object Classification (in millions of dollars)

Identification code 12-1336-0-1-351	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts .....	4	4	4
41.0 Grants, subsidies, and contributions .....	223	843	297
99.9 Total new obligations .....	227	847	301

COMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING  
ACCOUNT

## General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-4337-0-3-351	2002 actual	2003 est.	2004 est.
0101 Commodity Credit Corporation export guarantees, downward reestimates of subsidies .....	126	552	.....

## Program and Financing (in millions of dollars)

Identification code 12-4337-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>New loans:</b>			
00.01 Default claims .....	40	325	325
00.02 Interest on debt to Treasury .....	93	104	104
00.91 Subtotal, new loans .....	133	429	429
<b>Reestimates:</b>			
08.02 Reestimates of guaranteed loan subsidy .....	118	389	.....
08.04 Interest on reestimates of guaranteed loan subsidy .....	8	163	.....
08.91 Subtotal, reestimates .....	126	552	.....
10.00 Total new obligations .....	259	981	429
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	589	1,002	95
22.00 New financing authority (gross) .....	672	1,121	578
22.40 Capital transfer to general fund .....	.....	-1,047	.....
23.90 Total budgetary resources available for obligation .....	1,261	1,076	673
23.95 Total new obligations .....	-259	-981	-429
24.40 Unobligated balance carried forward, end of year .....	1,002	95	244

## New financing authority (gross), detail:

<b>Mandatory:</b>			
67.10 Authority to borrow .....	221	.....	.....
<b>Discretionary:</b>			
68.10 Spending authority from offsetting collections:			
Change in uncollected customer payments from Federal sources (unexpired) .....	-105	.....	.....
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	495	1,121	578

69.10	Receivable from Federal sources .....	61		
69.90	Spending authority from offsetting collections (total mandatory) .....	556	1,121	578
70.00	Total new financing authority (gross) .....	672	1,121	578
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	-105	-61	628
73.10	Total new obligations .....	259	981	429
73.20	Total financing disbursements (gross) .....	-259	-292	-292
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	44		
74.40	Obligated balance, end of year .....	-61	628	765
87.00	Total financing disbursements (gross) .....	259	292	292
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account .....	-258	-847	-289
88.25	Interest on uninvested funds .....	-61	-65	-68
Non-Federal sources:				
88.40	Loan origination fee .....	-21	-29	-29
88.40	Principal collections .....	-53	-66	-72
88.40	Interest collections .....	-102	-114	-120
88.90	Total, offsetting collections (cash) .....	-495	-1,121	-578
Against gross financing authority only:				
88.95	Change in receivables from program accounts .....	44		
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....	221		
90.00	Financing disbursements .....	-236	-829	-286

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4337-0-3-351	2002 actual	2003 est.	2004 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders .....			
2131	Guaranteed loan commitments exempt from limitation .....	3,926	4,225	4,155
2150	Total guaranteed loan commitments .....	3,926	4,225	4,155
2199	Guaranteed amount of guaranteed loan commitments .....	3,800	4,090	4,020
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	4,915	4,762	4,682
2231	Disbursements of new guaranteed loans .....	3,926	4,225	4,155
2251	Repayments and prepayments .....	-3,745	-3,980	-3,934
2261	Adjustments: Terminations for default that result in loans receivable .....	-334	-325	-318
2290	Outstanding, end of year .....	4,762	4,682	4,585
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	4,667	4,588	4,507
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	485	779	1,038
2331	Disbursements for guaranteed loan claims .....	334	325	318
2351	Repayments of loans receivable .....	-40	-66	-81
2390	Outstanding, end of year .....	779	1,038	1,275

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 12-4337-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Federal assets:					
Fund balances with Treasury:					
1101	Fund balances with Treasury .....	589	942	757	755

1101	Accounts Receivable, net .....	1,612	1,326	1,250	1,100
1101	Adjustments .....	168			
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:					
1501	Defaulted guaranteed loans receivable, gross .....	484	779	1,038	1,275
1599	Net present value of assets related to defaulted guaranteed loans .....	484	779	1,038	1,275
1999	Total assets .....	2,853	3,047	3,045	3,130
<b>LIABILITIES:</b>					
2103	Federal liabilities: Debt .....	2,538	2,408	2,110	2,500
2204	Non-Federal liabilities: Liabilities for loan guarantees .....	315	639	935	630
2999	Total liabilities .....	2,853	3,047	3,045	3,130
4999	Total liabilities and net position .....	2,853	3,047	3,045	3,130

**COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4338-0-3-351	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Operating Expenses .....		1	1
10.00	Total new obligations (object class 25.3) .....		1	1
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	84	80	
22.00	New budget authority (gross) .....	-3	1	1
22.40	Capital transfer to general fund .....		-80	
23.90	Total budgetary resources available for obligation .....	81	1	1
23.95	Total new obligations .....		-1	-1
24.40	Unobligated balance carried forward, end of year .....	80		
<b>New budget authority (gross), detail:</b>				
Mandatory:				
69.00	Offsetting collections (cash) .....	498	479	450
69.27	Capital transfer to general fund .....	-501	-478	-449
69.90	Spending authority from offsetting collections (total mandatory) .....	-3	1	1
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....		1	
73.10	Total new obligations .....		1	1
73.20	Total outlays (gross) .....	3	-1	-1
74.40	Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	-3	1	1
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Repayments of principal .....	-498	-240	-256
88.40	Interest received on loans .....		-239	-194
88.90	Total, offsetting collections (cash) .....	-498	-479	-450
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	-501	-478	-449
90.00	Outlays .....	-499	-478	-449

Note.—Includes amounts for activities previously funded in the Commodity Credit Corporation Fund.

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4338-0-3-351	2002 actual	2003 est.	2004 est.	
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	3,969	3,785	3,584
2351	Repayments of loans receivable .....	-184	-201	-198
2390	Outstanding, end of year .....	3,785	3,584	3,386

**Public enterprise funds—Continued**

**COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING ACCOUNT—Continued**

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts.

**Statement of Operations (in millions of dollars)**

Identification code 12-4338-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	120	125	130	
0102 Expense .....				
0105 Net income or loss (-) .....	120	125	130	

**Balance Sheet (in millions of dollars)**

Identification code 12-4338-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
Fund balances with Treasury:				
1101 Fund balances with Treasury .....	84	81	81	81
1101 Undeposited Collections .....	59			
1206 Non-Federal assets: Foreign Loans Receivables .....	5,375	5,308	5,308	5,308
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1702 Interest receivable .....	30	28	28	28
1703 Allowance for estimated uncollectible loans and interest (-) .....	-2,795	-2,566	-2,566	-2,566
1799 Value of assets related to loan guarantees .....	-2,765	-2,538	-2,538	-2,538
1999 Total assets .....	2,753	2,851	2,851	2,851
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	1	1	1	1
2104 Resources payable to Treasury .....	2,722	2,389	2,389	2,389
2207 Non-Federal liabilities: Other .....	30	461	461	461
2999 Total liabilities .....	2,753	2,851	2,851	2,851
4999 Total liabilities and net position .....	2,753	2,851	2,851	2,851

**FARM STORAGE FACILITY LOANS PROGRAM ACCOUNT**

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 12-3301-0-1-351	2002 actual	2003 est.	2004 est.
0101 Farm storage facility loans program, downward reestimates of subsidies .....	1	8	
0102 Negative subsidies/subsidy reestimates .....			1

**Program and Financing (in millions of dollars)**

Identification code 12-3301-0-1-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Farm Storage Loan Subsidy .....	1	2	1
00.02 Sugar Storage Loan Subsidy .....			-1
10.00 Total new obligations (object class 41.0) .....	1	2	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	10	12	
22.00 New budget authority (gross) .....	4	2	1
22.40 Capital transfer to general fund .....		-12	
23.90 Total budgetary resources available for obligation .....	14	2	1
23.95 Total new obligations .....	-1	-2	
24.40 Unobligated balance carried forward, end of year .....	12		

**New budget authority (gross), detail:**

Mandatory:			
60.00 Appropriation .....	4	2	1

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	2	1	
73.10 Total new obligations .....	1	2	
73.20 Total outlays (gross) .....	-2	-2	-1
74.40 Obligated balance, end of year .....	1		

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	2	2	1
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**Net budget authority and outlays:**

89.00 Budget authority .....	4	2	1
90.00 Outlays .....	2	2	1

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 12-3301-0-1-351	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Farm Storage facility loans .....	125	125	95
115002 Sugar Storage Facility Loans .....		22	22
115901 Total direct loan levels .....	125	147	117
<b>Direct loan subsidy (in percent):</b>			
132001 Farm Storage facility loans .....	2.42	1.28	1.22
132002 Sugar Storage Facility Loans .....	0.00	1.26	-3.87
132901 Weighted average subsidy rate .....	2.40	1.36	0.00
<b>Direct loan subsidy budget authority:</b>			
133001 Farm Storage facility loans .....	3	2	1
133002 Sugar Storage Facility Loans .....			-1
133901 Total subsidy budget authority .....	3	2	
<b>Direct loan subsidy outlays:</b>			
134001 Farm Storage facility loans .....	2	2	1
134002 Sugar Storage Facility Loans .....			-1
134901 Total subsidy outlays .....	2	2	
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 Farm Storage facility loans .....	-1	-8	
137901 Total downward reestimate budget authority .....	-1	-8	
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 Farm Storage facility loans .....	-1	-8	
138901 Total downward reestimate subsidy outlays .....	-1	-8	

**Farm Storage Facility Loan (FSFL) Program.** The FSFL program was established by CCC in 1949 to offer low-cost financing to producers for the construction or upgrade of on-farm storage facilities. The program was discontinued in the early 1980's when studies showed sufficient storage space was available. The FSFL was re-established in 2000 due to a severe shortage of sufficient available storage. The program was implemented in 2000 by CCC under Section 504(c) of the Federal Credit Reform Act of 1990. The program provides producers financing with five- to ten-year repayment terms and low interest rates. The program gives producers greater marketing flexibility when farm storage is limited and/or transportation difficulties cause storage problems, allows farmers to benefit from new marketing and technological advances, and maximizes their returns through identity-preserved marketing.

**Sugar Storage Facility Loans.** The 2002 Farm Bill directs that the CCC establish a sugar storage facility loan program to provide financing for processors of domestically produced sugarcane and sugar beets to construct or upgrade storage and handling facilities for raw sugars and refined sugars. The loan term would be for a minimum of 7 years with the amount and terms being determined as any other commercial loan.

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as adminis-

trative expenses of this program. The subsidy amounts are estimated on a prevent value basis; the administrative expenses are estimated on a cash basis.

FARM STORAGE FACILITY DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4158-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans	48	147	117
00.03 Interest to Treasury		15	15
00.91 Direct Program by Activities—Subtotal (1 level)	48	162	132
08.01 Payment of negative subsidy to receipt account			1
08.02 Payment of downward re-estimate to receipt account	1	7	
08.04 Payment of interest on downward re-estimate to receipt account		1	
08.91 Direct Program by Activities—Subtotal (1 level)	1	8	1
10.00 Total new obligations	49	170	133
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	18	81	
22.00 New financing authority (gross)	114	140	160
22.40 Capital transfer to general fund		-51	
22.60 Portion applied to repay debt	-3		-29
23.90 Total budgetary resources available for obligation	129	170	131
23.95 Total new obligations	-49	-170	-133
24.40 Unobligated balance carried forward, end of year	81		
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow	100	138	138
Offsetting collections (cash):			
69.00 Payments from program account	33	2	1
69.00 Interest from Treasury		25	25
69.00 Principal		36	36
69.00 Interest		8	8
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-1		
69.27 Capital transfer to general fund		-69	-48
69.47 Portion applied to repay debt	-18		
69.90 Spending authority from offsetting collections (total mandatory)	14	2	22
70.00 Total new financing authority (gross)	114	140	160
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	99	38	98
73.10 Total new obligations	49	170	133
73.20 Total financing disbursements (gross)	-111	-110	-140
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		
74.40 Obligated balance, end of year	38	98	89
87.00 Total financing disbursements (gross)	111	110	140
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-2	-2	-1
88.25 Interest on uninvested funds	-9	-25	-25
Non-Federal sources:			
88.40 Principal collections	-22	-36	-36
88.40 Interest collections		-8	-8
88.90 Total, offsetting collections (cash)	-33	-71	-70
Against gross financing authority only:			
88.95 Change in receivables from program accounts	1		
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority	82	69	90
90.00 Financing disbursements	77	39	70

Status of Direct Loans (in millions of dollars)

Identification code 12-4158-0-3-351	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	65	147	118
1150 Total direct loan obligations	65	147	118
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	78	122	187
1231 Disbursements: Direct loan disbursements	66	95	95
1251 Repayments: Repayments and prepayments	-22	-29	-41
1263 Write-offs for default: Direct loans		-1	-1
1290 Outstanding, end of year	122	187	240

Balance Sheet (in millions of dollars)

Identification code 12-4158-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury		122	145	150
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	32	122	187	240
1402 Interest receivable		10	14	20
1405 Allowance for subsidy cost (-)	-2	-4		-4
1499 Net present value of assets related to direct loans	30	128	201	256
1999 Total assets	30	250	346	406
<b>LIABILITIES:</b>				
Federal liabilities:				
2104 Resources payable to Treasury	30	250	326	394
2105 Other			20	12
2999 Total liabilities	30	250	346	406
4999 Total liabilities and net position	30	250	346	406

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

APPLE LOANS PROGRAM ACCOUNT

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-3302-0-1-351	2002 actual	2003 est.	2004 est.
0101 Apple loan program, downward reestimates of subsidies	2		

Program and Financing (in millions of dollars)

Identification code 12-3302-0-1-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Reestimates of direct loan subsidy		1	
10.00 Total new obligations (object class 41.0)		1	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)		1	
23.95 Total new obligations		-1	
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation		1	
<b>Change in obligated balances:</b>			
73.10 Total new obligations		1	
73.20 Total outlays (gross)		-1	

**Public enterprise funds—Continued****APPLE LOANS PROGRAM ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 12-3302-0-1-351	2002 actual	2003 est.	2004 est.
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		1	
90.00 Outlays .....		1	

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 12-3302-0-1-351	2002 actual	2003 est.	2004 est.
Direct loan subsidy (in percent):			
132001 Apple loan program .....	0.00	0.00	
132901 Weighted average subsidy rate .....	0.00	0.00	
Direct loan upward reestimate subsidy budget authority:			
135001 Apple loan program .....		1	
135901 Total upward reestimate budget authority .....		1	
Direct loan upward reestimate subsidy outlays:			
136001 Apple loan program .....		1	
136901 Total upward reestimate outlays .....		1	
Direct loan downward reestimate subsidy budget authority:			
137001 Apple loan program .....	-2		
137901 Total downward reestimate budget authority .....	-2		
Direct loan downward reestimate subsidy outlays:			
138001 Apple loan program .....	-2		
138901 Total downward reestimate subsidy outlays .....	-2		

The Agricultural Risk Protection Act of 2000 authorized up to \$5 million for the cost to provide loans to producers of apples for economic losses as the result of low prices for apples. Although the program is funded through CCC, program management is performed through farm loan programs. No funding was provided for this program in 2002 or 2003, and none is requested for 2004.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**APPLE LOANS DIRECT LOAN FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 12-4211-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Payment to Treasury—Interest .....	2	2	1
00.05 Upward reestimates of subsidy .....		1	
00.91 Direct Program by Activities—Subtotal .....	2	3	1
08.02 Downward reestimates of subsidy .....	2		
10.00 Total new obligations .....	4	3	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	34	12	3
22.00 New financing authority (gross) .....	-18	7	5
22.40 Capital transfer to general fund .....		-10	
22.60 Portion applied to repay debt .....		-3	-4
23.90 Total budgetary resources available for obligation .....	16	6	4
23.95 Total new obligations .....	-4	-3	-1

24.40 Unobligated balance carried forward, end of year .....	12	3	3
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**New financing authority (gross), detail:**

<b>Mandatory:</b>			
60.00 Appropriation .....		1	
60.47 Portion applied to repay debt .....	-25		
62.50 Appropriation (total mandatory) .....	-25	1	
67.10 Authority to borrow .....	2	1	1
69.00 Offsetting collections (cash) .....	5	5	4
70.00 Total new financing authority (gross) .....	-18	7	5

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	1		
73.10 Total new obligations .....	4	3	1
73.20 Total financing disbursements (gross) .....	-5	-3	-1
87.00 Total financing disbursements (gross) .....	5	3	1

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....		-1	
88.25 Interest on uninvested funds .....	-2	-1	-1
88.40 Principal repayments .....	-3	-3	-3
88.90 Total, offsetting collections (cash) .....	-5	-5	-4

**Net financing authority and financing disbursements:**

89.00 Financing authority .....	-23	2	1
90.00 Financing disbursements .....		-2	-3

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4211-0-3-351	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	11	9	6
1231 Disbursements: Direct loan disbursements .....	1		
1251 Repayments: Repayments and prepayments .....	-3	-3	-3
1290 Outstanding, end of year .....	9	6	3

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 12-4211-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	35	10	9	1
Investments in US securities:				
1106 Receivables, net .....		1	1	
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	11	8	5	3
1405 Allowance for subsidy cost (-) .....	-1	1	-4	
1499 Net present value of assets related to direct loans .....	10	9	1	3
1999 Total assets .....	45	20	11	4
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....	45	20	11	4
2999 Total liabilities .....	45	20	11	4
4999 Total liabilities and net position .....	45	20	11	4

EMERGENCY BOLL WEEVIL PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-3303-0-1-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Reestimates of direct loan subsidy		1	
10.00 Total new obligations (object class 41.0)		1	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)		1	
23.95 Total new obligations		-1	
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation		1	
<b>Change in obligated balances:</b>			
73.10 Total new obligations		1	
73.20 Total outlays (gross)		-1	
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority		1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority		1	
90.00 Outlays		1	

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-3303-0-1-351	2002 actual	2003 est.	2004 est.
<b>Direct loan subsidy (in percent):</b>			
132001 Emergency boll weevil loans	0.00	0.00	
132901 Weighted average subsidy rate	0.00	0.00	
133901 Total subsidy budget authority			
<b>Direct loan upward reestimate subsidy budget authority:</b>			
135001 Emergency boll weevil loans	1	1	
135901 Total upward reestimate budget authority	1	1	
<b>Direct loan upward reestimate subsidy outlays:</b>			
136001 Emergency boll weevil loans	1	1	
136901 Total upward reestimate outlays	1	1	

EMERGENCY BOLL WEEVIL DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4221-0-4-351	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New financing authority (gross)	1	2	1
22.40 Capital transfer to general fund	-1		
23.90 Total budgetary resources available for obligation	1	2	1
<b>New financing authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash)	1	2	1
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-1	
88.40 Non-Federal sources		-1	-1
88.90 Total, offsetting collections (cash)	-1	-2	-1
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority			
90.00 Financing disbursements	1	-2	-1

Status of Direct Loans (in millions of dollars)

Identification code 12-4221-0-4-351	2002 actual	2003 est.	2004 est.
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year	10	10	9
1231 Disbursements: Direct loan disbursements			
1251 Repayments: Repayments and prepayments		-1	-1
1263 Write-offs for default: Direct loans			
1290 Outstanding, end of year	10	9	8

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4221-0-4-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Investments in US securities:				
1106 Federal assets: Receivables, net		1		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	10	10	9	8
1405 Allowance for subsidy cost (-)	-6	-7	-6	-6
1499 Net present value of assets related to direct loans	4	3	3	2
1999 Total assets	4	4	3	2
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt	4	4	3	2
2999 Total liabilities	4	4	3	2
4999 Total liabilities and net position	4	4	3	2

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed \$100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, \$703,605,000, to remain available until expended (7 U.S.C. 2209b), of which not less than \$8,820,000 is for snow survey and water forecasting, and not less than \$10,292,000 is for operation and establishment of the plant materials centers, and of which not less than \$21,500,000 shall be for the grazing lands conservation initiative: Provided, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed \$250,000: Provided further, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: Provided further, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592(c)): Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$25,000 shall be available for

CONSERVATION OPERATIONS—Continued

employment under 5 U.S.C. 3109: Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service. (7 U.S.C. 2201–02; 16 U.S.C. 590e–2, 1101–5; 33 U.S.C. 7016–11.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12–1000–0–1–302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Technical assistance .....	696	617	599
00.02 Soil surveys .....	84	84	86
00.03 Snow survey and water forecasting .....	9	9	9
00.04 Plant materials centers .....	10	10	10
00.05 Bioenergy transfer .....	5	14	14
09.00 Reimbursable program .....	118	56	56
10.00 Total new obligations .....	922	790	774
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	17	16	–1
22.00 New budget authority (gross) .....	906	773	774
22.10 Resources available from recoveries of prior year obligations .....	15		
23.90 Total budgetary resources available for obligation .....	938	789	773
23.95 Total new obligations .....	–922	–790	–774
24.40 Unobligated balance carried forward, end of year .....	16	–1	–1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	779	822	704
40.73 Reduction pursuant to P.L. 107–206 .....	–1		
41.00 Transferred to other accounts .....		–119	
43.00 Appropriation (total discretionary) .....	778	703	704
Mandatory:			
62.00 Transferred from other accounts .....	5	14	14
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	184	56	56
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	–61		
68.90 Spending authority from offsetting collections (total discretionary) .....	123	56	56
70.00 Total new budget authority (gross) .....	906	773	774
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	165	149	123
73.10 Total new obligations .....	922	790	774
73.20 Total outlays (gross) .....	–984	–816	–779
73.45 Recoveries of prior year obligations .....	–15		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	61		
74.40 Obligated balance, end of year .....	149	123	118
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	879	675	676
86.93 Outlays from discretionary balances .....	105	127	89
86.97 Outlays from new mandatory authority .....		14	14
87.00 Total outlays (gross) .....	984	816	779
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	–167	–35	–35
88.40 Non-Federal sources .....	–17	–21	–21
88.90 Total, offsetting collections (cash) .....	–184	–56	–56
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	61		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	783	717	718
90.00 Outlays .....	800	760	723

Additional net budget authority and outlays to cover cost of fully accruing retirement:

	99.00	99.01	
Budget authority .....	53	55	64
Outlays .....	53	55	64

Technical assistance.—Technical assistance is provided through 2,955 conservation districts or special districts to land users and decisionmakers, including individual land-owners and operators, community groups, units of government, Indian tribes, and others for the planning of conservation programs and installation of needed conservation systems on the land, including design, layout, installation, and consultation services.

Technical assistance targeted towards nutrient management and water quality concerns associated with animal feeding will continue at the 2003 level of \$70 million. These funds will help livestock producers develop comprehensive nutrient management plans.

MAIN WORKLOAD FACTORS

	2002 Actual	2003 est.	2004 est.
Customers served, number .....	3.1 million	3.2 million	3.2 million
Customers receiving technical assistance for planning & application number .....	407,000	450,000	450,000
Conservation systems planned to the RMS level, acres .....	21.7 million	22 million	22 million
Conservation plans applied to the RMS level, acres .....	22.0 million	22 million	22 million

Inventory and monitoring, resource appraisal, and program development activities are also funded through this account. Resource inventories are conducted to provide soil, water, and related resource data for evaluating land-use changes and trends; and for guidance in the development and implementation of Federal, State, and local resource conservation programs. The 2004 budget requests an increase of \$10 million to enhance NRCS's monitoring and evaluation capabilities to track and report on the effectiveness of conservation programs authorized by the 2002 Farm Bill. Resource appraisal and program development provides periodic reports to the public and Congress as required by the Soil and Water Resources Conservation Act of 1977 as amended.

Soil surveys.—Soil surveys and investigations are made on the soil resources of the Nation's private lands. NRCS provides this information as electronic and printed publications for use by the American public and other Federal, State and local agencies in making land-use decisions. NRCS uses the information for program development, resource conservation planning, and installation of planned practices. NRCS provides national leadership for the National Cooperative Soil Survey and digitizing of soil surveys in cooperation with States, and other users of soil survey data. Legislation requires that the Secretary shall make a reasonable effort to assure that "a substantial portion of the survey costs for NRCS are to be reimbursed by survey recipients."

MAIN WORKLOAD FACTORS

	2002 actual	2003 est.	2004 est.
Acres mapped annually (millions) .....	20.46	22.0	20.0
Soil surveys ready for publication (number) .....	66	80	80

Snow survey water forecasting.—Water supply forecasts prepared from snow surveys in western states are used in making efficient seasonal use of water for irrigation, flood control, fish and wildlife, recreation, power generation, municipal and industrial water supply, and water quality management.

Operation of plant materials centers.—The selection and evaluation of plant materials are made at 26 plant materials centers through field trials to determine their suitability for erosion control, conservation, and other environmental improvements. Native plant species will be preferred and exotic species introductions phased out for this program.

**Object Classification** (in millions of dollars)

Identification code 12-1000-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	440	391	383
11.3 Other than full-time permanent .....	10	9	9
11.5 Other personnel compensation .....	5	4	4
11.9 Total personnel compensation .....	455	404	396
12.1 Civilian personnel benefits .....	131	118	117
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	15	13	13
22.0 Transportation of things .....	4	3	3
23.2 Rental payments to others .....	22	19	19
23.3 Communications, utilities, and miscellaneous charges .....	30	27	26
24.0 Printing and reproduction .....	4	3	3
25.2 Other services .....	98	107	105
26.0 Supplies and materials .....	14	13	12
31.0 Equipment .....	28	25	22
42.0 Insurance claims and indemnities .....	1	1	1
99.0 Direct obligations .....	803	734	718
99.0 Reimbursable obligations .....	116	55	55
99.5 Below reporting threshold .....	3	1	1
99.9 Total new obligations .....	922	790	774

**Personnel Summary**

Identification code 12-1000-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	8,576	7,527	7,176
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1,138	358	358

**FARM BILL TECHNICAL ASSISTANCE**

*For necessary expenses of the Natural Resources Conservation Service in providing technical assistance and administrative support for programs authorized under subtitle D of title XII of the Food Security Act of 1985, \$432,160,000, to remain available until expended.*

**Program and Financing** (in millions of dollars)

Identification code 12-1006-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Farm Bill Technical Assistance .....		333	432
10.00 Total new obligations .....		333	432
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		333	432
23.95 Total new obligations .....		-333	-432
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....		214	432
42.00 Transferred from other accounts .....		119	
43.00 Appropriation (total discretionary) .....		333	432
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			40
73.10 Total new obligations .....		333	432
73.20 Total outlays (gross) .....		-293	-413
74.40 Obligated balance, end of year .....		40	59
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		293	380
86.93 Outlays from discretionary balances .....			33
87.00 Total outlays (gross) .....		293	413
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		333	432
90.00 Outlays .....		293	413

The Farm Bill Technical Assistance account funds all of the technical assistance costs of certain conservation programs authorized by the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). These are the same conservation programs included in NRCS's Farm Security and Rural Investment Programs account—the Environmental Quality Incentives Program, Ground and Surface Water Conservation, Klamath Basin Water Conservation, Farmland Protection Program, Wildlife Habitat Incentives Program, Wetlands Reserve Program, Grassland Reserve Program, and Conservation Security Program. The Farm Security and Rural Investment Programs account funds the financial assistance needed to deliver conservation measures on agricultural lands.

The Farm Bill Technical Assistance account will fund the technical assistance needed to plan, design, layout, and install conservation systems funded by the 2002 Farm Bill programs. This will include both NRCS's technical assistance costs, as well as the costs for certified, non-federal technical service providers to provide technical assistance to farmers and ranchers for 2002 Farm Bill programs.

**Object Classification** (in millions of dollars)

Identification code 12-1006-0-1-302	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....		188	230
11.3 Other than full-time permanent .....		7	16
11.5 Other personnel compensation .....		1	1
11.9 Total personnel compensation .....		196	247
12.1 Civilian personnel benefits .....		48	62
21.0 Travel and transportation of persons .....		5	7
22.0 Transportation of things .....		1	1
23.2 Rental payments to others .....		14	18
23.3 Communications, utilities, and miscellaneous charges .....		12	16
25.2 Other services .....		45	67
26.0 Supplies and materials .....		5	6
31.0 Equipment .....		7	8
99.9 Total new obligations .....		333	432

**Personnel Summary**

Identification code 12-1006-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....		3,624	4,596

**FARM SECURITY AND RURAL INVESTMENT PROGRAMS**

**Program and Financing** (in millions of dollars)

Identification code 12-1004-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Wetlands Reserve Program .....	263	250	250
00.02 Environmental Quality Incentives Program .....	199	595	850
00.03 Ground and Surface Water Conservation .....	25	38	51
00.04 Klamath Basin .....	2	8	8
00.05 Wildlife Habitat Incentives Program .....	15	26	42
00.06 Farmland Protection Program .....	50	85	112
00.07 Conservation Security Program .....			19
00.08 Grassland Reserve Program .....		72	85
10.00 Total new obligations .....	554	1,074	1,417
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	567	1,075	1,418
23.95 Total new obligations .....	-554	-1,074	-1,417
23.98 Unobligated balance expiring or withdrawn .....	-13	-1	-1
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.35 Appropriation rescinded .....		-145	-259
<b>Mandatory:</b>			
62.00 Transferred from other accounts .....	567	1,220	1,677
70.00 Total new budget authority (gross) .....	567	1,075	1,418

FARM SECURITY AND RURAL INVESTMENT PROGRAMS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1004-0-1-302	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40		341	802
Obligated balance, start of year .....			
73.10	554	1,074	1,417
Total new obligations .....			
73.20	-213	-613	-1,091
Total outlays (gross) .....			
74.40	341	802	1,128
Obligated balance, end of year .....			
<b>Outlays (gross), detail:</b>			
86.90		-39	-70
Outlays from new discretionary authority .....			
86.93			-58
Outlays from discretionary balances .....			
86.97	213	378	557
Outlays from new mandatory authority .....			
86.98		274	662
Outlays from mandatory balances .....			
87.00	213	613	1,091
Total outlays (gross) .....			
<b>Net budget authority and outlays:</b>			
89.00	567	1,075	1,418
Budget authority .....			
90.00	213	613	1,091
Outlays .....			

The Farm Security and Rural Investment Act of 2002 (P.L. 107-171) reauthorizes a number of USDA's conservation programs. NRCS is responsible for implementing many of these programs. All of the financial assistance for programs where NRCS is the lead implementation agency is transferred from the Commodity Credit Corporation (CCC) to the Farm Security and Rural Investment Programs account. This account will fund only the cost share, monitoring, easement, and other financial assistance activities associated with the programs under title II of the 2002 Farm Bill.

The following programs are funded in this account.

*Wetlands Reserve Program (WRP)* is authorized under Section 1237 of the Food Security Act of 1985, as amended. The authority provides for a total acreage enrollment cap of 2,275,000 acres. The purpose of the WRP is to preserve, protect, and restore valuable wetlands.

*Environmental Quality Incentives Program (EQIP)* was reauthorized in the Farm Security and Rural Investment Act of 2002. Funding is authorized at \$5.8 billion over 6 years with \$400 million in FY 2002 increasing to \$1.3 billion in FY 2007. The purpose of the program is to promote agricultural production and environmental quality as compatible national goals.

*Ground and Surface Water Program (GSW)* is authorized by Section 1240I of Title XII of the Food Security Act of 1985. Funding is authorized at \$310 million over six years. The purpose of the program is to promote ground and surface water conservation by providing cost-share payments and incentive payments to producers to carry out eligible water conservation activities.

*Klamath Basin.* is authorized by Section 1240I of Title XII of the Food Security Act of 1985. Funding is authorized at \$50 million over 6 years. The purpose of the Klamath Basin program is to carry out water conservation activities in the Klamath Basin located in California and Oregon.

*Farmland Protection Program (FPP)* The Farm Security and Rural Investment Act of 2002 repealed the Farmland Protection Program authorized by the Federal Agriculture Improvement and Reform Act of 1996 and authorized a new Farmland Protection Program. Funding is authorized at \$597 million over 6 years. The purpose of the program is to protect soil by limiting nonagricultural use of prime and unique farm and ranch land.

*Wildlife Habitat Incentives Program (WHIP)* is authorized by Section 1240N of the Food Security Act of 1985. Funding is authorized at \$360 million over 6 years. The purpose of the program is to develop habitat for upland wildlife, wetlands wildlife, threatened and endangered species, fish, and other types of wildlife.

*Conservation Security Program (CSP)* is authorized by the Farm Security and Rural Investment Act of 2002. The purpose of the program is to provide financial and technical assistance for the conservation, protection, and improvement of natural resources on Tribal and private working lands. The program provides payments for producers who practice good stewardship on their agricultural lands and incentives for those who want to do more.

*Grassland Reserve Program (GRP)* is authorized by Section 1238N of Title XII, of Food Security Act of 1985. Funding is authorized at \$254 million over 5 years. The purpose of the program is to assist landowners in restoring and protecting grassland.

Object Classification (in millions of dollars)

Identification code 12-1004-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1	23		
Personnel compensation: Full-time permanent .....			
12.1	6		
Civilian personnel benefits .....			
21.0	1		
Travel and transportation of persons .....			
23.2	1		
Rental payments to others .....			
23.3			
Communications, utilities, and miscellaneous charges .....	1		
25.2	16		
Other services .....			
31.0	1		
Equipment .....			
32.0	230	237	242
Land and structures .....			
41.0	273	837	1,175
Grants, subsidies, and contributions .....			
99.0	552	1,074	1,417
Direct obligations .....			
99.5	2		
Below reporting threshold .....			
99.9	554	1,074	1,417
Total new obligations .....			

Personnel Summary

Identification code 12-1004-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001	431		
Total compensable workyears: Civilian full-time equivalent employment .....			

WATERSHED SURVEYS AND PLANNING

*For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001-1009), \$5,000,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$110,000 shall be available for employment under 5 U.S.C. 3109 (7 U.S.C. 2201-02; 16 U.S.C. 1101-5; 33 U.S.C. 7016-11.)*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1066-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	11		5
Direct program .....			
10.00	11		5
Total new obligations .....			
<b>Budgetary resources available for obligation:</b>			
22.00	11	1	6
New budget authority (gross) .....			
23.95	-11		-5
Total new obligations .....			
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00	11		5
Appropriation .....			
68.00		1	1
Spending authority from offsetting collections: Offsetting collections (cash) .....			
70.00	11	1	6
Total new budget authority (gross) .....			

<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	2	2
73.10	Total new obligations .....	11	5
73.20	Total outlays (gross) .....	-11	-3
74.40	Obligated balance, end of year .....	2	1
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	9	1
86.93	Outlays from discretionary balances .....	2	2
87.00	Total outlays (gross) .....	11	3
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-1	-1
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	11	5
90.00	Outlays .....	11	2
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00	Budget authority .....	1	1
99.01	Outlays .....	1	1

Under the authorities of Public Law 83-566, watershed planning assistance is provided to States and communities to address specific resource problems on a watershed scale. The funds are used to cooperate with other agencies and the States in providing local decision makers with resource data, derived from cooperative river basin surveys and flood-plain management studies, for use in decision making. Watershed plans are used to develop the small watershed projects.

Watershed work plans are prepared by sponsoring local organizations with the Department's assistance or through State and local resources. After work plans are approved by the Department or Congress (projects where the estimated Federal contribution will exceed \$5 million require congressional approval), financial assistance is provided for specific works of improvements. Since 1944, the Federal government has invested over \$8.5 billion to develop a watershed infrastructure through the Small Watershed program. The investment yields annual benefits estimated at \$800 million.

**Object Classification** (in millions of dollars)

Identification code 12-1066-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1	Personnel compensation: Full-time permanent .....	7	3
12.1	Civilian personnel benefits .....	2	1
25.2	Other services .....	1	1
99.0	Direct obligations .....	10	5
99.5	Below reporting threshold .....	1	.....
99.9	Total new obligations .....	11	5

**Personnel Summary**

Identification code 12-1066-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001	Total compensable workyears: Civilian full-time equivalent employment .....	111	47
<b>Reimbursable:</b>			
2001	Total compensable workyears: Civilian full-time equivalent employment .....	5	2

**WATERSHED AND FLOOD PREVENTION OPERATIONS**

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, the provisions of the Act of April 27, 1935, \$40,000,000, to remain available until expended: Provided, That this appropriation shall be available for employment pursuant to the sec-

ond sentence of section 706(a) of the Organic Act of 1944, and not to exceed \$200,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction: Provided further, That the amount of federal funds that may be made available to an eligible local organization for construction of a particular rehabilitation project shall be equal to 65 percent of the total rehabilitation costs, but not to exceed 100 percent of actual construction costs incurred in the rehabilitation: Provided further, That consistent with existing statute, rehabilitation assistance provided may not be used to perform operation and maintenance activities specified in the agreement for the covered water resource projects entered into between the Secretary and the eligible local organization responsible for the works of improvement. (7 U.S.C. 2209b, 2225; 16 U.S.C. 590a-f, 1001-1005, 1007-1009.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-1072-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01	Watershed operations (P.L. 534) .....	18	1
00.03	Emergency watershed protection operations .....	79	216
00.04	Small watershed operations (P.L. 566) .....	97	6
09.01	Reimbursable program .....	16	8
10.00	Total new obligations .....	210	231
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	86	119
22.00	New budget authority (gross) .....	222	112
22.10	Resources available from recoveries of prior year obligations .....	21	.....
23.90	Total budgetary resources available for obligation .....	329	231
23.95	Total new obligations .....	-210	-231
24.40	Unobligated balance carried forward, end of year .....	119	.....
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00	Appropriation .....	201	110
40.71	Reduction pursuant to P.L. XXX-XX .....	-1	.....
43.00	Appropriation (total discretionary) .....	200	110
<b>Spending authority from offsetting collections:</b>			
68.00	Offsetting collections (cash) .....	21	2
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	1	.....
68.90	Spending authority from offsetting collections (total discretionary) .....	22	2
70.00	Total new budget authority (gross) .....	222	112
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	221	214
73.10	Total new obligations .....	210	231
73.20	Total outlays (gross) .....	-195	-228
73.45	Recoveries of prior year obligations .....	-21	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-1	.....
74.40	Obligated balance, end of year .....	214	217
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	100	67
86.93	Outlays from discretionary balances .....	95	161
87.00	Total outlays (gross) .....	195	228
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources .....	-14	-3
88.40	Non-Federal sources .....	-7	-2
88.90	Total, offsetting collections (cash) .....	-21	-2

WATERSHED AND FLOOD PREVENTION OPERATIONS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1072-0-1-301	2002 actual	2003 est.	2004 est.
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	200	110	40
90.00 Outlays .....	174	226	209
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	4	4	4
99.01 Outlays .....	4	4	4

These programs provide for cooperative actions between the Federal Government and States and their political subdivisions to reduce damage from floodwater, sediment, and erosion, for the conservation, development, utilization, and disposal of water, and for the conservation and proper utilization of land. Funds in Watershed and Flood Prevention Operations can be used for either flood prevention projects or flood damage rehabilitation efforts, depending upon the needs and opportunities. In order to improve the environmental and economic benefits of these projects, NRCS intends to focus on developing and funding non-structural flood prevention measures.

*Emergency watershed protection operations.*—This program authorizes the Secretary of Agriculture to undertake such emergency measures for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever natural elements or forces cause a sudden impairment of that watershed. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, wind, earthquake, or other natural causes and consequently life and property are endangered by floodwater, erosion, or sediment discharge. The emergency area need not be declared a national disaster area to be eligible for emergency watershed protection. Emergency watershed protection is applicable to small scale, localized disasters as well as large scale disasters. State environmental, natural resource, fish and game, and other agencies participate in planning and coordinating emergency work. To the extent financial resources are available, funding provided for the small watershed operations account can be used to meet these types of emergency needs should they occur in 2004.

To improve the delivery and defensibility of the program, NRCS published a draft programmatic environmental impact statement (EIS) for public review and comment to assess various program alternatives. Through the EIS public feedback and information gathering process, NRCS ultimately will be able to make the program more beneficial to communities and the environment. NRCS will also consider these EIS comments in making any necessary revisions to its regulations.

*Watershed operations authorized by Public Law 534.*—The Department cooperates with soil conservation districts and other local organizations in planning and installing flood prevention improvements in 11 watersheds authorized by the Flood Control Act of 1944. The Federal Government shares the cost of improvements for flood prevention, agricultural water management, recreation, and fish and wildlife development.

Given the program's low economic returns and environmental benefits, no funding is proposed for 2004.

*Small watershed operations authorized by Public Law 566.*—The Department provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement. At least 50

percent of the funding provided will be used for financial assistance.

Funding provided to the Watershed Surveys and Planning program will be used to address one of the most critical strategic objectives of the NRCS Government Performance and Results Act (GPRA) Strategic Plan: "Restoring healthy watersheds, providing clean and abundant water supplies for people and environment." Program activities reflect high priority natural resource concerns such as: agriculture-induced water quality impacts, wetlands restoration, and flood damage risk reduction.

Loans through the Agricultural Credit Insurance Fund have been made in previous years to the local sponsors in order to fund the local cost of Public Law 566 or 534 projects. No funding for these loans is assumed in 2004.

The following tabulation shows the status of Public Law 566 projects:

MAIN WORKLOAD FACTORS

	2002 actual	2003 est.	2004 est.
Status of operational projects:			
Projects receiving land treatment .....	223	230	20
Structural projects .....	180	180	0
Land treatment and structural .....	145	147	0
Subtotal active projects .....	548	557	20
Projects continuing post-installation assistance .....	887	884	0
Inactive projects .....	19	20	0
Project life completed .....	40	42	1,647
Deauthorized projects .....	159	159	0
Total operational projects .....	1,653	1,662	1,647
New projects approved during year .....	3	9	5

Object Classification (in millions of dollars)

Identification code 12-1072-0-1-301	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	33	28	6
11.5 Other personnel compensation .....	1	3	
11.9 Total personnel compensation .....	34	31	6
12.1 Civilian personnel benefits .....	8	7	1
21.0 Travel and transportation of persons .....	1	1	
23.2 Rental payments to others .....	1	1	
23.3 Communications, utilities, and miscellaneous charges .....	3	1	1
Other services:			
25.2 Other services .....	6	6	
25.2 Other services .....	57	96	9
26.0 Supplies and materials .....	1	1	
31.0 Equipment .....	2	3	
32.0 Land and structures .....	4		
41.0 Grants, subsidies, and contributions .....	75	75	21
99.0 Direct obligations .....	192	222	38
99.0 Reimbursable obligations .....	15	8	5
99.5 Below reporting threshold .....	3	1	2
99.9 Total new obligations .....	210	231	45

Personnel Summary

Identification code 12-1072-0-1-301	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	603	566	100
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	46		14

WATERSHED REHABILITATION PROGRAM

For necessary expenses to carry out rehabilitation of structural measures, in accordance with section 14 of the Watershed Protection and Flood Prevention Act, as amended, \$10,000,000, to remain available until expended. (16 U.S.C. 1001 et seq., 1012.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-1002-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	10		10
10.00 Total new obligations .....	10		10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	10		10
23.95 Total new obligations .....	-10		-10
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	10		10
40.35 Appropriation rescinded .....		-45	-50
43.00 Appropriation (total discretionary) .....	10	-45	-40
Mandatory:			
62.00 Transferred from other accounts .....		45	50
70.00 Total new budget authority (gross) .....	10		10
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		4	2
73.10 Total new obligations .....	10		10
73.20 Total outlays (gross) .....	-6	-2	-8
74.40 Obligated balance, end of year .....	4	2	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	6		7
86.93 Outlays from discretionary balances .....		2	1
87.00 Total outlays (gross) .....	6	2	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	10		10
90.00 Outlays .....	6	2	8

Under the authorities of Public Law 106-472 assistance is provided to communities to address concerns about local aging dams. NRCS may provide technical and financial assistance for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing the dams.

**Object Classification** (in millions of dollars)

Identification code 12-1002-0-1-301	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	4		3
12.1 Civilian personnel benefits .....	1		1
25.2 Other services .....	1		
41.0 Grants, subsidies, and contributions .....	3		5
99.0 Direct obligations .....	9		9
99.5 Below reporting threshold .....	1		1
99.9 Total new obligations .....	10		10

**Personnel Summary**

Identification code 12-1002-0-1-301	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	64		48

**RESOURCE CONSERVATION AND DEVELOPMENT**

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of sections 31 and 32(l) of title III of the Bankhead-Jones Farm Tenant Act; the Act of April 27, 1935 (16 U.S.C. 590a-f); and subtitle H of title XV of the Agriculture and

Food Act of 1981, \$49,943,000, to remain available until expended: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944, and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 1010-1011, 2225; 16 U.S.C. 590a-f; 3451-3460.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-1010-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Technical assistance .....	49	50	50
09.01 Reimbursable program .....		1	1
10.00 Total new obligations .....	49	51	51
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	1	
22.00 New budget authority (gross) .....	48	50	51
23.90 Total budgetary resources available for obligation .....	50	51	51
23.95 Total new obligations .....	-49	-51	-51
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	48	49	50
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		1	1
70.00 Total new budget authority (gross) .....	48	50	51
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	9	9	11
73.10 Total new obligations .....	49	51	51
73.20 Total outlays (gross) .....	-49	-50	-52
74.40 Obligated balance, end of year .....	9	11	11
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	44	45	46
86.93 Outlays from discretionary balances .....	5	5	6
87.00 Total outlays (gross) .....	49	50	52
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....		-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	48	49	50
90.00 Outlays .....	49	49	51
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

The Resource Conservation and Development (RC&D) Program began in February 1964 under authority of Section 102 of the Food and Agricultural Act of 1962 (P.L. 87-703) and other Departmental authorities. Sections 1528-1538 of the Agricultural and Food Act of 1981 have replaced these authorities. This act authorized a program to encourage and improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop, and implement programs for resource conservation and development. Through the establishment of RC&D areas, led by a council, the program establishes or improves coordination systems in rural communities and builds rural community leadership skills to effectively utilize Federal, State and local programs for the communities' benefit. The Farm Security and Rural Investment Act of 2002 (P.L. 107-171) permanently reauthorized RC&D.

Designated RC&D areas are provided technical assistance to help States and local units of government prepare plans

RESOURCE CONSERVATION AND DEVELOPMENT—Continued

for resource development and economic improvement and to plan and install community-related conservation projects. Financial contributions, loans, and other Federal assistance may be used to help carry out projects specified in RC&D area plans. Program financial resources are focused on the RC&D coordinators who assist the local area councils. These coordinators help the area councils develop plans and proposals to compete for financial assistance from other Federal, State and private sources.

The following tabulation shows the status of RC&D areas authorized to receive technical and financial assistance.

MAIN WORKLOAD FACTORS

	2002 actual	2003 est.	2004 est.
Areas authorized at beginning of year .....	348	368	388
Areas authorized at end of year .....	368	388	388
Project plans adopted .....	3,962	3,000	3,000
Projects completed .....	4,145	3,000	3,000

Object Classification (in millions of dollars)

Identification code 12-1010-0-1-302	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	28	28	28
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	29	29	29
12.1 Civilian personnel benefits .....	7	7	7
21.0 Travel and transportation of persons .....	1	1	1
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.2 Other services .....	6	7	7
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	48	49	49
99.0 Reimbursable obligations .....	1	1	1
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	49	51	51

Personnel Summary

Identification code 12-1010-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	504	491	501
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	2	5	5

GREAT PLAINS CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2268-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	2	1	
10.00 Total new obligations .....	2	1	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	1	
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	3	1	
23.95 Total new obligations .....	-2	-1	
24.40 Unobligated balance carried forward, end of year .....	1		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4	2	1
73.10 Total new obligations .....	2	1	
73.20 Total outlays (gross) .....	-2	-2	-1

73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	2	1	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	2	2	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		2	1
90.00 Outlays .....	2	2	1

The 1996 Farm Bill combined the authority for this and several other conservation programs into the Environmental Quality Incentives Program. Prior-year account balances are maintained in this account until expended.

This program provides cost-share assistance to participating landowners or operators in the Great Plains area in the development and installation of long-term conservation plans and practices for their land under contracts entered into in prior years. It is a voluntary program in 556 designated counties of 10 Great Plains States. Contracts with individual landowners range in time from 3 to 10 years.

MAIN WORKLOAD FACTORS

	2002 actual	2003 est.	2004 est.
Program participants:			
Number of contracts serviced during year .....	658	200	50
Number of acres under contracts .....	2,443,000	740,000	185,000

Co-landowners or operators finance the entire cost of installing recurring management-type practices and pay a specified part of the cost-shared practices installed on their land. Program regulations provide that cost-share rates offered in any contract cannot exceed 80 percent of the cost of installing eligible practices within the designated county. There is a cost-sharing limitation of \$35,000 for any contract.

Object Classification (in millions of dollars)

Identification code 12-2268-0-1-302	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....	1		
99.5 Below reporting threshold .....	1	1	
99.9 Total new obligations .....	2	1	

Personnel Summary

Identification code 12-2268-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	18		

FORESTRY INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3336-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	11	2	
10.00 Total new obligations (object class 41.0) .....	11	2	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	2	
22.00 New budget authority (gross) .....	7		
22.10 Resources available from recoveries of prior year obligations .....	4		
23.90 Total budgetary resources available for obligation .....	13	2	
23.95 Total new obligations .....	-11	-2	
24.40 Unobligated balance carried forward, end of year .....	2		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	7		

Change in obligated balances:				
72.40	Obligated balance, start of year	18	18	14
73.10	Total new obligations	11	2	
73.20	Total outlays (gross)	-7	-6	-6
73.45	Recoveries of prior year obligations	-4		
74.40	Obligated balance, end of year	18	14	8

  

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	4		
86.93	Outlays from discretionary balances	3	6	6
87.00	Total outlays (gross)	7	6	6

  

Net budget authority and outlays:				
89.00	Budget authority	7		
90.00	Outlays	7	6	6

No funds are proposed for the Forestry Incentives Program (FIP). The FIP was not reauthorized by the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). Prior-year account balances are maintained in this account until expended.

FIP shares up to 65 percent of the cost of tree planting and timber stand improvement. The percentage cost-shared depends on the rate set in a particular State and county by NRCS, after consulting with the State forester. The program is available in designated counties based on a Forest Service survey of total eligible private timberland available for production of timber products. Technical assistance is provided by the Forest Service.

WATER BANK PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3320-0-1-302				2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>						
00.01	Direct Program Activity			1		
10.00	Total new obligations (object class 99.5)			1		
<b>Budgetary resources available for obligation:</b>						
21.40	Unobligated balance carried forward, start of year			1		
23.95	Total new obligations			-1		
24.40	Unobligated balance carried forward, end of year	1				
<b>Change in obligated balances:</b>						
72.40	Obligated balance, start of year	7	3	1		
73.10	Total new obligations		1			
73.20	Total outlays (gross)	-3	-3	-1		
74.40	Obligated balance, end of year	3	1			
<b>Outlays (gross), detail:</b>						
86.93	Outlays from discretionary balances	3	3	1		
<b>Net budget authority and outlays:</b>						
89.00	Budget authority					
90.00	Outlays	3	3	1		

The objectives of the Water Bank Program are to conserve water; preserve, maintain, and improve the Nation's wetlands; increase waterfowl habitat in migratory waterfowl nesting, breeding, and feeding areas in the United States; and secure recreational and environmental benefits for the Nation. The program was authorized by the Water Bank Act of 1970, as amended by Public Law 96-182, approved January 2, 1980. Funding for the expiring 1985 Water Bank agreements were transferred from the Wetlands Reserve Program 1995 appropriation to this account as authorized under the Water Bank Extension Act of 1994. For 2004, the budget does not request program funding.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3318-0-1-304				2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>						
00.01	Direct program activity				1	
10.00	Total new obligations (object class 99.5)				1	
<b>Budgetary resources available for obligation:</b>						
21.40	Unobligated balance carried forward, start of year			1	1	
23.95	Total new obligations				-1	
24.40	Unobligated balance carried forward, end of year	1				
<b>Change in obligated balances:</b>						
72.40	Obligated balance, start of year			1	1	1
73.10	Total new obligations				1	
73.20	Total outlays (gross)			-1	-1	-1
74.40	Obligated balance, end of year	1		1		
<b>Outlays (gross), detail:</b>						
86.93	Outlays from discretionary balances			1	1	1
<b>Net budget authority and outlays:</b>						
89.00	Budget authority					
90.00	Outlays			1	1	1

The Colorado River Basin Salinity Control Program (CRBSC), was authorized under section 202(c) of Title II of the Colorado River Basin Salinity Control Act, as amended by section 334, subtitle D, Title III of the Federal Agriculture Improvement Act (FAIR Act) of 1996. The FAIR Act, combined authority of the Agricultural Conservation Program (ACP), Water Quality Incentive Program (WQIP), Great Plains Conservation Program (GPCP), and the Colorado River Basin Salinity Control Program (CRBSC), into the Environmental Quality Incentives Program (EQIP). The FAIR Act also repealed CRBSC authority, while maintaining program account balances until expended.

Beginning in 1996, EQIP was implemented on an interim program level for CRBSC. Program funding provided cost-share assistance to landowners and others in the Colorado River Basin States to include: Colorado, Utah and Wyoming. The program's main objective is to enhance the supply and quality of water in the Colorado River for delivery to downstream users in the U.S. and Mexico.

Personnel Summary

Identification code 12-3318-0-1-304				2002 actual	2003 est.	2004 est.
<b>Direct:</b>						
1001	Total compensable workyears: Civilian full-time equivalent employment			7		

WETLANDS RESERVE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-1080-0-1-302				2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>						
00.03	Technical assistance			1	2	
10.00	Total new obligations (object class 99.5)			1	2	
<b>Budgetary resources available for obligation:</b>						
21.40	Unobligated balance carried forward, start of year			2	2	
22.10	Resources available from recoveries of prior year obligations			1		
23.90	Total budgetary resources available for obligation			3	2	
23.95	Total new obligations			-1	-2	
24.40	Unobligated balance carried forward, end of year	2				
<b>Change in obligated balances:</b>						
72.40	Obligated balance, start of year			5	4	3

WETLANDS RESERVE PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1080-0-1-302	2002 actual	2003 est.	2004 est.
73.10 Total new obligations .....	1	2	
73.20 Total outlays (gross) .....	-1	-3	-3
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	4	3	
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	1	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1	3	3

The Wetlands Reserve Program (WRP) is authorized by Section 1237 of the Food Security Act of 1985 (P.L. 99-198), as amended by the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624), the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127), the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2001 (P.L. 106-387), and the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). WRP is a mandatory Commodity Credit Corporation (CCC) program administered by the Natural Resources Conservation Service (NRCS). However, the Farm Service Agency (FSA), with CCC financial responsibility, handles program payments and financial reporting.

Information displayed in this section represents unobligated balances from the non-CCC account in which WRP was funded prior to the 1996 Farm Bill.

WILDLIFE HABITAT INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3322-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	4	1	
10.00 Total new obligations .....	4	1	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	
22.10 Resources available from recoveries of prior year obligations .....	4		
23.90 Total budgetary resources available for obligation .....	5	1	
23.95 Total new obligations .....	-4	-1	
24.40 Unobligated balance carried forward, end of year .....	1		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	31	25	22
73.10 Total new obligations .....	4	1	
73.20 Total outlays (gross) .....	-6	-4	-4
73.45 Recoveries of prior year obligations .....	-4		
74.40 Obligated balance, end of year .....	25	22	18
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	6	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	6	4	4

Section 1240N of the Food Security Act of 1985, as amended by 2502 of the Farm Security and Rural Investment Act of 2002 (2002 farm bill), authorized the Wildlife Habitat Incentives Program (WHIP) as a voluntary approach to improving wildlife habitat in our nation. The Natural Resources Conservation Service (NRCS) provides program administration for WHIP.

WHIP is a voluntary program that provides assistance to eligible participants to develop upland wildlife, wetland wildlife, threatened and endangered species, fish and other types of wildlife habitat in an environmentally beneficial and cost effective manner. The purpose of the program is to create high-quality wildlife habitats that support wildlife populations of local, state, and national significance.

WHIP supports the USDA strategic plan goal to maintain and enhance the nation's natural resources and the environment. Although the primary purpose of the program is wildlife habitat development and enhancement, the benefits are not limited to wildlife. The practices are often compatible with and beneficial to farming and ranching enterprises. Some practices enhance farm profitability by improving grazing conditions, reducing management expenses, and by producing non-crop income from the lease of rights to harvest and observe wild game and fish. The program has been utilized to control invasive species, re-establish native vegetation, manage non-industrial forestland, stabilize stream banks, protect, develop or enhance unique habitats, and remove barriers that impede migration of certain species.

NRCS and the participant enter into a cost-share agreement for wildlife habitat development. This agreement generally lasts from 5 to 10 years from the date the agreement is signed. WHIP funds are distributed to state NRCS offices based on state wildlife habitat priorities. Partnerships with other entities are preferred: WHIP may be implemented in cooperation with other federal, state, or local agencies, conservation districts, or private conservation groups. State priorities are developed through a locally led process to identify wildlife resource needs and are finalized in consultation with the State Technical Committee.

The 2002 farm bill reauthorized WHIP through 2007. Funding for WHIP is now provided through NRCS's Farm Security and Rural Investment Account. Information displayed in this section represents unobligated balances remaining from the 1996 farm bill.

Object Classification (in millions of dollars)

Identification code 12-3322-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1		
41.0 Grants, subsidies, and contributions .....	2	1	
99.0 Direct obligations .....	3	1	
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	4	1	

Personnel Summary

Identification code 12-3322-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	33		

RURAL CLEAN WATER PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3337-0-1-304	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	5	5
24.40 Unobligated balance carried forward, end of year .....	5	5	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

This experimental Rural Clean Water Program, authorized by Public Law 96-108 and Public Law 96-528, was a coopera-

tive endeavor among farmers, various USDA agencies, and other organizations to develop and test means of controlling agricultural nonpoint source water pollution in rural areas.

Recommended project areas were developed by local and State committees and approved by the Secretary of Agriculture in consultation with the Administrator of the Environmental Protection Agency. Full funding was provided in previous appropriations for all approved projects. The implementation period for all projects has ended, and no additional obligations will be incurred. The final payments have been made and the program will be closed out in 2002. Similar activities will be carried out through the mandatory Environmental Quality Incentives Program.

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION  
GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-2086-0-1-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.07 Reestimates of guaranteed loan subsidy .....		1	
10.00 Total new obligations (object class 41.0) .....		1	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		1	
23.95 Total new obligations .....		-1	
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....		1	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3		
73.10 Total new obligations .....		1	
73.20 Total outlays (gross) .....	-3	-1	
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		1	
86.98 Outlays from mandatory balances .....	3		
87.00 Total outlays (gross) .....	3	1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		1	
90.00 Outlays .....	3	1	

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2086-0-1-351	2002 actual	2003 est.	2004 est.
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Agricultural resource conservation demonstration program .....	3	1	
235901 Total upward reestimate budget authority .....	3	1	
Guaranteed loan upward reestimate subsidy outlays:			
236001 Agricultural resource conservation demonstration program .....	3	1	
236901 Total upward reestimate subsidy outlays .....	3	1	

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Credit accounts:

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION  
GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4177-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Interest assistance on guaranteed loans .....	2	1	1
10.00 Total new obligations .....	2	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	3	4
22.00 New financing authority (gross) .....	4	1	1
23.90 Total budgetary resources available for obligation .....	5	4	5
23.95 Total new obligations .....	-2	-1	-1
24.40 Unobligated balance carried forward, end of year .....	3	4	4
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow .....	1		1
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	3	1	
70.00 Total new financing authority (gross) .....	4	1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	2	1	1
73.20 Total financing disbursements (gross) .....	-2	-1	-1
87.00 Total financing disbursements (gross) .....	2	1	1
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources .....	-3	-1	
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	1		1
90.00 Financing disbursements .....	-1		1

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4177-0-3-351	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	24	22	12
2251 Repayments and prepayments .....	-2	-10	-7
2290 Outstanding, end of year .....	22	12	5
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	22	12	5

This program, also known as "Farms for the Future," provides guarantees and interest assistance on loans made to State trust funds, who in turn finance acquisitions to preserve farmland in selected states. No guarantees have been made since 1993.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4177-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	1	3	3	3
1999 Total assets .....	1	3	3	3
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....	1	1	1	1
2204 Non-Federal liabilities: Liabilities for loan guarantees .....		2	2	2

**Credit accounts—Continued**

**AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION  
GUARANTEED LOAN FINANCING ACCOUNT—Continued**

**Balance Sheet (in millions of dollars)—Continued**

Identification code 12-4177-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
2999 Total liabilities .....	1	3	3	3
4999 Total liabilities and net position .....	1	3	3	3

**Trust Funds**

**MISCELLANEOUS CONTRIBUTED FUNDS**

**Unavailable Collections (in millions of dollars)**

Identification code 12-8210-0-7-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	4	5	6
Receipts:			
02.20 Miscellaneous contributed funds .....	12	1	1
04.00 Total: Balances and collections .....	16	6	7
Appropriations:			
05.00 Miscellaneous contributed funds, Natural Resources Conservation Service .....	-11		
07.99 Balance, end of year .....	5	6	7

**Program and Financing (in millions of dollars)**

Identification code 12-8210-0-7-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	4	10	
10.00 Total new obligations .....	4	10	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	10	
22.00 New budget authority (gross) .....	11		
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	13	10	
23.95 Total new obligations .....	-4	-10	
24.40 Unobligated balance carried forward, end of year .....	10		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	11		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	1	7
73.10 Total new obligations .....	4	10	
73.20 Total outlays (gross) .....	-4	-4	-4
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	1	7	3
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	2		
86.98 Outlays from mandatory balances .....	2	4	4
87.00 Total outlays (gross) .....	4	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	11		
90.00 Outlays .....	4	4	4

Funds received from State and local organizations, and others are available for work under cooperative agreements for soil survey, watershed protection, and resource conservation and development activities.

**Object Classification (in millions of dollars)**

Identification code 12-8210-0-7-302	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services .....	3	10	
99.5 Below reporting threshold .....	1		

99.9	Total new obligations .....	4	10	
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**Personnel Summary**

Identification code 12-8210-0-7-302	2002 actual	2003 est.	2004 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	5	1	1

**RURAL DEVELOPMENT**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

**(INCLUDING TRANSFERS OF FUNDS)**

*For necessary expenses for carrying out the administration and implementation of programs in the Rural Development mission area, including activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; \$147,520,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$1,000,000 may be used for employment under 5 U.S.C. 3109: Provided further, That not more than \$10,000 may be expended to provide modest nonmonetary awards to non-USDA employees: Provided further, That any balances available from prior years for the Rural Utilities Service, Rural Housing Service, and the Rural Business-Cooperative Service salaries and expenses accounts shall be transferred to and merged with this appropriation.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-0403-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	130	141	148
09.01 Reimbursable program .....	482	509	552
10.00 Total new obligations .....	612	650	700
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	615	650	700
23.95 Total new obligations .....	-612	-650	-700
23.98 Unobligated balance expiring or withdrawn .....	-4		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	133	141	148
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	481	509	552
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	482	509	552
70.00 Total new budget authority (gross) .....	615	650	700
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	124	126	138
73.10 Total new obligations .....	612	650	700
73.20 Total outlays (gross) .....	-623	-638	-691
73.40 Adjustments in expired accounts (net) .....	-10		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	24		
74.40 Obligated balance, end of year .....	126	138	148
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	507	546	588
86.93 Outlays from discretionary balances .....	116	92	103
87.00 Total outlays (gross) .....	623	638	691

<b>Offsets:</b>				
88.00	Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources	-497	-509	-552
	Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-1		
88.96	Portion of offsetting collections (cash) credited to expired accounts	16		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	133	141	148
90.00	Outlays	126	129	139
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	40	44	49
99.01	Outlays	40	44	49

Since 2001, Rural Development has had a consolidated Salaries and Expenses account to administer all Rural Development programs, including programs administered by the Rural Utilities Service (RUS), the Rural Housing Service (RHS), and the Rural Business-Cooperative Service (RBS).

RUS provides grants, direct loans and loan guarantees to suppliers of electric, telecommunications (for general purpose and for distance learning/telemedicine), and water and wastewater services in rural areas. Through the water and wastewater program, RUS also provides technical assistance. The programs are administered in Washington, DC. The Rural Development field office staff performs the services related to the water and wastewater grant and loan programs. For the electric and telecommunication loans, general field representatives visit borrowers periodically and maintain liaisons between the borrowers and headquarters.

RHS was formed from the Rural Housing section of the Farmers Home Administration and the Community Facilities Division of the Rural Development Administration. RHS delivers rural housing and community facility programs through a system of State, area, and local offices.

RBS includes programs from the former Rural Development Administration, rural development programs from the former Rural Electrification Administration, and the Agricultural Cooperative Service. This agency delivers loan and grant programs, as well as technical assistance, to cooperatives and rural businesses.

In 2004, Rural Development along with the Farm Service Agency will conduct a review and develop a pilot loan asset sale. The sale should include both performing and non-performing loans with a loan mix that results in the greatest budgetary savings for the Federal government. Although the exact mix of loans has not been determined, a placeholder has been included in the 2004 Budget to reflect the sale.

**Object Classification** (in millions of dollars)

Identification code 12-0403-0-1-452	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent	73	74	80
11.3	Other than full-time permanent	2	2	2
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	76	77	83
12.1	Civilian personnel benefits	18	22	22
21.0	Travel and transportation of persons	4	4	4
23.2	Rental payments to others	3	4	4
23.3	Communications, utilities, and miscellaneous charges	4	6	5
24.0	Printing and reproduction	1	1	1
25.2	Other services	10	11	11
25.3	Other purchases of goods and services from Government accounts	2	5	6
25.4	Operation and maintenance of facilities	7	7	7
25.7	Operation and maintenance of equipment	1	1	3
26.0	Supplies and materials	2	1	1
31.0	Equipment	2	1	1
99.0	Direct obligations	130	140	148
99.0	Reimbursable obligations	482	510	552

99.9	Total new obligations	612	650	700
<b>Personnel Summary</b>				
Identification code 12-0403-0-1-452		2002 actual	2003 est.	2004 est.
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment	1,431	1,475	1,476
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment	5,381	5,549	5,552

**RURAL COMMUNITY ADVANCEMENT PROGRAM**  
(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1926a, 1926c, 1926d, and 1932, except for sections 381E-H and 381N of the Consolidated Farm and Rural Development Act, \$477,864,000, to remain available until expended, of which \$17,000,000 shall be for rural community programs described in section 381E(d)(1) of such Act; of which \$384,584,000 shall be for the rural utilities programs described in sections 381E(d)(2), 306C(a)(2), and 306D of such Act; and of which \$76,280,000 shall be for the rural business and cooperative development programs described in sections 381E(d)(3) and 310B(f) of such Act: Provided, That of the total amount appropriated in this account, \$13,000,000 shall be for loans and grants to benefit Federally Recognized Native American Tribes, including grants for drinking water and waste disposal systems pursuant to section 306C of such Act, of which \$250,000 shall be available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: Provided further, That of the amount appropriated for the rural business and cooperative development programs, not to exceed \$500,000 shall be made available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: Provided further, That of the amount appropriated for rural utilities programs, not to exceed \$11,800,000 shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of such Act; not to exceed \$11,800,000 shall be for water and waste disposal systems for rural and native villages in Alaska pursuant to section 306D of such Act, with up to 1 percent available to administer the program and up to 1 percent available to improve interagency coordination may be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses"; not to exceed \$16,215,000 shall be for technical assistance grants for rural water and waste systems pursuant to section 306(a)(14) of such Act; and not to exceed \$9,500,000 shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: Provided further, That of the total amount appropriated, not to exceed \$22,132,000 shall be available through June 30, 2004, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones; of which \$1,000,000 shall be for the rural community programs described in section 381E(d)(1) of such Act, of which \$12,582,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act, and of which \$8,550,000 shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act: Provided further, That any prior year balances for high cost energy grants authorized by section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 901(19)) shall be transferred to and merged with the "Rural Utilities Service, High Energy Costs Grants" account.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 12-0400-0-1-452	2002 actual	2003 est.	2004 est.
0101	Rural water and waste disposal, negative subsidies		5
0102	Rural water and waste water, negative subsidies and downward reestimates	21	
0104	Rural community facilities, downward reestimates of subsidies	15	

**General and special funds—Continued**

**RURAL COMMUNITY ADVANCEMENT PROGRAM—Continued**

**(INCLUDING TRANSFERS OF FUNDS)—Continued**

**General Fund Credit Receipt Accounts (in millions of dollars)—Continued**

Identification code 12-0400-0-1-452	2002 actual	2003 est.	2004 est.
0106 Rural business and industry, downward reestimates of subsidies .....	17		

**Program and Financing (in millions of dollars)**

Identification code 12-0400-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Loan program:			
00.01 Direct loan subsidy .....	101	111	35
00.02 Guaranteed loan subsidy .....	32	43	29
00.05 Reestimates of Direct Loan Subsidy .....	31		
00.06 Interest on Reestimates of Direct Loan Subsidy .....	4		
00.07 Reestimates of Guaranteed Loan Subsidy .....	34		
00.08 Interest on Reestimates of Guaranteed Loan Subsidy .....	5		
Grant program:			
00.11 Water and waste disposal systems grants .....	933	592	355
00.13 Emergency Community Water Assistance Grants .....	3		
00.14 Solid waste management grants .....	4	4	4
00.15 Community facility grants .....	15	18	17
00.16 Community facility grants—emergency supplemental .....	11		
00.17 Hazardous weather early warning grants .....	4	1	
00.18 Economic impact initiative grants .....	36	1	
00.19 High Energy Cost Grants .....	25	5	
00.20 Rural business enterprise grants .....	43	45	44
00.21 Rural business opportunity grants .....	5	3	3
00.24 Department of Energy Matching Grant .....	3		
00.26 Rural Community Development Initiative Grants .....		12	
10.00 Total new obligations (object class 41.0) .....	1,289	835	487

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	83	52	8
22.00 New budget authority (gross) .....	1,240	792	478
22.10 Resources available from recoveries of prior year obligations .....	30		
22.21 Unobligated balance transferred to other accounts .....	-10		
23.90 Total budgetary resources available for obligation .....	1,343	844	487
23.95 Total new obligations .....	-1,289	-835	-487
24.40 Unobligated balance carried forward, end of year .....	52	8	

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	806	792	478
Mandatory:			
60.00 Appropriation .....	74		
62.00 Transferred from other accounts .....	360		
62.50 Appropriation (total mandatory) .....	434		
70.00 Total new budget authority (gross) .....	1,240	792	478

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	2,205	2,614	2,745
73.10 Total new obligations .....	1,289	835	487
73.20 Total outlays (gross) .....	-842	-704	-632
73.31 Obligated balance transferred to other accounts .....	-5		
73.40 Adjustments in expired accounts (net) .....	-1		
73.45 Recoveries of prior year obligations .....	-30		
74.40 Obligated balance, end of year .....	2,614	2,745	2,600

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	91	50	36
86.93 Outlays from discretionary balances .....	674	583	492
86.97 Outlays from new mandatory authority .....	3		
86.98 Outlays from mandatory balances .....	74	71	104
87.00 Total outlays (gross) .....	842	704	632

**Net budget authority and outlays:**

89.00 Budget authority .....	1,240	792	478
90.00 Outlays .....	842	704	632

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 12-0400-0-1-452	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct water and waste disposal .....	1,148	830	1,055
115002 Direct community facility .....	337	261	250
115003 Direct business and industry .....			
115901 Total direct loan levels .....	1,485	1,091	1,305
Direct loan subsidy (in percent):			
132001 Direct water and waste disposal .....	6.88	11.34	3.33
132002 Direct community facility .....	5.43	6.24	-0.71
132003 Direct business and industry .....	0.00	0.00	0.00
132901 Weighted average subsidy rate .....	6.60	10.08	2.53
Direct loan subsidy budget authority:			
133001 Direct water and waste disposal .....	80	94	35
133002 Direct community facility .....	18	16	-2
133003 Direct business and industry .....			
133901 Total subsidy budget authority .....	98	110	33
Direct loan subsidy outlays:			
134001 Direct water and waste disposal .....	80	96	86
134002 Direct community facility .....	18	22	17
134003 Direct business and industry .....	2		
134901 Total subsidy outlays .....	100	118	103
Direct loan upward reestimate subsidy budget authority:			
135001 Direct water and waste disposal .....	31		
135002 Direct community facility .....			
135003 Direct business and industry .....	5		
135901 Total upward reestimate budget authority .....	36		
Direct loan upward reestimate subsidy outlays:			
136001 Direct water and waste disposal .....	31		
136002 Direct community facility .....			
136003 Direct business and industry .....	5		
136901 Total upward reestimate outlays .....	36		
Direct loan downward reestimate subsidy budget authority:			
137001 Direct water and waste disposal .....	-21		
137002 Direct community facility .....	-15		
137003 Direct business and industry .....	-1		
137901 Total downward reestimate budget authority .....	-37		
Direct loan downward reestimate subsidy outlays:			
138001 Direct water and waste disposal .....	-21		
138002 Direct community facility .....	-15		
138003 Direct business and industry .....	-1		
138901 Total downward reestimate subsidy outlays .....	-37		
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Water and waste disposal loan guarantees .....	2	75	75
215002 Community facility loan guarantees .....	210	210	210
215003 Business and industry loan guarantees .....	858	1,036	602
215901 Total loan guarantee levels .....	1,070	1,321	887
Guaranteed loan subsidy (in percent):			
232001 Water and waste disposal loan guarantees .....	-0.80	-0.81	-0.90
232002 Community facility loan guarantees .....	-0.68	-0.54	-0.60
232003 Business and industry loan guarantees .....	3.74	3.97	4.86
232901 Weighted average subsidy rate .....	2.90	2.95	3.04
Guaranteed loan subsidy budget authority:			
233001 Water and waste disposal loan guarantees .....		-1	-1
233002 Community facility loan guarantees .....	-1	-1	-1
233003 Business and industry loan guarantees .....	32	41	29
233901 Total subsidy budget authority .....	31	39	27
Guaranteed loan subsidy outlays:			
234001 Water and waste disposal loan guarantees .....			
234002 Community facility loan guarantees .....	29	42	58
234003 Business and industry loan guarantees .....			
234901 Total subsidy outlays .....	29	42	58
Guaranteed loan upward reestimate subsidy budget authority:			
235003 Business and industry loan guarantees .....	38		
235901 Total upward reestimate budget authority .....	38		
Guaranteed loan upward reestimate subsidy outlays:			
236003 Business and industry loan guarantees .....	38		

236901 Total upward reestimate subsidy outlays .....	38	.....	.....
Guaranteed loan downward reestimate subsidy budget authority:			
237003 Business and industry loan guarantees .....	-17	.....	.....
237901 Total downward reestimate subsidy budget authority	-17	.....	.....
Guaranteed loan downward reestimate subsidy outlays:			
238002 Community facility loan guarantees .....			
238003 Business and industry loan guarantees .....	-17	.....	.....
238901 Total downward reestimate subsidy outlays .....	-17	.....	.....

This account consolidates under the Rural Community Advancement Program (RCAP) funding for the direct and guaranteed water and waste disposal loans, water and waste disposal grants, emergency community water assistance grants, solid waste management grants, direct and guaranteed community facility loans, community facility grants, direct and guaranteed business and industry loans, rural business enterprise grants, and rural business opportunity grants. This is in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, as amended, Public Law 104-127 (the 1996 Act). Consolidating funding for these loan and grant programs under RCAP provides greater flexibility to tailor financial assistance to applicant needs. Funding in 2004 for all programs is projected to be at or slightly above the 2003 enacted level except for water and waste disposal grants and business and industry guaranteed loans.

RCAP is composed of the following three funding streams: Rural Community Facilities, Rural Utilities, and Rural Business and Cooperative Development. Funds for Native American Communities are provided as part of the whole amount appropriated for these streams as part of the Native Americans Initiative. The funds are allocated to all two of the funding streams.

*Water and waste disposal loans* are authorized under 7 U.S.C. 1926. The program provides direct loans to municipalities, counties, special purpose districts, certain Indian Tribes, and non-profit corporations to develop water and waste disposal systems in rural areas and towns with populations of less than 10,000. The program also guarantees water and waste disposal loans made by banks and other eligible lenders. Total loan level is projected to be \$820 million for these programs in 2004.

*Water and waste disposal grants* are authorized under Section 306(a)(2) of the Consolidated Farm and Rural Development Act, as amended. Grants are authorized to be made to associations, including nonprofit corporations, municipalities, counties, public and quasi-public agencies, and certain Indian tribes. The grants can be used to finance development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas and cities or towns with populations of less than 10,000. The amount of any development grant may not exceed 75 percent of the eligible development cost of the project. \$346 million is projected for this program in 2004.

*Emergency community water assistance grants* are authorized under Section 306A of the Consolidated Farm and Rural Development Act, as amended. Grants are made to public bodies and nonprofit organizations for construction or extension of water lines, repair or maintenance of existing systems, replacement of equipment, and payment of costs to correct emergency situations. These grants are funded on an as needed basis using RCAP flexibility of funds authorization.

*Solid waste management grants* are authorized under Section 310B(b) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to non-profit organizations to provide regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources, and for improving the planning and management of solid waste

disposal facilities. \$4 million is projected for this program in 2004.

*Community facility loans and grants* are authorized under sections 306(a)(1) and 306(a)(19) of the Consolidated Farm and Rural Development Act, as amended. Loans are provided to local governments and nonprofit organizations for the construction and improvement of community facilities providing essential services in rural areas of not more than 20,000 population, such as hospitals and fire stations. Total program level in 2004 is projected to be \$477 million.

*Business and industry guaranteed and direct loans* are authorized under section 310B(a)(1) of the Consolidated Farm and Rural Development, as amended. These loans are made to public, private or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas. For direct loans no funds were requested or provided in 2002 and 2003 and no funds are requested in 2004. \$606 million in loan guarantees are projected for 2004.

*Rural business enterprise grants* are authorized under sections 310B(c) and 310B(f) of the Consolidated Farm and Rural Development Act, as amended. These grants enable public and nonprofit organizations to operate rural economic development projects. In general, these grants provide investments in the human and physical resources of rural communities. Past projects have enabled rural communities to acquire and develop land, create technical assistance programs, encourage small business growth and create new jobs.

*Rural Business Opportunity Grants* are authorized under section 306(a)(11)(A) of the Consolidated Farm and Rural Development Act, as amended. These grants enable public bodies and private nonprofit organizations to provide for technical assistance, training, and planning activities that improve economic conditions in rural area. \$3 million is projected for this purpose.

## RURAL HOUSING SERVICE

### Federal Funds

#### General and special funds:

##### RURAL HOUSING ASSISTANCE GRANTS

*For grants and contracts for very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, 1479(c), 1490e, and 1490m, \$41,500,000, to remain available until expended: Provided, That of the total amount appropriated, \$1,800,000 shall be available through June 30, 2004, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 12-1953-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 Very low-income housing repair grants .....	31	32	32
00.04 Very low-income housing repair natural disaster grants .....		5	
00.05 Supervisory and technical assistance grants .....	1	1	
00.07 Rural housing preservation grants .....	9	10	10
00.08 Compensation and constructio defects .....		1	
00.09 Pressing housing grants .....		5	
10.00 Total new obligations (object class 41.0) .....	41	54	42
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	12	12	
22.00 New budget authority (gross) .....	39	42	42

**General and special funds—Continued**

**RURAL HOUSING ASSISTANCE GRANTS—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 12-1953-0-1-604	2002 actual	2003 est.	2004 est.
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	53	54	42
23.95 Total new obligations .....	-41	-54	-42
24.40 Unobligated balance carried forward, end of year .....	12		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	39	42	42
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	45	38	39
73.10 Total new obligations .....	41	54	42
73.20 Total outlays (gross) .....	-48	-53	-51
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	38	39	31
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	29	28	29
86.93 Outlays from discretionary balances .....	19	25	22
87.00 Total outlays (gross) .....	48	53	51
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	39	42	42
90.00 Outlays .....	46	53	51

The rural housing for domestic farm labor grant program is authorized under section 516 of the Housing Act of 1949, as amended. This program is funded under this heading until 2001. Starting in 2001, it is funded under the Farm Labor Program Account.

The very low-income housing repair grant program is authorized under section 504 of the Housing Act of 1949, as amended. This grant program enables very low-income elderly residents in rural areas to improve or modernize their dwellings, to make the dwelling safer or more sanitary, or to remove health and safety hazards. The Budget provides \$32 million for this program in 2004.

The supervisory and technical assistance grant program is carried out under the provisions of section 509(f) and 525 of the Housing Act of 1949, as amended. Under section 509, grants are made to public and private nonprofit organizations for packaging loan applications for housing under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949, as amended. The assistance is to be directed to underserved areas where at least 20 percent or more of the population is at or below the poverty level, and at least 10 percent or more of the population resides in substandard housing. Under section 525, grants are made to public and private nonprofit organizations and other associations for the developing, conducting, administering or coordinating of technical and supervisory assistance programs to demonstrate the benefits of Federal, State, and local housing programs for low-income families in rural areas. No new funds are provided for this program in 2004.

The compensation for construction defects program is carried out under the provisions of section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or to pay claims of owners arising from such defects on newly constructed dwellings purchased with RHS financial assistance. Requests for compensation for construction defects must be made within 18 months after the date financial assistance was granted. Because current demand for these funds does not exceed current resources available, no new funds are provided for this program.

The rural housing preservation grant program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible nonprofit groups, Indian tribes, or government agencies for rehabilitation of single family housing owned by low- and very low-income families and the rehabilitation of rental and cooperative housing for low- and very low-income families. \$10 million is provided for this program in 2004.

**FARM LABOR PROGRAM ACCOUNT**

*For the cost of direct loans, grants, and contracts, as authorized by 42 U.S.C. 1484 and 1486, \$35,018,000, to remain available until expended, for direct farm labor housing loans and domestic farm labor housing grants and contracts.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-1954-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	22	18	18
00.02 Farm labor housing grants .....	15	17	17
10.00 Total new obligations (object class 41.0) .....	37	35	35
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5		
22.00 New budget authority (gross) .....	31	35	35
23.90 Total budgetary resources available for obligation .....	36	35	35
23.95 Total new obligations .....	-37	-35	-35
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	31	35	35
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	25	59	82
73.10 Total new obligations .....	37	35	35
73.20 Total outlays (gross) .....	-2	-12	-23
74.40 Obligated balance, end of year .....	59	82	96
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	2	12	23
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	31	35	35
90.00 Outlays .....	3	12	23

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 12-1954-0-1-604	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Farm Labor Program .....	47	36	42
115901 Total direct loan levels .....	47	36	42
Direct loan subsidy (in percent):			
132001 Farm Labor Program .....	47.31	49.02	42.73
132901 Weighted average subsidy rate .....	47.31	49.02	42.73
Direct loan subsidy budget authority:			
133001 Farm Labor Program .....	22	18	18
133901 Total subsidy budget authority .....	22	18	18
Direct loan subsidy outlays:			
134001 Farm Labor Program .....	2	7	12
134901 Total subsidy outlays .....	2	7	12

The account consists of direct farm labor housing loans and domestic farm labor housing grants.

The direct farm labor loan program is authorized under section 514 and the rural housing for domestic farm labor

grant program is authorized under section 516 of the Housing Act of 1949, as amended. The loans, grants, and contracts are made to public and private nonprofit organizations for low-rent housing and related facilities for domestic farm labor. Grants assistance may not exceed 90 percent of the cost of a project. Loans and grants may be used for construction of new structures, site acquisition and development, rehabilitation of existing structures, and purchase of furnishings and equipment for dwellings, dining halls, community rooms, and infirmaries. Total program level provided in 2004 is \$59 million (\$17 million in grants and \$42 million in loan level).

**RENTAL ASSISTANCE PROGRAM**

*For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, \$740,000,000; and, in addition, such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: Provided, That of this amount, not more than \$5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed \$10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: Provided further, That agreements entered into or renewed during fiscal year 2004 shall be funded for a 5-year period, although the life of any such agreement may be extended to fully utilize amounts obligated.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-0137-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	705	715	740
10.00 Total new obligations (object class 41.0) .....	705	715	740
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	3	.....
22.00 New budget authority (gross) .....	701	712	740
23.90 Total budgetary resources available for obligation .....	707	715	740
23.95 Total new obligations .....	-705	-715	-740
24.40 Unobligated balance carried forward, end of year .....	3	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	701	712	740
40.00 Appropriation .....	59	60	60
40.47 Portion substituted for borrowing authority .....	-59	-60	-60
43.00 Appropriation (total discretionary) .....	701	712	740
<b>Change in obligated balances:</b>			
Obligated balance, start of year:			
72.40 Unpaid obligations, appropriation, start of year .....	2,102	2,215	2,301
72.40 Obligated balance, authority to borrow, start of year .....	625	566	506
73.10 Total new obligations .....	705	715	740
73.20 Total outlays (gross) .....	-651	-689	-717
Obligated balance, end of year:			
74.40 Obligated balance, appropriation, end of year .....	2,215	2,301	2,385
74.40 Obligated balance, authority to borrow, end of year .....	566	506	446
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	24	25	26
86.93 Outlays from discretionary balances .....	627	664	691
87.00 Total outlays (gross) .....	651	689	717
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	701	712	740

90.00 Outlays .....	651	689	717
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The rental assistance program is authorized under section 521(a)(2) of the Housing Act of 1949, as amended, and is designed to reduce rents paid by very low-income and low-income families living in RHS-financed rural rental and farm labor housing projects. Funding under this account is provided for renewals of existing rental assistance contracts, assistance for newly constructed units financed by the section 515 rural rental and cooperative housing program or the 514/516 farm labor housing loan and grant programs, and for additional servicing assistance for existing projects. Assistance is also provided in lieu of debt forgiveness or payments for eligible households to subsidize tenant rents in projects purchased by eligible nonprofit organizations or public agencies as authorized by section 502(c)(5)(D) of the Act.

From 1978 through 1991, the rental assistance program was funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for this program.

**RURAL HOUSING VOUCHER PROGRAM**

**Program and Financing (in millions of dollars)**

Identification code 12-2002-0-1-604	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	1
73.20 Total outlays (gross) .....	.....	.....	.....
74.40 Obligated balance, end of year .....	2	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	.....	.....

Prior year obligated balances reflect funding for rental assistance for newly constructed units provided in limited amounts in 1984 and 1985. From 1986 through 1991 rental assistance for newly constructed units, as well as existing rental assistance contract renewals and additional servicing assistance for existing projects, had been funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for the rental assistance program.

**MUTUAL AND SELF-HELP HOUSING GRANTS**

*For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$34,000,000, to remain available until expended (7 U.S.C. 2209b).*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-2006-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	29	61	34
10.00 Total new obligations (object class 41.0) .....	29	61	34
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	21	30	3
22.00 New budget authority (gross) .....	35	34	34
22.10 Resources available from recoveries of prior year obligations .....	3	.....	.....
23.90 Total budgetary resources available for obligation .....	59	64	37
23.95 Total new obligations .....	-29	-61	-34
24.40 Unobligated balance carried forward, end of year .....	30	3	3

**General and special funds—Continued**

**MUTUAL AND SELF-HELP HOUSING GRANTS—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 12-2066-0-1-604	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	35	34	34
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	37	37	56
73.10 Total new obligations .....	29	61	34
73.20 Total outlays (gross) .....	-26	-42	-38
73.45 Recoveries of prior year obligations .....	-3		
74.40 Obligated balance, end of year .....	37	56	52
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	4	4
86.93 Outlays from discretionary balances .....	22	38	34
87.00 Total outlays (gross) .....	26	42	38
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	35	34	34
90.00 Outlays .....	26	42	38

This program is authorized under section 523 of the Housing Act of 1949, as amended. Grants and contracts are made for the purpose of providing technical and supervisory assistance to groups of families to enable them to build their own homes through the mutual exchange of labor.

**RURAL COMMUNITY GRANTS**

**Program and Financing (in millions of dollars)**

Identification code 12-1956-0-1-452	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.35 Appropriation rescinded .....		-10	-10
Mandatory:			
62.00 Transferred from other accounts .....		10	10
70.00 Total new budget authority (gross) .....			
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		-7	-7
86.93 Outlays from discretionary balances .....			-2
86.97 Outlays from new mandatory authority .....		7	7
86.98 Outlays from mandatory balances .....			2
87.00 Total outlays (gross) .....			
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

Rural firefighters and emergency personnel grants are authorized under 7 U.S.C. 2655. Grants are provided to local government and Indian tribes to pay the cost of training firefighters and emergency personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas. Not less than 60 percent of the amounts made available for training grants shall be used to provide grants to fund partial scholarships for training of individuals at training centers. The remaining funding may be made available for grants to provide financial assistance to State and regional centers that provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002, provides mandatory funding for this program. The Act provides \$10,000,000 for each of fiscal years 2003 through 2007, to remain available

until expended, from the funds of the Commodity Credit Corporation. The 2004 Budget proposes to block the 2003 and 2004 funding for this program because other programs in Forest Service, Federal Emergency Management Agency, and the Bureau of Land Management provide significant funding for this purpose.

**RURAL COMMUNITY FIRE PROTECTION GRANTS**

**Program and Financing (in millions of dollars)**

Identification code 12-2067-0-1-452	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
73.20 Total outlays (gross) .....		-1	
73.40 Adjustments in expired accounts (net) .....		1	
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1		

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2106). Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other Native American groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

**Credit accounts:**

**RURAL COMMUNITY FACILITY DIRECT LOANS FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4225-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating program:			
00.01 Direct loans .....	409	276	250
00.02 Interest on Treasury borrowing .....	71	80	96
00.91 Direct Program by Activities—Subtotal (1 level) .....	480	356	346
08.02 Downward reestimate paid to receipt account .....	11		
08.04 Interest on downward reestimate paid to receipt account .....	4		
08.91 Direct Program by Activities—Subtotal (1 level) .....	15		
10.00 Total new obligations .....	495	356	346
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	10	23	
22.00 New financing authority (gross) .....	495	333	346
22.10 Resources available from recoveries of prior year obligations .....	29		
22.70 Balance of authority to borrow withdrawn .....	-18		
23.90 Total budgetary resources available for obligation .....	516	356	346
23.95 Total new obligations .....	-495	-356	-346
24.40 Unobligated balance carried forward, end of year .....	23		
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	392	202	206
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	130	143	155
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	2	-12	-15
68.47 Portion applied to repay debt .....	-29		
68.90 Spending authority from offsetting collections (total discretionary) .....	103	131	140
70.00 Total new financing authority (gross) .....	495	333	346

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	463	639	662
73.10	Total new obligations .....	495	356	346
73.20	Total financing disbursements (gross) .....	-288	-345	-338
73.45	Recoveries of prior year obligations .....	-29		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-2	12	15
74.40	Obligated balance, end of year .....	639	662	685
87.00	Total financing disbursements (gross) .....	288	345	338

**Offsets:**

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-18	-22	-17
88.25	Interest on uninvested funds .....	-13	-15	-17
Non-Federal sources:				
88.40	Repayment of principal .....	-51	-35	-41
88.40	Interest received on loans .....	-48	-71	-80
88.90	Total, offsetting collections (cash) .....	-130	-143	-155
Against gross financing authority only:				
88.95	Change in receivables from program accounts .....	-2	12	15
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....	363	202	206
90.00	Financing disbursements .....	157	202	183

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4225-0-3-452		2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....	234	250	250
1121	Limitation available from carry-forward .....	177	11	
1143	Unobligated limitation carried forward (P.L. xx) (-) .....	-12		
1150	Total direct loan obligations .....	399	261	250
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	988	1,137	1,395
1231	Disbursements: Direct loan disbursements .....	202	293	267
1251	Repayments: Repayments and prepayments .....	-51	-35	-41
1264	Write-offs for default: Other adjustments, net .....	-2		
1290	Outstanding, end of year .....	1,137	1,395	1,621

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account provides funding to non-profit organizations and local governments for the construction and improvement of community facilities providing essential services in rural areas, such as hospitals, telecommunications applications, child care centers and fire stations.

**Balance Sheet (in millions of dollars)**

Identification code 12-4225-0-3-452		2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	20	29	39	45
Investments in US securities:					
1106	Receivables, net .....	55	1	47	50
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross .....	988	1,137	1,375	1,589
1402	Interest receivable .....	13	16	20	25
1404	Foreclosed property .....		2		
1405	Allowance for subsidy cost (-) .....	-116	-111	-135	-145
1499	Net present value of assets related to direct loans .....	885	1,044	1,260	1,469
1999	Total assets .....	960	1,074	1,346	1,564
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....	902	1,067	1,290	1,508

2105	Other .....	55	4	55	55
2203	Non-Federal liabilities: Liability for deposit funds .....	3	3	1	1
2999	Total liabilities .....	960	1,074	1,346	1,564
4999	Total liabilities and net position .....	960	1,074	1,346	1,564

**RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4228-0-3-452		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	6		
08.01	Negative subsidy paid to receipt account .....	1		
10.00	Total new obligations .....	7		
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	2	1	4
22.00	New financing authority (gross) .....	6	2	2
23.90	Total budgetary resources available for obligation .....	8	3	6
23.95	Total new obligations .....	-7		
24.40	Unobligated balance carried forward, end of year .....	1	4	6

**New financing authority (gross), detail:**

Discretionary:				
47.00	Authority to borrow .....	5		
Spending authority from offsetting collections: Offsetting collections (cash):				
68.00	Offsetting collections (cash) .....	1	2	2
70.00	Total new financing authority (gross) .....	6	2	2

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	1	1	2
73.10	Total new obligations .....	7		
73.20	Total financing disbursements (gross) .....	-6	-1	-1
74.40	Obligated balance, end of year .....	1	2	2
87.00	Total financing disbursements (gross) .....	6	1	1

**Offsets:**

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from: Non-Federal sources, Guarantee Fees .....				
88.40		-1	-2	-2

**Net financing authority and financing disbursements:**

89.00	Financing authority .....	5		
90.00	Financing disbursements .....	5	-1	-1

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4228-0-3-452		2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders .....	210	210	210
2142	Uncommitted loan guarantee limitation .....			
2150	Total guaranteed loan commitments .....	210	210	210
2199	Guaranteed amount of guaranteed loan commitments .....	168	168	168
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	227	301	422
2231	Disbursements of new guaranteed loans .....	59	155	164
2251	Repayments and prepayments .....	-27	-34	-40
2264	Adjustments: Other adjustments, net .....	42		
2290	Outstanding, end of year .....	301	422	546
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	241	338	437

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed

Credit accounts—Continued

RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING  
ACCOUNT—Continued

in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for essential community facilities in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4228-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	4	3	11	11
Investments in US securities:				
1106 Receivables, net .....		8		
1999 Total assets .....	4	11	11	11
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	1			
2104 Resources payable to Treasury .....		6	7	7
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	3	5	4	4
2999 Total liabilities .....	4	11	11	11
4999 Total liabilities and net position .....	4	11	11	11

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows: \$4,091,634,000 for loans to section 502 borrowers, as determined by the Secretary, of which not more than \$2,725,172,000 shall be for unsubsidized guaranteed loans; \$35,003,000 for section 504 housing repair loans; \$70,830,000 for section 515 rental housing; \$100,000,000 for section 538 guaranteed multi-family housing loans; \$5,045,000 for section 524 site loans; \$11,500,000 for credit sales of acquired property, of which up to \$1,500,000 may be for multi-family credit sales; and \$5,000,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, \$165,921,000, of which not more than \$39,903,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, \$9,612,000; repair and rehabilitation of section 515 rental housing, \$30,464,000, section 538 multi-family housing guaranteed loans, \$5,950,000; multi-family credit sales of acquired property, \$663,000; and section 523 self-help housing land development loans, \$154,000: Provided, That of the total amount appropriated in this paragraph, \$7,100,000 shall be available through June 30, 2004, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$482,787,000, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses".

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-2081-0-1-371	2002 actual	2003 est.	2004 est.
0101 Negative subsidies/subsidy reestimates .....	268	665	

Program and Financing (in millions of dollars)

Identification code 12-2081-0-1-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Loan program:			
00.01 Direct loan subsidy .....	205	241	168
00.02 Guaranteed loan subsidy .....	36	24	46
00.05 Reestimates of direct loan subsidy .....	112	2	
00.06 Interest on reestimates of direct loan subsidy .....	56		
00.09 Administrative expenses .....	422	443	483
00.11 Modular housing demonstration grants .....	2	2	
10.00 Total new obligations .....	834	712	696
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	23	17	
22.00 New budget authority (gross) .....	832	695	696
23.90 Total budgetary resources available for obligation .....	855	712	696
23.95 Total new obligations .....	-834	-712	-696
23.98 Unobligated balance expiring or withdrawn .....	-4		
24.40 Unobligated balance carried forward, end of year .....	17		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	669	692	696
41.00 Transferred to other accounts .....	-5		
43.00 Appropriation (total discretionary) .....	664	692	696
Mandatory:			
60.00 Appropriation .....	168	2	
70.00 Total new budget authority (gross) .....	832	694	696
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	198	181	181
73.10 Total new obligations .....	834	712	696
73.20 Total outlays (gross) .....	-837	-712	-715
73.40 Adjustments in expired accounts (net) .....	-13		
74.40 Obligated balance, end of year .....	181	181	162
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	566	603	614
86.93 Outlays from discretionary balances .....	103	107	101
86.97 Outlays from new mandatory authority .....	168	2	
87.00 Total outlays (gross) .....	837	712	715
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	832	695	696
90.00 Outlays .....	837	712	715

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2081-0-1-371	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct 502 single family housing .....	1,080	957	1,366
115002 Direct 502 supplemental .....			
115003 Direct 502 modular housing .....			
115004 Direct 515 multi-family housing .....	114	60	71
115005 Direct 515 natural disaster .....	8		
115006 Direct 504 housing repair .....	32	35	35
115007 Direct 504 supplemental .....			
115008 Direct Farm Labor Housing .....			
115009 Direct Farm Labor Housing Supp. ....			
115010 Direct 524 site development .....		5	5
115011 Single family credit sales .....	2	10	10
115012 Multi-family credit sales .....	2	2	2
115013 Direct 523 self-help housing .....		5	5
115901 Total direct loan levels .....	1,238	1,074	1,494
Direct loan subsidy (in percent):			
132001 Direct 502 single family housing .....	13.16	19.37	9.27
132002 Direct 502 supplemental .....	13.16	19.37	9.27
132003 Direct 502 modular housing .....	17.68	17.92	12.37
132004 Direct 515 multi-family housing .....	42.32	46.63	43.01
132005 Direct 515 natural disaster .....	42.32	46.63	43.01
132006 Direct 504 housing repair .....	32.13	31.02	27.46
132007 Direct 504 supplemental .....	32.13	31.02	27.46
132008 Direct Farm Labor Housing .....	0.00	0.00	0.00
132009 Direct Farm Labor Housing Supp. ....	0.00	0.00	0.00
132010 Direct 524 site development .....	0.55	1.09	-0.03

132011 Single family credit sales .....	-4.82	-9.58	-17.46
132012 Multi-family credit sales .....	42.17	46.68	44.20
132013 Direct 523 self-help housing .....	5.08	4.41	3.08
132901 Weighted average subsidy rate .....	16.48	20.86	11.11
Direct loan subsidy budget authority:			
133001 Direct 502 single family housing .....	142	185	127
133002 Direct 502 supplemental .....			
133003 Direct 502 modular housing .....			
133004 Direct 515 multi-family housing .....	48	28	30
133005 Direct 515 natural disaster .....	3		
133006 Direct 504 housing repair .....	10	11	10
133007 Direct 504 supplemental .....			
133008 Direct Farm Labor Housing .....			
133009 Direct Farm Labor Housing Supp. ....			
133010 Direct 524 site development .....			
133011 Single family credit sales .....		-1	-2
133012 Multi-family credit sales .....	1	1	1
133013 Direct 523 self-help housing .....			
133901 Total subsidy budget authority .....	204	224	166
Direct loan subsidy outlays:			
134001 Direct 502 single family housing .....	137	174	136
134002 Direct 502 supplemental .....			
134003 Direct 502 modular housing .....	2		
134004 Direct 515 multi-family housing .....	48	53	42
134005 Direct 515 natural disaster .....	4	4	6
134006 Direct 504 housing repair .....	10	10	9
134007 Direct 504 supplemental .....		3	1
134008 Direct Farm Labor Housing .....	6	4	2
134009 Direct Farm Labor Housing Supp. ....	1	1	
134010 Direct 524 site development .....			
134011 Single family credit sales .....			
134012 Multi-family credit sales .....	1	1	1
134013 Direct 523 self-help housing .....			
134901 Total subsidy outlays .....	209	250	197
Direct loan upward reestimate subsidy budget authority:			
135001 Direct 502 single family housing .....	148		
135004 Direct 515 multi-family housing .....	3	2	
135006 Direct 504 housing repair .....	1		
135008 Direct Farm Labor Housing .....	1		
135011 Single family credit sales .....	15		
135012 Multi-family credit sales .....			
135901 Total upward reestimate budget authority .....	168	2	
Direct loan upward reestimate subsidy outlays:			
136001 Direct 502 single family housing .....	148		
136004 Direct 515 multi-family housing .....	3	2	
136006 Direct 504 housing repair .....	1		
136006 Upward reestimates subsidy outlays .....			
136008 Direct Farm Labor Housing .....	1		
136011 Single family credit sales .....	15		
136012 Multi-family credit sales .....			
136901 Total upward reestimate outlays .....	168	2	
Direct loan downward reestimate subsidy budget authority:			
137001 Direct 502 single family housing .....	-51	-601	
137004 Direct 515 multi-family housing .....	-135	-64	
137006 Direct 504 housing repair .....	-3		
137008 Direct Farm Labor Housing .....	-4		
137011 Single family credit sales .....	-1		
137012 Multi-family credit sales .....	-1		
137901 Total downward reestimate budget authority .....	-195	-665	
Direct loan downward reestimate subsidy outlays:			
138001 Direct 502 single family housing .....	-51	-601	
138004 Direct 515 multi-family housing .....	-135	-64	
138006 Direct 504 housing repair .....	-3		
138008 Direct Farm Labor Housing .....	-4		
138011 Single family credit sales .....	-1		
138012 Multi-family credit sales .....	-1		
138901 Total downward reestimate subsidy outlays .....	-195	-665	
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Guaranteed 502 single family housing—New loans .....	2,419	1,590	2,500
215002 Guaranteed 502 refinancings .....		225	225
215003 Guarantee 538 multi-family housing .....	100	100	100
215901 Total loan guarantee levels .....	2,519	1,915	2,825
Guaranteed loan subsidy (in percent):			
232001 Guaranteed 502 single family housing—New loans .....	1.31	1.22	1.57
232002 Guaranteed 502 refinancings .....	0.00	0.18	0.29
232003 Guarantee 538 multi-family housing .....	3.93	4.50	5.95
232901 Weighted average subsidy rate .....	1.43	1.25	1.63

Guaranteed loan subsidy budget authority:			
233001 Guaranteed 502 single family housing—New loans .....	32	19	39
233002 Guaranteed 502 refinancings .....			1
233003 Guarantee 538 multi-family housing .....	4	4	6
233901 Total subsidy budget authority .....	36	24	46
Guaranteed loan subsidy outlays:			
234001 Guaranteed 502 single family housing—New loans .....	32	14	33
234002 Guaranteed 502 refinancings .....			1
234003 Guarantee 538 multi-family housing .....	4		1
234901 Total subsidy outlays .....	36	14	35
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Guaranteed 502 single family housing—unsubsidized .....	-72		
237002 Guarantee 538 multi-family housing .....			
237901 Total downward reestimate subsidy budget authority .....	-72		
Guaranteed loan downward reestimate subsidy outlays:			
238001 Guaranteed 502 single family housing—unsubsidized .....	-72		
238002 Guarantee 538 multi-family housing .....			
238901 Total downward reestimate subsidy outlays .....	-72		
Administrative expense data:			
351001 Budget authority .....	422	443	483
358001 Outlays from balances .....			
359001 Outlays from new authority .....	422	443	483

Rural housing insurance fund—This fund was established in 1965 (Public Law 89-117) pursuant to section 517 of title V of the Housing Act of 1949, as amended.

The programs funded through the Rural Housing Insurance Fund Program account are: section 502 very low and low to moderate income homeownership loans and guarantees; section 504 very low-income housing repair loans; section 515 rural rental housing loans; section 524 housing site loans, single family and multi-family housing credit sales of acquired property, and section 538 multi-family housing guarantees. The section 523 self-help housing land development loan program was included under this heading beginning in 1997. Previously, this loan program was accounted for under the separate heading of "Self-Help Housing Land Development Fund Program Account." Starting in 2001, section 514 domestic farm labor housing loans and grants are funded under the new Farm Labor Program Account in order to provide flexibility between loans and the farm labor housing grants.

Loan programs are limited to rural areas that include towns, villages, and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

For 2004, funds for section 515 rural rental housing loans will be limited to repair and rehabilitation only and \$71 million is included for this purpose. This is a change from the 2002 budget; it emphasizes the need for repair and rehabilitation of existing rural rental housing. During the hiatus of providing new construction, RHS will study its multifamily housing portfolio and determine ways to operate and manage the portfolio more efficiently so that new construction may be provided in future years at less cost to the taxpayers.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including credit sales of acquired property), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**Credit accounts—Continued**

**RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT—Continued**  
(INCLUDING TRANSFERS OF FUNDS)—Continued

Object Classification (in millions of dollars)			
Identification code 12-2081-0-1-371	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts .....	412	269	213
41.0 Grants, subsidies, and contributions .....	422	443	483
99.9 Total new obligations .....	834	712	696

**RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4215-0-3-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating program:			
00.01 Direct loans including upward adjustments of prior year obligations .....	1,294	1,150	1,536
00.02 Advances on behalf of borrowers .....	48	91	91
00.03 Collateral acquired by default .....	4	10	16
00.04 Interest on Treasury borrowing .....	679	715	761
00.06 Other expenses .....	6	11	14
00.91 Subtotal, Operating program .....	2,031	1,977	2,418
08.02 Downward subsidy reestimates paid to receipt account .....	141	442	.....
08.04 Interest on downward reestimates paid to receipt account .....	55	223	.....
08.91 Subtotal, Reestimates .....	195	665	.....
10.00 Total new obligations .....	2,227	2,642	2,418
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	109	113	.....
22.00 New financing authority (gross) .....	2,271	2,642	2,418
22.10 Resources available from recoveries of prior year obligations .....	69	.....	.....
22.60 Portion applied to repay debt .....	-109	-113	.....
23.90 Total budgetary resources available for obligation .....	2,340	2,642	2,418
23.95 Total new obligations .....	-2,227	-2,642	-2,418
24.40 Unobligated balance carried forward, end of year .....	113	.....	.....

**New financing authority (gross), detail:**

Discretionary:			
47.00 Authority to borrow .....	1,253	1,556	1,432
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	1,697	1,682	1,730
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	6	.....	-25
68.47 Portion applied to repay debt .....	-685	-596	-719
68.90 Spending authority from offsetting collections (total discretionary) .....	1,018	1,086	986
70.00 Total new financing authority (gross) .....	2,271	2,642	2,418

**Change in obligated balances:**

72.40 Unpaid obligations, fund balance with Treasury, start of year .....	489	552	499
73.10 Total new obligations .....	2,227	2,642	2,418
73.20 Total financing disbursements (gross) .....	-2,089	-2,695	-2,292
73.45 Recoveries of prior year obligations .....	-69	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-6	.....	25
74.40 Obligated balance, end of year .....	552	499	648
87.00 Total financing disbursements (gross) .....	2,089	2,695	2,292

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: payments from program account .....	-377	-260	-211
88.25 Interest on uninvested funds .....	-97	-101	-100

Non-Federal sources:			
88.40 Non-Federal sources: Repayments of principal .....	-683	-730	-773
88.40 Interest received on loans .....	-473	-504	-534
88.40 Payments on judgments .....	-12	-13	-15
88.40 Proceeds on sale of acquired property .....	-25	-30	-35
88.40 Recaptured income .....	-27	-33	-47
88.40 Fees .....	-6	-6	-7
88.40 Miscellaneous collections .....	3	-5	-8
88.90 Total, offsetting collections (cash) .....	-1,697	-1,682	-1,730
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	-6	.....	25
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	568	960	713
90.00 Financing disbursements .....	392	1,013	562

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4215-0-3-371	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	1,295	1,110	1,536
1121 Limitation available from carry-forward .....	51	39	.....
1131 Direct loan obligations exempt from limitation .....	.....	.....	.....
1142 Unobligated direct loan limitation (-) .....	-15	.....	.....
1143 Unobligated limitation carried forward (P.L. xx) (-) .....	-42	.....	.....
1150 Total direct loan obligations .....	1,289	1,150	1,536
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	11,697	12,088	12,469
1231 Disbursements: Direct loan disbursements .....	1,175	1,203	1,408
1251 Repayments: Repayments and prepayments .....	-683	-730	-773
1261 Adjustments: Capitalized interest .....	18	31	33
Write-offs for default:			
1263 Direct loans .....	-97	-100	-103
1264 Other adjustments, net .....	-22	-23	-17
1290 Outstanding, end of year .....	12,088	12,469	13,017

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond including credit sales of acquired property. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances direct rural housing loans for: section 502 very low- and low-to-moderate-income home ownership loan program; section 504 very low income housing repair loan program; section 514 domestic farm labor housing loan program; section 515 rural rental housing loan program; sections 523 self-help housing loans, and 524 site development loans; and single family and multi-family housing credit sales of acquired property.

Loan programs are limited to rural areas that include towns, villages and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low and moderate-income borrowers.

**Balance Sheet (in millions of dollars)**

Identification code 12-4215-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	245	294	199	264
Investments in US securities:				
1106 Receivables, net .....	211	.....	.....	.....
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	11,697	12,088	12,469	13,017
1402 Interest receivable .....	65	75	78	80
1404 Foreclosed property .....	18	33	36	40
1405 Allowance for subsidy cost (-) .....	-2,693	-1,904	-1,445	-1,506

1499	Net present value of assets related to direct loans .....	9,087	10,292	11,138	11,631
1999	Total assets .....	9,543	10,586	11,337	11,895
<b>LIABILITIES:</b>					
Federal liabilities:					
2103	Debt .....	9,267	9,708	10,545	11,173
2104	Liability for subsidy related to undisbursed loans .....	211			
2105	Other .....	5	816	728	656
2207	Non-Federal liabilities: Other .....	60	62	64	66
2999	Total liabilities .....	9,543	10,586	11,337	11,895
4999	Total liabilities and net position .....	9,543	10,586	11,337	11,895

**RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4216-0-3-371	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Default claims .....	82	99	102
00.02	Interest assistance paid to lenders .....		3	4
00.91	Subtotal, Operating program .....	82	102	106
08.02	Downward subsidy reestimate paid to receipt account .....	56		
08.04	Interest on downward reestimate paid to receipt account .....	16		
08.91	Subtotal, Reestimates .....	72		
10.00	Total new obligations .....	155	102	106
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	369	319	288
22.00	New financing authority (gross) .....	103	71	98
23.90	Total budgetary resources available for obligation .....	472	390	386
23.95	Total new obligations .....	-155	-102	-106
24.40	Unobligated balance carried forward, end of year .....	319	288	280
<b>New financing authority (gross), detail:</b>				
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash) .....	106	61	87
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-3	10	11
68.90	Spending authority from offsetting collections (total discretionary) .....	103	71	98
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	-3		-10
73.10	Total new obligations .....	155	102	106
73.20	Total financing disbursements (gross) .....	-155	-102	-106
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	3	-10	-11
74.40	Obligated balance, end of year .....		-10	-21
87.00	Total financing disbursements (gross) .....	155	102	106

**Offsets:**

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-36	-14	-34
88.25	Interest on uninvested funds .....	-20	-18	-16
88.40	Non-Federal sources: guarantee fees .....	-50	-29	-37
88.90	Total, offsetting collections (cash) .....	-107	-61	-87
Against gross financing authority only:				
88.95	Change in receivables from program accounts .....	3	-10	-11

**Net financing authority and financing disbursements:**

89.00	Financing authority .....			
90.00	Financing disbursements .....	48	41	19

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4216-0-3-371	2002 actual	2003 est.	2004 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders .....	2,724	2,850	2,825
2121	Limitation available from carry-forward .....	14	3	
2142	Uncommitted loan guarantee limitation .....	-206	-935	
2143	Uncommitted limitation carried forward .....	-4		
2150	Total guaranteed loan commitments .....	2,528	1,918	2,825
2199	Guaranteed amount of guaranteed loan commitments .....	2,267	1,724	2,543
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	12,673	13,602	13,965
2231	Disbursements of new guaranteed loans .....	2,444	2,016	2,516
2251	Repayments and prepayments .....	-1,436	-1,554	-1,668
Adjustments:				
2263	Terminations for default that result in claim payments .....	-81	-99	-102
2264	Other adjustments, net .....	2		
2290	Outstanding, end of year .....	13,602	13,965	14,711
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	12,241	12,568	13,240

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loan commitments made in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances the nonsubsidized guaranteed section 502 low-to-moderate-income home ownership loan program and section 538 multi-family housing loan program. The guaranteed programs enable RHS to utilize private sector resources for the making and servicing of loans while the Agency provides a financial guarantee to encourage private sector activity.

**Balance Sheet (in millions of dollars)**

Identification code 12-4216-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101	Fund balances with Treasury .....	366	319	278
Investments in US securities:				
1106	Receivables, net .....	3	21	10
1999	Total assets .....	369	340	288
<b>LIABILITIES:</b>				
Non-Federal liabilities:				
2204	Liabilities for loan guarantees .....	366	327	278
2207	Other .....	3	13	10
2999	Total liabilities .....	369	340	288
4999	Total liabilities and net position .....	369	340	288

**RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4141-0-3-371	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Capital investment:				
00.02	Advances on behalf of borrowers .....	63	76	75
00.05	Collateral acquired by default .....	2	2	2
00.91	Total capital investment .....	65	78	77
Operating expenses:				
01.03	Interest on FFB borrowings .....	282	224	158
01.04	Premiums paid FFB at redemption of certificates of beneficial ownership .....	137	65	
01.06	Interest credits on loans sold to investors .....	1	1	1
01.07	Other costs incident to loans .....	4	3	3

**Credit accounts—Continued**

**RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT—  
Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 12-4141-0-3-371	2002 actual	2003 est.	2004 est.
01.91 Total operating expenses .....	424	293	162
10.00 Total new obligations .....	489	371	239
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	92		
22.00 New budget authority (gross) .....	489	371	239
22.10 Resources available from recoveries of prior year obligations .....	11		
22.60 Portion applied to repay debt .....	-102		
23.90 Total budgetary resources available for obligation .....	489	371	239
23.95 Total new obligations .....	-489	-371	-239
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	1,866	1,703	1,529
69.27 Capital transfer to general fund .....	-9	-257	-1,290
69.47 Portion applied to repay debt .....	-1,368	-1,075	
69.90 Spending authority from offsetting collections (total mandatory) .....	489	371	239
<b>Change in obligated balances:</b>			
72.40 Unpaid fund balance with treasury, end of year .....	341	230	204
73.10 Total new obligations .....	489	371	239
73.20 Total outlays (gross) .....	-589	-397	-239
73.45 Recoveries of prior year obligations .....	-11		
74.40 Obligated balance, end of year .....	230	204	204
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	359	278	179
86.98 Outlays from mandatory balances .....	230	119	60
87.00 Total outlays (gross) .....	589	397	239
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-4		
Non-Federal sources:			
88.40 Repayments of loans and advances .....	-1,023	-898	-792
88.40 Proceeds from sale of acquired property .....	-32	-36	-33
88.40 Payments on judgments .....	-17	-15	-13
88.40 Interest payments from borrowers .....	-672	-597	-530
88.40 Recapture of subsidies .....	-119	-149	-153
88.40 Income from residual investment in loan asset sale .....	-37	-7	-7
88.40 Fees and other revenue .....	38	-1	-1
88.90 Total, offsetting collections (cash) .....	-1,866	-1,703	-1,529
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-1,377	-1,332	-1,290
90.00 Outlays .....	-1,276	-1,306	-1,290

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4141-0-3-371	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	16,183	14,995	13,993
1251 Repayments: Repayments and prepayments .....	-1,023	-898	-792
1261 Adjustments: Capitalized interest .....	19	20	21
Write-offs for default:			
1263 Direct loans .....	-126	-105	-83
1264 Other adjustments, net .....	-58	-19	-12
1290 Outstanding, end of year .....	14,995	13,993	13,127

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4141-0-3-371	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	18	16	14
2251 Repayments and prepayments .....	-2	-2	-2

2290 Outstanding, end of year .....	16	14	12
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	14	12	11

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. New loan activity in 1992 and beyond is recorded in corresponding program and financing accounts.

**Statement of Operations (in millions of dollars)**

Identification code 12-4141-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	876	818	765	746
0102 Expense .....	-813	-572	-426	-280
0105 Net income or loss (-) .....	63	246	339	466

**Balance Sheet (in millions of dollars)**

Identification code 12-4141-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	433	230	204	204
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	16,183	14,995	13,993	13,127
1602 Interest receivable .....	546	631	668	725
1603 Allowance for estimated uncollectible loans and interest (-) .....	-3,045	-5,674	-5,324	-5,030
1604 Direct loans and interest receivable, net .....	13,684	9,952	9,337	8,822
1606 Foreclosed property .....	49	39	36	33
1699 Value of assets related to direct loans .....	13,733	9,991	9,373	8,855
1901 Other Federal assets: Other assets .....	3	4	4	4
1999 Total assets .....	14,169	10,225	9,581	9,063
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....	264	142	116	116
2103 Debt .....	4,375	2,905	1,830	1,830
2104 Resources payable to Treasury .....	9,415	7,104	7,565	7,052
Non-Federal liabilities:				
2203 Debt .....	2	1	1	1
2204 Liabilities for loan guarantees .....	4	3	3	2
2207 Other .....	109	70	66	62
2999 Total liabilities .....	14,169	10,225	9,581	9,063
4999 Total liabilities and net position .....	14,169	10,225	9,581	9,063

**Object Classification (in millions of dollars)**

Identification code 12-4141-0-3-371	2002 actual	2003 est.	2004 est.
25.2 Other services .....	4	3	3
33.0 Investments and loans .....	65	78	77
41.0 Grants, subsidies, and contributions .....	1	1	1
43.0 Interest and dividends .....	419	289	158
99.9 Total new obligations .....	489	371	239

**RURAL BUSINESS-COOPERATIVE SERVICE**

*Federal Funds*

**General and special funds:**

**RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITY GRANTS**

**Program and Financing** (in millions of dollars)

Identification code 12-0402-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	13	16	
10.00 Total new obligations (object class 41.0) .....	13	16	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	14	16	
22.00 New budget authority (gross) .....	15		
23.90 Total budgetary resources available for obligation .....	29	16	
23.95 Total new obligations .....	-13	-16	
24.40 Unobligated balance carried forward, end of year .....	16		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	15		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	13	13	15
73.10 Total new obligations .....	13	16	
73.20 Total outlays (gross) .....	-13	-14	-13
74.40 Obligated balance, end of year .....	13	15	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	6		
86.93 Outlays from discretionary balances .....	7	14	13
87.00 Total outlays (gross) .....	13	14	13
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	15		
90.00 Outlays .....	13	14	13

The goal of the Empowerment Zone/Enterprise Community (EZ/EC) initiative is to revitalize rural communities in a manner that attracts private sector investment and thereby provides self-sustaining community and economic development. Appropriated funding in 1999 through 2002 was provided for EZ/EC's designated as part of the second round of this initiative. No additional funds were requested in 2003 because sufficient carryover balances were available. No funds are requested for 2004.

The flexible grant funding is available for a wide variety of community and economic development purposes that link human capital needs with economic development initiatives. The purposes may include revolving loan funds for business capitalization or community development, job training and job counseling, infrastructure investment, home ownership and home ownership counseling, health care and related facilities, child care and administrative costs linked to redevelopment efforts.

Similar to the first round, the second round was a multi-year effort based on a comprehensive development plan involving community residents, the private sector, the non-profit community and local, State and Federal governments. Experience from the initial round of urban and rural designations demonstrated significant successes that are stimulating billions of dollars in private sector investment, reviving communities that had given up hope for economic opportunity and creating thousands of jobs, moving people from dependency to active participation in the economy.

**RURAL COOPERATIVE DEVELOPMENT GRANTS**

*For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7*

*U.S.C. 1932(e)), \$11,000,000, of which \$2,000,000 shall be for cooperative agreements for the appropriate technology transfer for rural areas program; of which not to exceed \$1,500,000 shall be for cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers; of which not to exceed \$500,000 shall be for cooperative research agreements; and of which not to exceed \$2,000,000, to remain available until expended, shall be for value-added agriculture product market development grants, as authorized by section 6401 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note).*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-1900-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Rural Cooperative Development Grants .....	5	7	7
00.10 Value-added Agricultural Product Marketing (mandatory) .....		50	
00.11 Value added Agricultural Product Marketing (discretionary) .....			2
00.12 Appropriate Technology Transfer for Rural Areas .....	3	2	2
10.00 Total new obligations (object class 41.0) .....	8	59	11
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		40	
22.00 New budget authority (gross) .....	48	19	11
23.90 Total budgetary resources available for obligation .....	48	59	11
23.95 Total new obligations .....	-8	-59	-11
24.40 Unobligated balance carried forward, end of year .....	40		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	8	9	11
40.35 Appropriation rescinded .....		-30	-40
43.00 Appropriation (total discretionary) .....	8	-21	-29
Mandatory:			
62.00 Transferred from other accounts .....	40	40	40
70.00 Total new budget authority (gross) .....	48	19	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	34	24	42
73.10 Total new obligations .....	8	59	11
73.20 Total outlays (gross) .....	-18	-41	-23
74.40 Obligated balance, end of year .....	24	42	30
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	-20	-26
86.93 Outlays from discretionary balances .....	16	1	-1
86.97 Outlays from new mandatory authority .....		30	30
86.98 Outlays from mandatory balances .....		30	20
87.00 Total outlays (gross) .....	18	41	23
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	48	19	11
90.00 Outlays .....	18	41	23

Grants for rural cooperative development were authorized under section 310B(e) of the Consolidated Farm and Rural Development Act by Public Law 104-127, April 4, 1996. These grants are made available to nonprofit corporations and institutions of higher education to fund the establishment and operation of centers for rural cooperative development. The primary purpose of the centers is the improvement of economic conditions of rural areas through the development of new cooperatives and improving operations of existing cooperatives. RBS can fund up to 75 percent of any project and associated administrative costs and requires at least a 25 percent matching share from the applicant which must be from non-Federal sources.

The Appropriate Technology Transfer to Rural Areas (ATTRA) program was first authorized by the Food Security

**General and special funds—Continued**

**RURAL COOPERATIVE DEVELOPMENT GRANTS—Continued**

Act of 1985. The program provides information and technical assistance to agricultural producers to adopt sustainable agricultural practices that are environmentally friendly and lower production costs.

Funds are requested for cooperative research agreements to help the Rural Development mission area maintain a predictable level of research on agricultural and non-agricultural cooperative issues.

Additionally, USDA provides value added marketing grants for cooperatives. These were first funded in the Agriculture Risk Protection Act of 2000. The 2002 Farm Bill provided \$40 million for this purpose each year from 2002 through 2007. \$30 million of the 2003 funds are blocked from being spent because there is sufficient carryover balances to meet 2003 demand. The full \$40 million is blocked in 2004 as well. However, \$2 million in discretionary 2004 funds is provided for this purpose.

**RURAL ECONOMIC DEVELOPMENT GRANTS**

**Program and Financing (in millions of dollars)**

Identification code 12-3105-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	4	4
10.00 Total new obligations (object class 41.0) .....	3	4	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	9	22	36
22.00 New budget authority (gross) .....	15	17	17
23.90 Total budgetary resources available for obligation .....	24	39	53
23.95 Total new obligations .....	-3	-4	-4
24.40 Unobligated balance carried forward, end of year .....	22	36	48
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	3	16	17
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	12	1	.....
69.90 Spending authority from offsetting collections (total mandatory) .....	15	17	17
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-13	-14	-14
73.10 Total new obligations .....	3	4	4
73.20 Total outlays (gross) .....	-3	-4	-15
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-12	-1	.....
74.40 Obligated balance, end of year .....	-13	-14	-26
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	3	4	15
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-3	-16	-17
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-12	-1	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	-12	-2	.....

This grant program is authorized under section 313 of the Rural Electrification Act, as amended, and provides funds for the purpose of promoting rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects and other expenses for the purpose of fostering rural development.

Funding for this program is provided from the interest differential on Rural Utilities Service borrowers' cushion of credit accounts.

**NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER**

**Program and Financing (in millions of dollars)**

Identification code 12-1906-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	.....	2	1
10.00 Total new obligations (object class 41.0) .....	.....	2	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	6	5
22.00 New budget authority (gross) .....	1	.....	.....
23.90 Total budgetary resources available for obligation .....	6	6	5
23.95 Total new obligations .....	.....	-2	-1
24.40 Unobligated balance carried forward, end of year .....	6	5	4
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	1	.....	.....
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	1	1
73.10 Total new obligations .....	.....	2	1
73.20 Total outlays (gross) .....	-1	-2	-1
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	1	2	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	.....	.....
90.00 Outlays .....	1	2	1

The Federal Agriculture Improvement Act of 1996 established the National Sheep Industry Improvement Center to promote activities to strengthen and enhance production or marketing of sheep and goat products in the United States. The Center may provide loans or grants to eligible entities to provide assistance to the industry for infrastructure development, business development, production, resource development, and market and environmental research. The 1996 Act provided \$20 million in mandatory funding for the establishment and operation of the Center and authorized additional discretionary funding of \$30 million. In 2000, \$10 million was granted to an intermediary to provide assistance to the sheep and lamb industry. An additional \$5 million was provided in 2001 to help the domestic lamb industry adjust to foreign competition. In 2002, an additional \$1 million was provided. No additional funds are requested in 2004.

**RURAL STRATEGIC INVESTMENT PROGRAM GRANTS**

**Program and Financing (in millions of dollars)**

Identification code 12-1955-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Grants .....	.....	.....	80
00.09 Administrative Expenses .....	.....	.....	5
10.00 Total new obligations (object class 41.0) .....	.....	.....	85
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	.....	.....	85
22.00 New budget authority (gross) .....	.....	85	.....
23.90 Total budgetary resources available for obligation .....	.....	85	85
23.95 Total new obligations .....	.....	.....	-85
24.40 Unobligated balance carried forward, end of year .....	.....	85	.....

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.35	Appropriation rescinded .....	-15	
Mandatory:			
62.00	Transferred from other accounts .....	100	
70.00	Total new budget authority (gross) .....	85	
<b>Change in obligated balances:</b>			
73.10	Total new obligations .....		85
73.20	Total outlays (gross) .....		-43
74.40	Obligated balance, end of year .....		43
<b>Outlays (gross), detail:</b>			
86.93	Outlays from discretionary balances .....		-7
86.98	Outlays from mandatory balances .....		50
87.00	Total outlays (gross) .....		43
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	85	
90.00	Outlays .....		43

The Rural Strategic Investment Program is authorized under 7 U.S.C. 2009dd. The Rural Strategic Investment Program will provide rural communities with flexible resources to develop comprehensive, collaborative, and locally-based strategic planning processes; and will implement innovative community and economic development strategies that optimize regional competitive advantages. The program was authorized and funded in section 6030 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002. The Act provides that if the Secretary approves a national strategic investment plan submitted by the National Board, the Secretary shall transfer \$100,000,000 for planning grants and innovation grants to Regional Boards from the Commodity Credit Corporation, to remain available until expended. However, in 2003 \$15,000,000 of these funds were blocked to reflect a total amount of \$85,000,000 for this purpose.

**Credit accounts:**

**RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4223-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating program:			
00.02	Interest on Treasury borrowings .....	6	6
08.02	Downward reestimates paid to receipt account .....	1	
10.00	Total new obligations .....	7	6
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	10	8
22.00	New financing authority (gross) .....	5	13
22.10	Resources available from recoveries of prior year obligations .....	3	
22.70	Balance of authority to borrow withdrawn .....	-3	-5
23.90	Total budgetary resources available for obligation .....	15	17
23.95	Total new obligations .....	-7	-6
24.40	Unobligated balance carried forward, end of year .....	8	13
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00	Authority to borrow .....	1	
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash) .....	19	16
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-2	-3
68.47	Portion applied to repay debt .....	-13	
68.90	Spending authority from offsetting collections (total discretionary) .....	4	13
70.00	Total new financing authority (gross) .....	5	13

<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	45	7
73.10	Total new obligations .....	7	6
73.20	Total financing disbursements (gross) .....	-44	-10
73.45	Recoveries of prior year obligations .....	-3	
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	2	3
74.40	Obligated balance, end of year .....	7	6
87.00	Total financing disbursements (gross) .....	44	10
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal sources .....	-7	
88.25	Interest on uninvested funds .....	-2	-6
Non-Federal sources:			
88.40	Repayments of principal .....	-5	-6
88.40	Interest received on loans .....	-5	-4
88.90	Total, offsetting collections (cash) .....	-19	-16
Against gross financing authority only:			
88.95	Change in receivables from program accounts .....	2	3
<b>Net financing authority and financing disbursements:</b>			
89.00	Financing authority .....	-12	
90.00	Financing disbursements .....	24	-6

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4223-0-3-452	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....	82	121
1231	Disbursements: Direct loan disbursements .....	44	4
1251	Repayments: Repayments and prepayments .....	-5	-6
1290	Outstanding, end of year .....	121	119

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of these programs is funded through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

Direct business and industry loans are made to public, private, or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas. No funds were requested or provided for this program in 2002 and 2003, and no program is proposed in 2004.

**Balance Sheet (in millions of dollars)**

Identification code 12-4223-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101	Fund balances with Treasury .....	11	6	14
Investments in US securities:				
1106	Receivables, net .....	10	5	
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross .....	82	112	106
1402	Interest receivable .....	4	1	5
1405	Allowance for subsidy cost (-) .....	-31	-34	
1499	Net present value of assets related to direct loans .....	55	79	111
1999	Total assets .....	76	90	125
<b>LIABILITIES:</b>				
Federal liabilities:				
2101	Accounts payable .....	1	5	5
2104	Resources payable to Treasury .....	71	85	120
2105	Other .....	4		
2999	Total liabilities .....	76	90	125
4999	Total liabilities and net position .....	76	90	125

Credit accounts—Continued

RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4227-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Guaranteed loan costs:			
00.01 Default claims .....	32	33	33
00.02 Purchase from Secondary Market .....	72		
00.03 Interest to Treasury .....	3	7	6
00.91 Direct Program by Activities—Subtotal (Guaranteed loan costs) .....	107	40	39
Reestimates:			
08.02 Downward reestimate paid to receipt account .....	17		
10.00 Total new obligations .....	124	40	39
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	91	101	128
22.00 New financing authority (gross) .....	134	67	89
23.90 Total budgetary resources available for obligation .....	225	168	217
23.95 Total new obligations .....	-124	-40	-39
24.40 Unobligated balance carried forward, end of year .....	101	128	178
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow .....	34		
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	100	67	89
70.00 Total new financing authority (gross) .....	134	67	89
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	124	40	39
73.20 Total financing disbursements (gross) .....	-124	-40	-39
87.00 Total financing disbursements (gross) .....	124	40	39
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-67	-42	-58
88.25 Interest on uninvested funds .....	-6	-5	-6
Non-Federal sources:			
88.40 Interest and principal on purchased loans from secondary market .....	-14	-8	-8
88.40 Guarantee fees .....	-13	-12	-17
88.90 Total, offsetting collections (cash) .....	-100	-67	-89
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	34		
90.00 Financing disbursements .....	24	-27	-50

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4227-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	704	733	602
2121 Limitation available from carry-forward .....	499	345	
2142 Uncommitted loan guarantee limitation .....			
2143 Uncommitted limitation carried forward .....	-359		
2150 Total guaranteed loan commitments .....	844	1,078	602
2199 Guaranteed amount of guaranteed loan commitments .....	667	852	476
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	3,504	3,884	4,266
2231 Disbursements of new guaranteed loans .....	839	817	1,206
2251 Repayments and prepayments .....	-413	-380	-415
Adjustments:			
2263 Terminations for default that result in claim payments .....	-51	-55	-60
2264 Other adjustments, net .....	5		
2290 Outstanding, end of year .....	3,884	4,266	4,997

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	3,107	3,417	4,006
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of this program is funded through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for industrial development in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4227-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	91	101	143	143
Investments in US securities:					
1106	Receivables, net .....	99	102	98	98
1999	Total assets .....	190	203	241	241
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....				
2104	Resources payable to Treasury .....	16	49	30	30
2105	Other .....		8		
2204	Non-Federal liabilities: Liabilities for loan guarantees .....	174	146	211	211
2999	Total liabilities .....	190	203	241	241
4999	Total liabilities and net position .....	190	203	241	241

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

For the principal amount of direct loans, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), \$40,000,000.

For the cost of direct loans, \$17,308,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That of the total amount appropriated, \$2,447,000 shall be available through June 30, 2004, for the cost of direct loans for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses to carry out the direct loan programs, \$4,850,000 shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses".

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-2069-0-1-452	2002 actual	2003 est.	2004 est.	
0101	Negative subsidies/subsidy reestimates .....	3		

Program and Financing (in millions of dollars)

Identification code 12-2069-0-1-452	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct loan subsidy .....	13	20	17
00.05	Reestimates of direct loan subsidy .....	1		
00.09	Administrative expense .....	4	4	5
10.00	Total new obligations .....	18	24	22
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	18	24	22

23.95	Total new obligations .....	-18	-24	-22
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	20	24	22
41.00	Transferred to other accounts .....	-3		
43.00	Appropriation (total discretionary) .....	17	24	22
Mandatory:				
60.00	Appropriation .....	1		
70.00	Total new budget authority (gross) .....	18	24	22
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	51	47	45
73.10	Total new obligations .....	18	24	22
73.20	Total outlays (gross) .....	-21	-26	-23
73.40	Adjustments in expired accounts (net) .....	-1		
74.40	Obligated balance, end of year .....	47	45	44

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	5	5	6
86.93	Outlays from discretionary balances .....	15	21	17
86.97	Outlays from new mandatory authority .....	1		
87.00	Total outlays (gross) .....	21	26	23
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	18	24	22
90.00	Outlays .....	21	26	23

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 12-2069-0-1-452	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural development loan fund program .....	31	40	40
115901 Total direct loan levels .....	31	40	40
Direct loan subsidy (in percent):			
132001 Rural development loan fund program .....	43.21	48.26	43.27
132901 Weighted average subsidy rate .....	43.21	48.26	43.27
Direct loan subsidy budget authority:			
133001 Rural development loan fund program .....	13	20	17
133901 Total subsidy budget authority .....	13	20	17
Direct loan subsidy outlays:			
134001 Rural development loan fund program .....	16	22	18
134901 Total subsidy outlays .....	16	22	18
Direct loan upward reestimate subsidy budget authority:			
135001 Rural development loan fund program .....	1		
135901 Total upward reestimate budget authority .....	1		
Direct loan upward reestimate subsidy outlays:			
136001 Rural development loan fund program .....	1		
136901 Total upward reestimate outlays .....	1		
Direct loan downward reestimate subsidy budget authority:			
137001 Rural development loan fund program .....	-3		
137901 Total downward reestimate budget authority .....	-3		
Direct loan downward reestimate subsidy outlays:			
138001 Rural development loan fund program .....	-3		
138901 Total downward reestimate subsidy outlays .....	-3		
Administrative expense data:			
351001 Budget authority .....	4	4	5
359001 Outlays from new authority .....	4	4	5

This account finances loans to intermediary borrowers, who in turn relend the funds to small rural businesses, community development corporations, and other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program serves small-scale enterprises and gives preference to those communities with the greatest need. In 2004 the Budget provides \$40 million in loans for this purpose.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs asso-

ciated with the direct loans obligated in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**Object Classification (in millions of dollars)**

Identification code 12-2069-0-1-452	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts .....	4	4	5
41.0 Grants, subsidies, and contributions .....	14	20	17
99.9 Total new obligations .....	18	24	22

**RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4219-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating program:			
00.01 Direct loans .....	31	40	40
00.03 Interest on Treasury borrowing .....	13	23	23
00.91 Direct Program by Activities—Subtotal (1 level) .....	44	63	63
Non-operating program:			
08.02 Downward subsidy reestimate paid to receipt account .....	2		
08.04 Interest on downward reestimate paid to receipt account .....	1		
08.91 Direct Program by Activities—Subtotal (1 level) .....	3		
10.00 Total new obligations .....	47	63	63

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....		3	
22.00 New financing authority (gross) .....	49	62	63
22.10 Resources available from recoveries of prior year obligations .....	2		
22.60 Portion applied to repay debt .....		-3	
23.90 Total budgetary resources available for obligation .....	51	62	63
23.95 Total new obligations .....	-47	-63	-63
24.40 Unobligated balance carried forward, end of year .....	3		

**New financing authority (gross), detail:**

Discretionary:			
47.00 Authority to borrow .....	20	13	13
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	33	40	40
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-4	-2	-1
68.47 Portion applied to repay debt .....		11	11
68.90 Spending authority from offsetting collections (total discretionary) .....	29	49	50
70.00 Total new financing authority (gross) .....	49	62	63

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	52	52	50
73.10 Total new obligations .....	47	63	63
73.20 Total financing disbursements (gross) .....	-49	-67	-66
73.45 Recoveries of prior year obligations .....	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	4	2	1
74.40 Obligated balance, end of year .....	52	50	49
87.00 Total financing disbursements (gross) .....	49	67	66

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account .....	-17	-22	-18
88.25 Interest on uninvested funds .....	-2	-3	-7
Non-Federal sources:			
88.40 Non-Federal sources—repayment of principal .....	-11	-11	-11
88.40 Non-Federal sources—interest on loans .....	-3	-4	-4
88.90 Total, offsetting collections (cash) .....	-33	-40	-40

Credit accounts—Continued

RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING  
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4219-0-3-452	2002 actual	2003 est.	2004 est.
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	4	2	1
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	20	24	24
90.00 Financing disbursements .....	16	27	26

Status of Direct Loans (in millions of dollars)

Identification code 12-4219-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	31	40	40
1131 Direct loan obligations exempt from limitation .....			
1150 Total direct loan obligations .....	31	40	40
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	313	338	370
1231 Disbursements: Direct loan disbursements .....	34	43	43
1251 Repayments: Repayments and prepayments .....	-9	-11	-12
1290 Outstanding, end of year .....	338	370	401

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances loans to intermediary borrowers, who in turn relend the funds to small rural businesses, community development corporations, or other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program serves small-scale enterprises and gives preference to those communities with the greatest need.

Balance Sheet (in millions of dollars)

Identification code 12-4219-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	11	15	12	
Investments in US securities:				
1106 Receivables, net .....	51	47	42	
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	313	335	370	
1402 Interest receivable .....	1	1	1	
1405 Allowance for subsidy cost (-) .....	-144	-150	-152	
1499 Net present value of assets related to direct loans .....	170	186	219	
1999 Total assets .....	232	248	273	
<b>LIABILITIES:</b>				
Federal liabilities:				
2104 Resources payable to Treasury .....	181	201	240	
2105 Other .....	51	47	33	
2999 Total liabilities .....	232	248	273	
4999 Total liabilities and net position .....	232	248	273	

RURAL DEVELOPMENT LOAN FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4233-0-3-452	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	
22.40 Capital transfer to general fund .....		-1	
23.90 Total budgetary resources available for obligation .....	1		
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	4	4	4
69.27 Capital transfer to general fund .....	-4	-4	-4
69.90 Spending authority from offsetting collections (total mandatory) .....			
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.20 Total outlays (gross) .....			
74.40 Obligated balance, end of year .....	1	1	1
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Loan repayments .....	-3	-3	-3
88.40 Borrower interest payments .....	-1	-1	-1
88.90 Total, offsetting collections (cash) .....	-4	-4	-4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-4	-4	-4
90.00 Outlays .....	-4	-4	-4

Status of Direct Loans (in millions of dollars)

Identification code 12-4233-0-3-452	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	66	61	57
1231 Disbursements: Direct loan disbursements .....			
1251 Repayments: Repayments and prepayments .....	-3	-3	-3
1263 Write-offs for default: Direct loans .....	-2	-1	-1
1290 Outstanding, end of year .....	61	57	53

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. New loan activity in 1992 and beyond is recorded in corresponding program and financing accounts.

Statement of Operations (in millions of dollars)

Identification code 12-4233-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	1	2	1	1
0102 Expense .....	-1	-2	-1	-1
0105 Net income or loss (-) .....				

Balance Sheet (in millions of dollars)

Identification code 12-4233-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets: Fund balances with				
1101 Treasury .....	2	2	1	1
Non-Federal assets: Receivables, net .....				
1206 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:	1	1	1	1
1601 Direct loans, gross .....	66	61	57	53
1603 Allowance for estimated uncollectible loans and interest (-) .....	-18	-18	-17	-16
1604 Direct loans and interest receivable, net .....	48	43	40	37

1699	Value of assets related to direct loans .....	48	43	40	37
1999	Total assets .....	51	46	42	39
<b>LIABILITIES:</b>					
2104	Federal liabilities: Resources payable to Treasury .....	51	46	42	39
2999	Total liabilities .....	51	46	42	39
4999	Total liabilities and net position .....	51	46	42	39

**RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT**  
(INCLUDING RESCISSION OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, \$15,002,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, \$2,792,000.

Of the funds derived from interest on the cushion of credit payments in fiscal year 2004, as authorized by section 313 of the Rural Electrification Act of 1936, \$2,792,000 shall not be obligated and \$2,792,000 are rescinded.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 12-3108-0-1-452	2002 actual	2003 est.	2004 est.
0101 Rural economic development loans, downward reestimates of subsidies .....	1		

**Program and Financing** (in millions of dollars)

Identification code 12-3108-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	4	3	3
10.00 Total new obligations (object class 41.0) .....	4	3	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	4	3	3
23.95 Total new obligations .....	-4	-3	-3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	4	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	4	3
73.10 Total new obligations .....	4	3	3
73.20 Total outlays (gross) .....	-5	-4	-4
73.40 Adjustments in expired accounts (net) .....	-1		
74.40 Obligated balance, end of year .....	4	3	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	1	1
86.93 Outlays from discretionary balances .....	3	3	3
87.00 Total outlays (gross) .....	5	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4	3	3
90.00 Outlays .....	5	4	4

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 12-3108-0-1-452	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural economic development loans program .....	15	15	15
115901 Total direct loan levels .....	15	15	15

Direct loan subsidy (in percent):			
132001 Rural economic development loans program .....	24.16	21.36	18.61
132901 Weighted average subsidy rate .....	24.16	21.36	18.61
Direct loan subsidy budget authority:			
133001 Rural economic development loans program .....	4	3	3
133901 Total subsidy budget authority .....	4	3	3
Direct loan subsidy outlays:			
134001 Rural economic development loans program .....	5	4	3
134901 Total subsidy outlays .....	5	4	3
Direct loan downward reestimate subsidy budget authority:			
137001 Rural economic development loans program .....	-1		
137901 Total downward reestimate budget authority .....	-1		
Direct loan downward reestimate subsidy outlays:			
138001 Rural economic development loans program .....	-1		
138901 Total downward reestimate subsidy outlays .....	-1		

Rural economic development loans are made for the purpose of promoting rural economic development and job creation projects. Loans are made to electric and telecommunication borrowers, who in turn finance rural development projects in their service areas. Program costs are derived from interest earnings on borrowers' "cushion of credit" loan prepayments.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond. The subsidy amounts are estimated on a present value basis.

**RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 12-4176-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating program:			
00.01 Direct loans .....	15	15	15
00.03 Interest expense .....	5	8	9
00.91 Direct Program by Activities—Subtotal (1 level) .....	20	23	24
Reestimates:			
08.02 Subsidy re-estimates paid to the receipt account .....	1		
10.00 Total new obligations .....	21	23	24
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	9	9	9
22.00 New financing authority (gross) .....	21	25	12
22.10 Resources available from recoveries of prior year obligations .....	4		
22.70 Balance of authority to borrow withdrawn .....	-3	-2	-2
23.90 Total budgetary resources available for obligation .....	31	32	19
23.95 Total new obligations .....	-21	-23	-24
24.40 Unobligated balance carried forward, end of year .....	9	9	-5
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	11	13	
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	19	19	19
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
68.47 Portion applied to repay debt .....	-8	-7	-7
68.90 Spending authority from offsetting collections (total discretionary) .....	10	12	12
70.00 Total new financing authority (gross) .....	21	25	12
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	16	12	12
73.10 Total new obligations .....	21	23	24
73.20 Total financing disbursements (gross) .....	-21	-23	-24
73.45 Recoveries of prior year obligations .....	-4		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	1		

Credit accounts—Continued

RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING  
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4176-0-3-452	2002 actual	2003 est.	2004 est.
74.40 Obligated balance, end of year .....	12	12	12
87.00 Total financing disbursements (gross) .....	21	23	24
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal Funds: Program Account .....	-5	-4	-3
88.25 Interest on uninvested funds .....	-1	-1	-1
88.40 Non-Federal sources: Repayment of Principal .....	-13	-14	-15
88.90 Total, offsetting collections (cash) .....	-19	-19	-19
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	1		
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	3	6	-7
90.00 Financing disbursements .....	4	4	5

Status of Direct Loans (in millions of dollars)

Identification code 12-4176-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	15	15	15
1150 Total direct loan obligations .....	15	15	15
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	73	82	83
1231 Disbursements: Direct loan disbursements .....	17	15	15
1251 Repayments: Repayments and prepayments .....	-8	-14	-14
1290 Outstanding, end of year .....	82	83	84

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4176-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	6	7	7	5
Investments in US securities:				
1106 Program Account .....	5	4	4	4
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	73	77	82	74
1405 Allowance for subsidy cost (-) .....	-11	-12	-17	86
1499 Net present value of assets related to direct loans .....	62	65	65	160
1999 Total assets .....	73	76	76	169
<b>LIABILITIES:</b>				
Federal liabilities:				
2104 Resources payable to Treasury .....	68	75	75	166
2105 Other .....	5	1	1	4
2999 Total liabilities .....	73	76	76	170
4999 Total liabilities and net position .....	73	76	76	169

RURAL BUSINESS INVESTMENT PROGRAMS ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-1907-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Guaranteed loans subsidy .....		56	
00.02 Grants .....		44	
10.00 Total new obligations (object class 41.0) .....		100	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		100	
22.00 New budget authority (gross) .....	100		
23.90 Total budgetary resources available for obligation .....	100	100	
23.95 Total new obligations .....		-100	
24.40 Unobligated balance carried forward, end of year .....	100		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
62.00 Transferred from other accounts .....	100		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			80
73.10 Total new obligations .....		100	
73.20 Total outlays (gross) (-) .....		-20	-38
74.40 Obligated balance, end of year .....		80	43
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....		20	38
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	100		
90.00 Outlays .....		20	38

The Rural Business Investment Program is authorized under 7 U.S.C. 2009cc. The purpose of this program is to promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas by encouraging developmental capital investments in smaller enterprises primarily located in rural areas. RBS may enter into participation agreements with rural business investment companies and may guarantee debentures of rural business investment companies to enable each rural business investment company to make developmental venture capital investments in smaller enterprises in rural areas. Grants will be made to rural business investment companies and other entities for the purpose of providing operational assistance to smaller enterprises financed by rural business investment companies. The Rural Business Investment Program was authorized and provided mandatory funding by section 6029 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002. The Act provides such sums as may be necessary for the cost of guaranteeing \$280 million of debentures and \$44 million to make grants, an estimated total of \$100,000,000, to remain available until expended from the funds of the Commodity Credit Corporation.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1907-0-1-452	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Rural Business Investment Program .....		280	
215901 Total loan guarantee levels .....		280	
Guaranteed loan subsidy (in percent):			
232001 Loan guarantee levels .....		20.00	0.00

232901 Weighted average subsidy rate .....	20.00	0.00
Guaranteed loan subsidy budget authority:		
233001 Loan guarantee levels .....	56	
233901 Total subsidy budget authority .....	56	
Guaranteed loan subsidy outlays:		
234001 Loan guarantee levels .....	11	20
234901 Total subsidy outlays .....	11	20

2290 Outstanding, end of year .....	56	152
Memorandum:		
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	45	122

**Balance Sheet (in millions of dollars)**

Identification code 12-4033-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....			12	34
1106 Investments in US securities:				
Receivables, net .....			45	25
1999 Total assets .....			57	59
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....			57	59
2999 Total liabilities .....			57	59
4999 Total liabilities and net position .....			57	59

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**RENEWABLE ENERGY PROGRAM**

*For the cost of direct loans and grants, as authorized by section 9006 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106), \$3,000,000, to remain available until expended, for direct renewable energy loans and grants: Provided, That the cost of direct loans and loan guarantees, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.*

**Program and Financing (in millions of dollars)**

Identification code 12-1908-0-1-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.10 Grants .....		18	3
10.00 Total new obligations (object class 41.0) .....		18	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		18	3
23.95 Total new obligations .....		-18	-3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			3
40.35 Appropriation rescinded .....		-5	-23
43.00 Appropriation (total discretionary) .....		-5	-20
Mandatory:			
62.00 Transferred from other accounts .....		23	23
70.00 Total new budget authority (gross) .....		18	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			10
73.10 Total new obligations .....		18	3
73.20 Total financing disbursements (gross) .....		-8	-8
74.40 Obligated balance, end of year .....		10	7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		-2	-9
86.93 Outlays from discretionary balances .....			-2
86.97 Outlays from new mandatory authority .....		10	10
86.98 Outlays from mandatory balances .....			9
87.00 Total outlays (gross) .....		8	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		18	3

**RURAL BUSINESS INVESTMENT PROGRAM GUARANTEE FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4033-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Default claims .....			1
10.00 Total new obligations .....			1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			57
22.00 New financing authority (gross) .....		57	3
23.90 Total budgetary resources available for obligation .....		57	60
23.95 Total new obligations .....			-1
24.40 Unobligated balance carried forward, end of year .....		57	59
<b>New financing authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....		12	23
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....		45	-20
68.90 Spending authority from offsetting collections (total discretionary) .....		57	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			-45
73.10 Total new obligations .....			1
73.20 Total financing disbursements (gross) .....			-1
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....		-45	20
74.40 Obligated balance, end of year .....		-45	-25
87.00 Total financing disbursements (gross) .....			1
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....		-11	-20
88.25 Interest on uninvested funds .....			-1
88.40 Non-Federal sources: Guarantee fees .....		-1	-2
88.90 Total, offsetting collections (cash) .....		-12	-23
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....		-45	20
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....		-12	-22

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4033-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....		280	
2150 Total guaranteed loan commitments .....		280	
2199 Guaranteed amount of guaranteed loan commitments .....		224	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....			56
2231 Disbursements of new guaranteed loans .....		56	98
2251 Repayments and prepayments .....			-1
2263 Adjustments: Terminations for default that result in claim payments .....			-1

**Credit accounts—Continued**

**RENEWABLE ENERGY PROGRAM—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 12-1908-0-1-451	2002 actual	2003 est.	2004 est.
90.00 Outlays .....		8	8

Renewable Energy Systems and Energy Efficiency Improvements is authorized under 7 U.S.C. 8106. This program provides direct loans, loan guarantees, and grants to farmers, ranchers, and small rural businesses to purchase renewable energy systems and make energy efficiency improvements. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002, provides mandatory funding for this program. Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$23,000,000 for each of fiscal years 2003 through 2007. In 2003, \$5,000,000 of these funds are blocked from being spent because similar programs within RBS can provide this type of funding. Similarly, in 2004 the full \$23,000,000 is blocked. However, \$3,000,000 in discretionary funding is provided for this purpose.

**Public enterprise funds:**

**ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 12-4144-0-3-352	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	1
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901 et seq.) was repealed by 116 Stat. 418. USDA is currently disposing of the assets of the fund as prescribed in the statute.

**RURAL UTILITIES SERVICE**

**Federal Funds**

**General and special funds:**

**HIGH ENERGY COST GRANTS**

**Program and Financing (in millions of dollars)**

Identification code 12-2042-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		10	
10.00 Total new obligations (object class 41.0) .....		10	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		10	
22.22 Unobligated balance transferred from other accounts .....	10		
23.90 Total budgetary resources available for obligation .....	10	10	
23.95 Total new obligations .....		-10	
24.40 Unobligated balance carried forward, end of year .....	10		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			7
73.10 Total new obligations .....		10	
73.20 Total outlays (gross) .....	-5	-3	-5

73.32 Obligated balance transferred from other accounts .....	5		
74.40 Obligated balance, end of year .....		7	2

**Outlays (gross), detail:**

86.93 Outlays from discretionary balances .....	5	3	5
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**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....	5	3	5

Funding was provided in 2001 and 2002 to support grants for areas that have high energy costs. These grants can be made to eligible entities or the Denali Commission to construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities serving communities in which the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy (as determined by the Energy Information Agency using the most recent data available). Grants are also available to establish and support a revolving fund to provide a more cost-effective means of purchasing fuel where the fuel cannot be shipped by means of surface transportation.

**Credit accounts:**

**RURAL WATER AND WASTE DISPOSAL DIRECT LOANS FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4226-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Operating program:</b>			
00.01 Direct loans .....	1,159	829	1,055
00.02 Interest on Treasury borrowing .....	277	413	485
00.03 Expenses for loan asset sale .....			5
00.91 Direct Program by Activities—Subtotal (1 level) .....	1,436	1,242	1,545
08.01 Negative subsidy from loan asset sale .....			5
08.02 Downward reestimates paid to receipt account .....	16		
08.04 Interest on downward reestimate paid to receipt account .....	5		
08.91 Direct Program by Activities—Subtotal (1 level) .....	21		5
10.00 Total new obligations .....	1,457	1,242	1,550
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		110	208
22.00 New financing authority (gross) .....	1,561	1,285	1,640
22.10 Resources available from recoveries of prior year obligations .....	47	55	20
22.70 Balance of authority to borrow withdrawn .....	-40		
23.90 Total budgetary resources available for obligation .....	1,568	1,450	1,868
23.95 Total new obligations .....	-1,457	-1,242	-1,550
24.40 Unobligated balance carried forward, end of year .....	110	208	318

**New financing authority (gross), detail:**

<b>Mandatory:</b>			
67.10 Authority to borrow .....	1,099	735	1,033
<b>Spending authority from offsetting collections:</b>			
<b>Discretionary:</b>			
<b>Offsetting collections (cash):</b>			
68.00 Offsetting collections (cash) .....	488	549	587
68.00 Offsetting collections (cash) .....			66
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-7	1	10
68.47 Portion applied to repay debt .....	-19		-56
68.90 Spending authority from offsetting collections (total discretionary) .....	462	550	607
70.00 Total new financing authority (gross) .....	1,561	1,285	1,640

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	1,809	2,285	2,191
73.10 Total new obligations .....	1,457	1,242	1,550
73.20 Total financing disbursements (gross) .....	-941	-1,280	-1,396

73.45	Recoveries of prior year obligations .....	-47	-55	-20
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	7	-1	-10
74.40	Obligated balance, end of year .....	2,285	2,191	2,315
87.00	Total financing disbursements (gross) .....	941	1,280	1,396

**Offsets:**

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-111	-98	-87
88.25	Interest on uninvested funds .....	-26	-39	-45
Non-Federal sources:				
88.40	Repayment of principal .....	-130	-153	-175
88.40	Interest Received on Loans .....	-221	-259	-280
88.40	Loan Asset Sale Proceeds .....			-66
88.90	Total, offsetting collections (cash) .....	-488	-549	-653
Against gross financing authority only:				
88.95	Change in receivables from program accounts .....	7	-1	-10

**Net financing authority and financing disbursements:**

89.00	Financing authority .....	1,080	735	977
90.00	Financing disbursements .....	454	731	743

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4226-0-3-452				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....	817	814	1,055
1121	Limitation available from carry-forward .....	40	15	
1131	Direct loan obligations exempt from limitation .....	326		
1142	Unobligated direct loan limitation (-) .....			
1143	Unobligated limitation carried forward (P.L. xx) (-) .....	-25		
1150	Total direct loan obligations .....	1,158	829	1,055
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	4,548	5,061	5,773
1231	Disbursements: Direct loan disbursements .....	643	864	889
1251	Repayments: Repayments and prepayments .....	-130	-152	-182
1290	Outstanding, end of year .....	5,061	5,773	6,480

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of these loans is provided through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

The water and waste disposal program makes loans and grants to finance water and waste disposal facilities in rural areas.

**Balance Sheet (in millions of dollars)**

Identification code 12-4226-0-3-452					
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury .....	7	40	20	37
Investments in US securities:					
1106	Receivables, net .....	274	3	262	
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross .....	4,548	5,061	5,773	6,296
1402	Interest receivable .....	55	61	69	69
1405	Allowance for subsidy cost (-) .....	-710	-754	-970	-921
1499	Net present value of assets related to direct loans .....	3,893	4,368	4,872	5,444
1999	Total assets .....	4,174	4,411	5,154	5,481
LIABILITIES:					
Federal liabilities:					
2103	Debt .....	3,888	4,374	4,957	5,307
2105	Other .....	275	26	183	161
2207	Non-Federal liabilities: Other .....	11	11	14	13

2999	Total liabilities .....	4,174	4,411	5,154	5,481
4999	Total liabilities and net position .....	4,174	4,411	5,154	5,481

**RURAL WATER AND WASTE WATER DISPOSAL GUARANTEED LOANS FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4218-0-3-452				
2002 actual      2003 est.      2004 est.				
<b>Budgetary resources available for obligation:</b>				
22.00	New financing authority (gross) .....		1	1
<b>New financing authority (gross), detail:</b>				
Discretionary:				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash) .....		1	1
<b>Change in obligated balances:</b>				
73.20	Total financing disbursements (gross) .....		-1	-1
87.00	Total financing disbursements (gross) .....		1	1

**Offsets:**

Against gross financing authority and financing disbursements:				
88.40	Offsetting collections (cash) from: Fees .....		-1	-1

**Net financing authority and financing disbursements:**

89.00	Financing authority .....			
90.00	Financing disbursements .....			

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4218-0-3-452				
2002 actual      2003 est.      2004 est.				
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders .....	75	75	75
2142	Uncommitted loan guarantee limitation .....			
2150	Total guaranteed loan commitments .....	75	75	75
2199	Guaranteed amount of guaranteed loan commitments .....	60	60	60
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	11	30	37
2231	Disbursements of new guaranteed loans .....	9	11	37
2251	Repayments and prepayments .....	-2	-4	-6
2264	Adjustments: Other adjustments, net .....	12		
2290	Outstanding, end of year .....	30	37	68
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	24	30	54

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for water systems, and waste disposal facilities in rural areas.

**Balance Sheet (in millions of dollars)**

Identification code 12-4218-0-3-452				
2001 actual      2002 actual      2003 est.      2004 est.				
ASSETS:				
1101 Federal assets: Fund balances with Treasury .....				
		1	1	1
1999	Total assets .....	1	1	1
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury .....				
		1	1	1

**Credit accounts—Continued**

**RURAL WATER AND WASTE WATER DISPOSAL GUARANTEED LOANS  
FINANCING ACCOUNT—Continued**

**Balance Sheet (in millions of dollars)—Continued**

Identification code 12-4218-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
2999 Total liabilities .....	1		1	1
4999 Total liabilities and net position .....	1		1	1

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS  
PROGRAM ACCOUNT**

(INCLUDING TRANSFER OF FUNDS)

*Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) shall be made as follows: 5 percent rural electrification loans, \$240,000,000; municipal rate rural electric loans, \$100,000,000; loans made pursuant to section 306 of that Act, rural electric, \$1,600,000,000; Treasury rate direct electric loans, \$700,000,000; 5 percent rural telecommunications loans, \$145,000,000; cost of money rural telecommunications loans, \$250,000,000; and loans made pursuant to section 306 of that Act, rural telecommunications loans, \$100,000,000.*

*For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by sections 305 and 306 of the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936), as follows: cost of rural electric loans, \$60,000, and the cost of telecommunication loans, \$125,000: Provided, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.*

*In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$41,562,000 which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses".*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 12-1230-0-1-271	2002 actual	2003 est.	2004 est.
0101 Rural electrification and telephone loans, negative subsidies .....	26	23	20
0102 Rural electrification and telephone loans, downward reestimates of subsidies .....	83		

**Program and Financing (in millions of dollars)**

Identification code 12-1230-0-1-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	6	12	
00.05 Reestimate of the direct loan subsidy .....	28		
00.06 Interest on reestimates of direct loan subsidy .....	6		
00.09 Administrative expenses subject to limitation .....	36	38	42
10.00 Total new obligations .....	76	50	42
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	76	50	42
23.95 Total new obligations .....	-76	-50	-42
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	42	50	42
Mandatory:			
60.00 Appropriation .....	34		
70.00 Total new budget authority (gross) .....	76	50	42
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		67	49
73.10 Total new obligations .....	76	50	42
73.20 Total outlays (gross) .....	-98	-70	-65
73.40 Adjustments in expired accounts (net) .....	-1		

74.40 Obligated balance, end of year .....	67	49	26
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	36	40	42
86.93 Outlays from discretionary balances .....	28	30	23
86.97 Outlays from new mandatory authority .....	34		
87.00 Total outlays (gross) .....	98	70	65
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	76	50	42
90.00 Outlays .....	98	70	65

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 12-1230-0-1-271	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Hardship electric .....	124	121	240
115002 Municipal electric .....	500	100	100
115003 Treasury electric .....	750	700	700
115004 FFB electric .....	2,700	1,600	1,500
115005 Hardship telephone .....	75	75	145
115006 Treasury telephone .....	300	300	250
115007 FFB telephone .....	120	120	100
115901 Total direct loan levels .....	4,569	3,016	3,035
<b>Direct loan subsidy (in percent):</b>			
132001 Hardship electric .....	2.98	5.71	-2.33
132002 Municipal electric .....	-0.09	4.03	-2.42
132003 Treasury electric .....	-0.04	-0.04	-0.06
132004 FFB electric .....	-1.13	-1.82	-2.13
132005 Hardship telephone .....	2.32	1.71	-4.44
132006 Treasury telephone .....	0.10	0.05	0.05
132007 FFB telephone .....	-0.85	-2.36	-1.99
132901 Weighted average subsidy rate .....	-0.57	-0.66	-1.58
<b>Direct loan subsidy budget authority:</b>			
133001 Hardship electric .....	4	7	-6
133002 Municipal electric .....		4	-2
133003 Treasury electric .....			
133004 FFB electric .....	-31	-29	-32
133005 Hardship telephone .....	2	1	-6
133006 Treasury telephone .....			
133007 FFB telephone .....	-1	-3	-2
133901 Total subsidy budget authority .....	-26	-20	-48
<b>Direct loan subsidy outlays:</b>			
134001 Hardship electric .....	4	5	5
134002 Municipal electric .....	17	11	11
134003 Treasury Electric .....			
134004 FFB electric .....	-25	-22	-37
134005 Hardship telephone .....	5	15	5
134006 Treasury Telephone .....			
134007 FFB telephone .....	-1	-1	-1
134901 Total subsidy outlays .....		8	-17
<b>Direct loan upward reestimate subsidy budget authority:</b>			
135001 Hardship electric .....	7		
135002 Municipal electric .....	22		
135003 Treasury electric .....			
135004 FFB electric .....	2		
135005 Hardship telephone .....	4		
135006 Treasury telephone .....	1		
135007 FFB Telephone .....			
135901 Total upward reestimate budget authority .....	36		
<b>Direct loan upward reestimate subsidy outlays:</b>			
136001 Hardship electric .....	7		
136002 Municipal electric .....	22		
136003 Treasury electric .....			
136004 FFB electric .....	2		
136005 Hardship telephone .....	4		
136006 Treasury telephone .....	1		
136007 FFB Telephone .....			
136901 Total upward reestimate outlays .....	36		
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 Hardship electric .....	-3		
137002 Municipal electric .....	-4		
137003 Treasury electric .....	-2		
137004 FFB electric .....	-64		
137005 Hardship telephone .....	-4		
137006 Treasury telephone .....	-2		

137007 FFB telephone .....	-3		
137901 Total downward reestimate budget authority .....	-82		
Direct loan downward reestimate subsidy outlays:			
138001 Hardship electric .....	-3		
138002 Municipal electric .....	-4		
138003 Treasury electric .....	-2		
138004 FFB electric .....	-64		
138005 Hardship telephone .....	-4		
138006 Treasury telephone .....	-2		
138007 FFB telephone .....	-3		
138901 Total downward reestimate subsidy outlays .....	-82		
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Guaranteed electric .....		100	100
215901 Total loan guarantee levels .....		100	100
Guaranteed loan subsidy (in percent):			
232001 Guaranteed electric .....	0.00	0.08	0.06
232901 Weighted average subsidy rate .....	0.00	0.08	0.06
Administrative expense data:			
351001 Budget authority .....	36	38	42
359001 Outlays from new authority .....	36	38	42

The Rural Utilities Service conducts the rural electrification and the rural telecommunications loan programs. The rural electrification loan program is financed through RUS direct and guaranteed loans for the operation of generating plants, electric transmission, and distribution lines or systems. The rural telecommunications loan program is financed through RUS direct loans for construction, expansion, and operation of telecommunications lines and facilities or systems.

To support USDA's rural development goal of providing increased support to rural areas, the electric and telecommunications programs will target funds to needier areas (areas of persistent poverty). The budget proposes \$240,000,000 for hardship electric loans which can only be used for areas that are severely depressed (applicants must meet rate disparity thresholds and their consumers must fall below average per capita and household income thresholds). USDA will analyze loans made in 2002 and 2003 to determine the characteristics of the communities to which the loans are going, who the loans are supporting, benefits derived from the loans by the communities, and how many loans and dollars are going to support poverty areas. In addition, USDA will develop program goals and performance measures to better define the purpose of the program and support future needs of rural communities. These goals and measures will be used to develop the 2005 budget for the electric and telecommunications programs.

RUS will rescind loans obligated, but not issued, more than ten years ago. Most electric loans obligated more than ten years ago have either been issued or rescinded. However, current law prohibits the rescission of telecommunications loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all electric and telecommunications loan obligations that are more than ten years old.

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommunications programs, the subsidy costs associated with the direct and guaranteed loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-1230-0-1-271	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts .....	36	38	42
41.0 Grants, subsidies, and contributions .....	40	12	
99.9 Total new obligations .....	76	50	42

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4208-0-3-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating program:			
00.01 Direct loans .....	4,569	3,016	3,035
00.02 Interest on Treasury borrowing .....	639	793	857
00.91 Subtotal, Operating program .....	5,208	3,809	3,892
Non-operating program:			
08.01 Negative subsidy paid to receipt account .....	32	32	17
08.02 Downward reestimate paid to receipt account .....	70		
08.04 Interest on downward reestimate paid to receipt account .....	13		
08.91 Direct Program by Activities—Subtotal (1 level) .....	115	32	17
10.00 Total new obligations .....	5,323	3,841	3,909
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	363	
22.00 New financing authority (gross) .....	5,678	3,480	3,909
22.10 Resources available from recoveries of prior year obligations .....	34		
22.70 Balance of authority to borrow withdrawn .....	-34		
23.90 Total budgetary resources available for obligation .....	5,684	3,843	3,909
23.95 Total new obligations .....	-5,323	-3,841	-3,909
24.40 Unobligated balance carried forward, end of year .....	363		
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow .....	4,969	2,691	2,908
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	976	1,190	1,408
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-22	-18	-21
68.47 Portion applied to repay debt .....	-245	-383	-386
68.90 Spending authority from offsetting collections (total discretionary) .....	709	789	1,001
70.00 Total new financing authority (gross) .....	5,678	3,480	3,909
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6,209	8,315	8,385
73.10 Total new obligations .....	5,323	3,841	3,909
73.20 Total financing disbursements (gross) .....	-3,205	-3,790	-3,615
73.45 Recoveries of prior year obligations .....	-34		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	22	18	21
74.40 Obligated balance, end of year .....	8,315	8,385	8,700
87.00 Total financing disbursements (gross) .....	3,205	3,790	3,615
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payment from program account .....	-62	-31	-21
88.25 Interest on uninvested funds .....	-67	-91	-109
Non-Federal sources:			
88.40 Repayment of principal .....	-269	-252	-330
88.40 Interest received on loans .....	-566	-816	-948
88.40 Non-Federal sources .....	-12		
88.90 Total, offsetting collections (cash) .....	-976	-1,190	-1,408
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	22	18	21
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	4,724	2,308	2,522

**Credit accounts—Continued**

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 12-4208-0-3-271	2002 actual	2003 est.	2004 est.
90.00 Financing disbursements .....	2,229	2,600	2,207

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4208-0-3-271	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	4,569	3,016	3,035
1150 Total direct loan obligations .....	4,569	3,016	3,035
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	9,072	11,212	13,931
1231 Disbursements: Direct loan disbursements .....	2,409	2,971	2,724
1251 Repayments: Repayments and prepayments .....	-269	-252	-330
1290 Outstanding, end of year .....	11,212	13,931	16,325

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from electric and telecommunication direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 12-4208-0-3-271	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	2	108	582	824
Investments in US securities:				
1106 Receivables, net .....	104	171	25	14
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	7,815	9,697	11,887	13,804
1402 Interest receivable .....	44	4	66	54
1405 Allowance for subsidy cost (-) .....	-435	-537	-585	-596
1499 Net present value of assets related to direct loans .....	7,424	9,164	11,368	13,262
1999 Total assets .....	7,530	9,443	11,975	14,100
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	54	.....	70	59
2102 Interest payable .....	46	.....	66	54
2103 Debt .....	7,348	9,430	11,814	13,973
2207 Non-Federal liabilities: Other .....	82	13	25	14
2999 Total liabilities .....	7,530	9,443	11,975	14,100
4999 Total liabilities and net position .....	7,530	9,443	11,975	14,100
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	156	129	261	363
Investments in US securities:				
1106 Receivables, net .....	48	14	24	15
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	1,232	1,492	2,026	2,503
1402 Interest receivable .....	3	1	5	3
1405 Allowance for subsidy cost (-) .....	-27	-24	-99	-109
1499 Net present value of assets related to direct loans .....	1,208	1,469	1,932	2,397
1999 Total assets .....	1,412	1,612	2,217	2,775
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	8	.....	9	13
2102 Interest payable .....	3	.....	5	3
2103 Debt .....	1,365	1,592	2,179	2,744

2207 Non-Federal liabilities: Other .....	36	20	24	15
2999 Total liabilities .....	1,412	1,612	2,217	2,775
4999 Total liabilities and net position .....	1,412	1,612	2,217	2,775

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS GUARANTEED LOANS FINANCING ACCOUNT**

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4209-0-3-271	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	.....	100	100
2150 Total guaranteed loan commitments .....	.....	100	100
2199 Guaranteed amount of guaranteed loan commitments .....	.....	100	100
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	203	256	275
2231 Disbursements of new guaranteed loans .....	55	22	100
2251 Repayments and prepayments .....	-2	-3	-3
2290 Outstanding, end of year .....	256	275	372
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	256	275	372

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances loan guarantee commitments.

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4230-0-3-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Interest expense on certificates of beneficial ownership .....	369	369	369
00.02 Interest expense, FFB direct .....	669	669	594
00.03 Other interest expense .....	7	21	21
00.05 Other .....	19	20	20
10.00 Total new obligations .....	1,064	1,079	1,004
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1,045	1,076	1,001
22.10 Resources available from recoveries of prior year obligations .....	19	3	3
23.90 Total budgetary resources available for obligation .....	1,064	1,079	1,004
23.95 Total new obligations .....	-1,064	-1,079	-1,004
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance rescission proposal .....	.....	-3	-3
Mandatory:			
60.00 Appropriation .....	.....	55	348
60.36 Unobligated balance rescinded .....	-3	.....	.....
62.00 Transferred from other accounts .....	23	22	22
62.50 Appropriation (total mandatory) .....	20	77	370
69.00 Offsetting collections (cash) .....	2,859	2,427	2,223
69.27 Capital transfer to general fund .....	-738	.....	.....
69.47 Portion applied to repay debt .....	-1,096	-1,425	-1,589
69.90 Spending authority from offsetting collections (total mandatory) .....	1,025	1,002	634
70.00 Total new budget authority (gross) .....	1,045	1,076	1,001

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	482	312	309
73.10	Total new obligations .....	1,064	1,079	1,004
73.20	Total outlays (gross) .....	-1,215	-1,079	-1,004
73.45	Recoveries of prior year obligations .....	-19	-3	-3
74.40	Obligated balance, end of year .....	312	309	306

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority .....	1,045	1,079	1,004
86.98	Outlays from mandatory balances .....	170		
87.00	Total outlays (gross) .....	1,215	1,079	1,004

**Offsets:**

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Loans repaid .....	-1,421	-1,371	-1,252
88.40	Interest from loans .....	-1,198	-1,056	-971
88.40	Non-Federal sources .....	-240		
88.90	Total, offsetting collections (cash) .....	-2,859	-2,427	-2,223

**Net budget authority and outlays:**

89.00	Budget authority .....	-1,814	-1,351	-1,222
90.00	Outlays .....	-1,643	-1,348	-1,219

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4230-0-3-271	2002 actual	2003 est.	2004 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	21,009	19,412	17,837
1231	Disbursements: Direct loan disbursements .....	5	12	12
1251	Repayments: Repayments and prepayments .....	-1,672	-1,463	-1,344
1261	Adjustments: Capitalized interest .....	70		
Write-offs for default:				
1263	Direct loans .....		-119	-109
1264	Other adjustments, net .....		-5	-5
1290	Outstanding, end of year .....	19,412	17,837	16,391

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4230-0-3-271	2002 actual	2003 est.	2004 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	358	317	297
2263	Adjustments: Terminations for default that result in claim payments .....	-41	-20	-19
2290	Outstanding, end of year .....	317	297	278
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	317	297	278

**STATUS OF AGENCY DEBT**

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
Agency debt held by FFB:			
Outstanding FFB direct, start of year .....	9,890	8,891	7,892
Outstanding Certificate of Beneficial Ownership (CBO's), start of year .....	4,270	4,270	4,270
New agency borrowing, FFB direct .....	1	0	0
Repayments and prepayments, FFB Direct .....	-1,000	-999	-886
Repayments, CBO's .....	0	0	0
Outstanding FFB direct, end of year .....	8,891	7,892	7,006
Outstanding CBO's, end of year .....	4,270	4,270	4,270

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommunications programs, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in RETRF in 1992 and beyond is recorded in corresponding program and financing accounts.

The Rural Utilities Service will continue to service all loans in this account providing business management and technical assistance to the borrowers on a regular basis over the life of the loans.

*Rural electric.*—This program is financed through RUS direct loans for the construction and operation of generating plants, electric transmission, and distribution lines or systems.

The following tables reflect statistics on loans made through the liquidating account only. Since 1992 new electric and telephone loans have been made through a separate program account.

**ELECTRIC PROGRAM STATISTICS**

(dollars in millions)

	2002 actual	2003 est.	2004 est.
Cumulative RUS financed direct loans .....	21,856	21,856	21,856
Cumulative FFB financed direct loans .....	27,084	27,037	26,987
Cumulative RUS funds advanced .....	21,831	21,832	21,834
Unadvanced RUS funds, end of year .....	22	20	18
Cumulative RUS principal repaid .....	14,873	15,527	16,181
Cumulative RUS interest paid .....	11,963	12,449	12,935
Cumulative loan guarantee commitments <sup>1</sup> .....	3,967	3,967	3,967
Number of borrowers .....	1,107	1,100	1,092

<sup>1</sup> Represents loans financed by private lenders, including refinanced direct loans, FFB.

*Rural telecommunications.*—This loan program is financed through RUS direct loans for the construction, expansion, and operation of telecommunications lines and facilities or systems.

**TELECOMMUNICATIONS PROGRAM STATISTICS**

(dollars in millions)

	2002 actual	2003 est.	2004 est.
Cumulative RUS financed direct loans .....	6,029	6,019	6,009
Cumulative FFB financed direct loans .....	582	582	582
Cumulative RUS funds advanced .....	5,894	5,902	5,910
Unadvanced RUS funds, end of period .....	138	130	122
Cumulative RUS principal repaid .....	3,850	4,064	4,171
Cumulative RUS interest paid .....	2,939	3,048	3,145
Cumulative loan guarantee commitments <sup>1</sup> .....	3	3	3
Number of borrowers .....	979	961	943

<sup>1</sup> Other lenders—privately financed direct loans, FFB.

**Statement of Operations (in millions of dollars)**

Identification code 12-4230-0-3-271	2001 actual	2002 actual	2003 est.	2004 est.	
ELECTRIC PROGRAM:					
0111	Revenue .....	1,164	1,339	926	711
0112	Expense .....	-2,900	-1,339	-1,040	-1,006
0115	Net income or loss (-) .....	-1,736		-114	-295
TELEPHONE PROGRAM:					
0121	Revenue .....	113	-145	79	67
0122	Expense .....	-380	145	-84	-70
0125	Net income or loss (-) .....	-267		-5	-3
0191	Total revenues .....	1,277	1,194	1,005	778
0192	Total expenses .....	-3,280	-1,194	-1,124	-1,076
0195	Total income or loss (-) .....	-2,003		-119	-298
0199	Net loss (-) .....	-2,003		-119	-298

**Balance Sheet (in millions of dollars)**

Identification code 12-4230-0-3-271	2001 actual	2002 actual	2003 est.	2004 est.	
ASSETS:					
1101	Federal assets: Fund balances with Treasury .....	267	115	115	115
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross (Electric) .....	18,732	17,337	15,926	14,629
1602	Interest receivable .....	163	43	19	-3
1603	Allowance for estimated uncollectible loans and interest (-) .....	-1,415	-1,682	-1,546	-1,420
1604	Direct loans and interest receivable, net .....	17,480	15,698	14,399	13,206
1699	Value of assets related to direct loans .....	17,480	15,698	14,399	13,206

**Credit accounts—Continued**

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING ACCOUNT—Continued**

**Balance Sheet (in millions of dollars)—Continued**

Identification code 12-4230-0-3-271	2001 actual	2002 actual	2003 est.	2004 est.
1999 Total assets .....	17,747	15,813	14,514	13,321
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	780	780	781	780
2102 Interest payable .....	156	.....	-156	-311
2103 Debt .....	17,774	16,709	15,643	14,578
2104 Resources payable to Treasury .....	-970	-1,715	-1,767	-1,733
2105 Other .....	7	39	13	7
2999 Total liabilities .....	17,747	15,813	14,514	13,321
4999 Total liabilities and net position .....	17,747	15,813	14,514	13,321
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	159	140	145	148
Non-Federal assets:				
1201 Investments in non-Federal securities, net .....	453	430	408	385
1206 Receivables, net .....	780	780	780	780
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross (telephone) .....	2,278	2,076	1,913	1,763
1602 Interest receivable .....	8	6	4	2
1603 Allowance for estimated uncollectible loans and interest (-) .....	-399	-245	-216	-191
1604 Direct loans and interest receivable, net .....	1,887	1,837	1,701	1,574
1699 Value of assets related to direct loans .....	1,887	1,837	1,701	1,574
1999 Total assets .....	3,279	3,187	3,034	2,887
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....	2	.....	2	2
2103 Debt .....	1,757	1,751	1,744	1,737
2104 Resources payable to Treasury .....	1,506	1,424	1,277	1,144
2105 Other .....	4	4	11	4
2999 Total liabilities .....	3,269	3,179	3,034	2,887
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	10	8	.....	.....
3999 Total net position .....	10	8	.....	.....
4999 Total liabilities and net position .....	3,279	3,187	3,034	2,887

**Object Classification (in millions of dollars)**

Identification code 12-4230-0-3-271	2002 actual	2003 est.	2004 est.
25.2 Other services .....	19	20	20
33.0 Investments and loans .....	7	21	21
43.0 Interest and dividends .....	1,038	1,038	963
99.9 Total new obligations .....	1,064	1,079	1,004

**RURAL TELEPHONE BANK PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)**

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out its authorized programs.

For administrative expenses, including audits, necessary to continue to service existing loans, \$3,462,000, to be derived by transfer from the shareholder's equity, contained in the unobligated balances in the Rural Telephone Bank Liquidating Account, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses".

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 12-1231-0-1-452	2002 actual	2003 est.	2004 est.
0101 Rural telephone bank loans, downward reestimate of subsidies .....	3	4	.....

**Program and Financing (in millions of dollars)**

Identification code 12-1231-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	4	.....	.....
00.05 Reestimates of direct loan subsidy .....	3	1	.....
00.06 Interest on reestimates of direct loan subsidy .....	1	.....	.....
00.09 Administrative expenses subject to limitation .....	3	3	3
10.00 Total new obligations .....	11	4	3

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	11	4	3
23.95 Total new obligations .....	-11	-4	-3

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	7	.....	.....
42.00 Transferred from other accounts .....	.....	3	3
43.00 Appropriation (total discretionary) .....	7	3	3
<b>Mandatory:</b>			
60.00 Appropriation .....	4	1	.....
70.00 Total new budget authority (gross) .....	11	4	3

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	16	19	17
73.10 Total new obligations .....	11	4	3
73.20 Total outlays (gross) .....	-8	-6	-5
74.40 Obligated balance, end of year .....	19	17	15

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	3	3	3
86.93 Outlays from discretionary balances .....	1	2	2
86.97 Outlays from new mandatory authority .....	4	1	.....
87.00 Total outlays (gross) .....	8	6	5

**Net budget authority and outlays:**

89.00 Budget authority .....	11	4	3
90.00 Outlays .....	8	6	5

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 12-1231-0-1-452	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural Telephone Bank .....	175	.....	.....
115901 Total direct loan levels .....	175	.....	.....
Direct loan subsidy (in percent):			
132001 Rural Telephone Bank .....	2.14	1.38	-4.32
132901 Weighted average subsidy rate .....	2.14	1.38	-4.32
Direct loan subsidy budget authority:			
133001 Rural Telephone Bank .....	4	.....	.....
133901 Total subsidy budget authority .....	4	.....	.....
Direct loan subsidy outlays:			
134001 Rural Telephone Bank .....	1	2	2
134901 Total subsidy outlays .....	1	2	2
Direct loan upward reestimate subsidy budget authority:			
135001 Rural Telephone Bank .....	4	1	.....
135901 Total upward reestimate budget authority .....	4	1	.....
Direct loan upward reestimate subsidy outlays:			
136001 Rural Telephone Bank .....	4	1	.....
136901 Total upward reestimate outlays .....	4	1	.....

Direct loan downward reestimate subsidy budget authority:			
137001 Rural Telephone Bank .....	-3	-4	
137901 Total downward reestimate budget authority .....	-3	-4	
Direct loan downward reestimate subsidy outlays:			
138001 Rural Telephone Bank .....	-3	-4	
138901 Total downward reestimate subsidy outlays .....	-3	-4	
Administrative expense data:			
351001 Budget authority .....	3	3	3
359001 Outlays from new authority .....	3	3	3

The President's budget proposes no more federally funded loans. Funding for the RTB's administrative expenses will be transferred from the unobligated balances in the RTB liquidating account.

RUS will rescind loans obligated, but not issued, more than ten years ago. Current law prohibits the rescission of Rural Telephone Bank loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all Rural Telephone Bank loan obligations that are more than ten years old.

As required by the Federal Credit Reform Act of 1990, this account records, for the Rural Telephone Bank, the subsidy costs associated with the direct loans obligated in 1992 and beyond as well as administrative expenses for the program. The subsidy amounts are estimated on a present value basis; administrative expenses are estimated on a cash basis.

**Object Classification** (in millions of dollars)

Identification code 12-1231-0-1-452	2002 actual	2003 est.	2004 est.
25.2 Other services .....	3	3	3
41.0 Grants, subsidies, and contributions .....	8	1	
99.9 Total new obligations .....	11	4	3

**RURAL TELEPHONE BANK DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 12-4210-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating program:			
00.01 Direct loans .....	175		
00.02 Interest on Treasury borrowing .....	23	45	45
00.91 Direct Program by Activities—Subtotal (1 level) .....	198	45	45
08.02 Downward reestimates paid to receipt accounts .....	3	4	
10.00 Total new obligations .....	201	49	45
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	17	
22.00 New financing authority (gross) .....	188	46	45
22.10 Resources available from recoveries of prior year obligations .....	21	16	31
22.60 Portion applied to repay debt .....	3	-31	-31
23.90 Total budgetary resources available for obligation .....	218	48	45
23.95 Total new obligations .....	-201	-49	-45
24.40 Unobligated balance carried forward, end of year .....	17		
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow .....	147	23	23
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	49	56	55
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	3	-2	-2
68.47 Portion applied to repay debt .....	-11	-31	-31

68.90 Spending authority from offsetting collections (total discretionary) .....	41	23	22
70.00 Total new financing authority (gross) .....	188	46	45

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	1,001	1,091	873
73.10 Total new obligations .....	201	49	45
73.20 Total financing disbursements (gross) .....	-86	-253	-164
73.45 Recoveries of prior year obligations .....	-21	-16	-31
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-3	2	2
74.40 Obligated balance, end of year .....	1,091	873	725
87.00 Total financing disbursements (gross) .....	86	253	164

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payment from program account .....	-5	-3	-2
88.25 Interest on uninvested funds .....	-5	-4	-4
Non-Federal sources:			
88.40 Principal received on loans .....	-17	-16	-16
88.40 Interest received on loans .....	-19	-23	-23
88.40 Sale of RTB Stock .....	-3	-10	-10
88.90 Total, offsetting collections (cash) .....	-49	-56	-55
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	-3	2	2

**Net financing authority and financing disbursements:**

89.00 Financing authority .....	136	-8	-8
90.00 Financing disbursements .....	37	197	109

**Status of Direct Loans** (in millions of dollars)

Identification code 12-4210-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	175		
1150 Total direct loan obligations .....	175		
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	338	395	536
1231 Disbursements: Direct loan disbursements .....	71	157	136
1251 Repayments: Repayments and prepayments .....	-14	-16	-19
1290 Outstanding, end of year .....	395	536	653

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 12-4210-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	10	23	36	67
Investments in US securities:				
1106 Receivables, net .....	16	1	17	15
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	281	324	536	617
1405 Allowance for subsidy cost (-) .....			-7	-9
1499 Net present value of assets related to direct loans .....	281	324	529	608
1999 Total assets .....	307	348	582	690
<b>LIABILITIES:</b>				
Federal liabilities:				
2103 Debt .....	291	348	582	690
2105 Other .....				
Non-Federal liabilities:				
2201 Accounts payable .....	16			
2207 Other .....				
2999 Total liabilities .....	307	348	582	690
4999 Total liabilities and net position .....	307	348	582	690

## Credit accounts—Continued

## RURAL TELEPHONE BANK LIQUIDATING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 12-4231-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Dividends .....	23	29	29
10.00 Total new obligations (object class 43.0) .....	23	29	29
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	769	943	1,018
22.00 New budget authority (gross) .....	188	107	96
22.10 Resources available from recoveries of prior year obligations .....	8		
22.21 Unobligated balance transferred to other accounts .....		-3	-3
23.90 Total budgetary resources available for obligation .....	965	1,047	1,111
23.95 Total new obligations .....	-23	-29	-29
24.40 Unobligated balance carried forward, end of year .....	943	1,018	1,082
<b>New budget authority (gross), detail:</b>			
Mandatory:			
61.00 Transferred to other accounts .....	-23	-22	-22
69.00 Offsetting collections (cash) .....	220	138	126
69.27 Capital transfer to general fund .....	-9		
69.47 Portion applied to repay debt .....		-9	-8
69.90 Spending authority from offsetting collections (total mandatory) .....	211	129	118
70.00 Total new budget authority (gross) .....	188	107	96
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	106	98	98
73.10 Total new obligations .....	23	29	29
73.20 Total outlays (gross) .....	-23	-29	-29
73.45 Recoveries of prior year obligations .....	-8		
74.40 Obligated balance, end of year .....	98	98	98
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	8	11	12
86.98 Outlays from mandatory balances .....	15	18	17
87.00 Total outlays (gross) .....	23	29	29
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities .....	-53		
Non-Federal sources:			
88.40 Loans repaid .....	-116	-90	-78
88.40 Interest from loans .....	-51	-48	-48
88.90 Total, offsetting collections (cash) .....	-220	-138	-126
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-32	-31	-30
90.00 Outlays .....	-197	-109	-97

## Status of Direct Loans (in millions of dollars)

Identification code 12-4231-0-3-452	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	795	680	596
1231 Disbursements: Direct loan disbursements .....	1	6	5
1251 Repayments: Repayments and prepayments .....	-116	-90	-78
1290 Outstanding, end of year .....	680	596	523

As required by the Federal Credit Reform Act of 1990, this account records, for the Rural Telephone Bank (RTB), all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts. Funding for salaries and expenses will be transferred from the unobligated balances in the RTB liquidating account in 2003.

The RTB provides a supplemental source of financing for rural telecommunications borrowers. The Bank charges an interest rate based on the cost of money to the Bank, as prescribed by law, but not less than 5 percent per annum.

In accordance with section 406(c) of the Rural Electrification Act of 1936, as amended, the first redemption of class A stock occurred on September 30, 1996. Redemption of class A stock will continue, as allowed by law, toward the full privatization of the Rural Telephone Bank required by law. The President's budget proposes that the Rural Telephone Bank make no more Federally-funded loans.

Administrative support is provided for the general operations of the Bank by RUS employees and the Office of the General Counsel.

## PROGRAM STATISTICS

[dollars in millions]

	2002 actual	2003 est.	2004 est.
Cumulative net loans .....	2,545	2,595	2,645
Cumulative loan funds, advanced .....	2,469	2,475	2,480
Unadvanced loan funds, end of year .....	76	70	65
Cumulative principal repaid .....	1,789	1,879	1,957
Cumulative interest paid .....	2,343	2,385	2,433
Number of borrowers .....	311	300	295

## Statement of Operations (in millions of dollars)

Identification code 12-4231-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	115	103	52	49
0102 Expense .....	-1		-1	-1
0105 Net income or loss (-) .....	114	103	51	48

## Balance Sheet (in millions of dollars)

Identification code 12-4231-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	875	1,041	1,198	1,232
1402 Net value of assets related to post-1991 direct loans receivable: Interest receivable .....	3	2	2	2
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	794	680	596	523
1603 Allowance for estimated uncollectible loans and interest (-) .....	-6	-6	-5	-4
1604 Direct loans and interest receivable, net .....	788	674	591	519
1699 Value of assets related to direct loans .....	788	674	591	519
1999 Total assets .....	1,666	1,717	1,791	1,753
<b>LIABILITIES:</b>				
Federal liabilities:				
2103 Debt .....				
2104 Resources payable to Treasury .....	114		101	98
2207 Non-Federal liabilities: Other .....	1,118	1,205	1,211	1,316
2999 Total liabilities .....	1,232	1,205	1,312	1,414
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	434	512	479	339
3999 Total net position .....	434	512	479	339
4999 Total liabilities and net position .....	1,666	1,717	1,791	1,753

## DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa, et seq., \$25,000,000, to remain available until expended, to be available for loans, the principal amount of which shall not exceed \$50,000,000, and grants for telemedicine and distance learning services in rural areas. For the cost of direct and guaranteed broadband loans, as authorized by 7 U.S.C. 901, et seq., \$9,116,000, the principal

amount of loans not to exceed \$196,465,000: Provided, That the cost of all direct loans provided under this heading shall be as defined in section 502 of the Congressional Budget Act of 1974.

In addition, \$2,000,000, to remain available until expended, for a grant program to finance broadband transmission in areas that meet the definition of "rural area" used for the Broadband Loan Program authorized by 7.U.S.C. 901.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-1232-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Grants .....	30	51	27
00.03 Broadband loan subsidy .....		40	9
00.05 Reestimates of direct loan subsidy .....	1		
10.00 Total new obligations (object class 41.0) .....	31	91	36
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	44	
22.00 New budget authority (gross) .....	70	47	36
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	75	91	36
23.95 Total new obligations .....	-31	-91	-36
24.40 Unobligated balance carried forward, end of year .....	44		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	49	27	36
40.35 Appropriation rescinded .....			-20
43.00 Appropriation (total discretionary) .....	49	27	16
Mandatory:			
60.00 Appropriation .....	1		
62.00 Transferred from other accounts .....	20	20	20
62.50 Appropriation (total mandatory) .....	21	20	20
70.00 Total new budget authority (gross) .....	70	47	36
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	58	68	138
73.10 Total new obligations .....	31	91	36
73.20 Total outlays (gross) .....	-19	-21	-30
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	68	138	145
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		1	1
86.93 Outlays from discretionary balances .....	19	20	27
86.97 Outlays from new mandatory authority .....	1		
86.98 Outlays from mandatory balances .....			2
87.00 Total outlays (gross) .....	19	21	30
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	70	47	36
90.00 Outlays .....	19	21	30

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 12-1232-0-1-452	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Distance Learning and Telemedicine .....	15	50	50
115002 Broadband .....	80	775	196
115901 Total direct loan levels .....	95	825	246
Direct loan subsidy (in percent):			
132001 Distance Learning and Telemedicine .....	-0.07	-1.15	0.00
132002 Broadband .....	-0.07	5.16	4.64
132901 Weighted average subsidy rate .....	0.00	4.73	3.66
Direct loan subsidy budget authority:			
133001 Distance Learning and Telemedicine .....		-1	
133002 Broadband .....		40	9

133901 Total subsidy budget authority .....	39	9
Direct loan subsidy outlays:		
134001 Distance Learning and Telemedicine .....		
134002 Broadband .....		2
134901 Total subsidy outlays .....		2
Direct loan upward reestimate subsidy budget authority:		
135002 Broadband .....	1	
135901 Total upward reestimate budget authority .....	1	
Direct loan upward reestimate subsidy outlays:		
136001 Distance Learning and Telemedicine .....		
136002 Broadband .....	1	
136901 Total upward reestimate outlays .....	1	

The loan and grant program provides access to advanced telecommunications services for improved education and health care in rural areas throughout the country. The loans and grants help education and health care providers bring the most modern technology, level of care, and education to rural America so its citizens can compete regionally, nationally, and globally. Additionally, the budget proposes blocking mandatory funding and providing discretionary funding for a program for loans to finance installation of broadband transmission capacity (i.e. the necessary fiber optic cable capacity needed in order to provide any enhanced services such as the Internet or high speed modems) to and through rural communities, as authorized by the Rural Electrification Act of 1936, 7 U.S.C. 901 et seq.

The budget also proposes continuing a program for one year for grants to finance installation of broadband transmission capacity to and through rural communities. USDA will issue a public notice for comment on how it will be administering this program.

**DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4146-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating program:			
00.01 Direct loans .....	95	825	246
00.02 Interest on Treasury borrowing .....	4	1	1
10.00 Total new obligations .....	99	826	247
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	10	13
22.00 New financing authority (gross) .....	108	829	252
23.90 Total budgetary resources available for obligation .....	109	839	265
23.95 Total new obligations .....	-99	-826	-247
24.40 Unobligated balance carried forward, end of year .....	10	13	18
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow .....	95	825	246
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	16	4	6
68.47 Portion applied to repay debt .....	-3		
68.90 Spending authority from offsetting collections (total discretionary) .....	13	4	6
70.00 Total new financing authority (gross) .....	108	829	252
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	149	204	1,005
73.10 Total new obligations .....	99	826	247
73.20 Total financing disbursements (gross) .....	-45	-25	-25
74.40 Obligated balance, end of year .....	204	1,005	1,227
87.00 Total financing disbursements (gross) .....	45	25	25

**Credit accounts—Continued**

**DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND DIRECT LOAN FINANCING ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 12-4146-0-3-452	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal sources	-1	-2
88.25	Interest on uninvested funds	-2	-1
Non-Federal sources:			
88.40	Repayment of principal	-13	-2
88.40	Interest received on loans	-1	-1
88.90	Total, offsetting collections (cash)	-16	-4
<b>Net financing authority and financing disbursements:</b>			
89.00	Financing authority	92	825
90.00	Financing disbursements	28	21

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4146-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	380	825
1142	Unobligated direct loan limitation (-)	-285	
1150	Total direct loan obligations	95	825
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	16	49
1231	Disbursements: Direct loan disbursements	45	24
1251	Repayments: Repayments and prepayments	-12	-2
1290	Outstanding, end of year	49	71

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 12-4146-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury	3		
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	14	49	48
1402	Interest receivable		1	1
1405	Allowance for subsidy cost (-)	1	-1	-1
1499	Net present value of assets related to direct loans	15	49	48
1999	Total assets	18	49	48
<b>LIABILITIES:</b>				
2101	Federal liabilities: Accounts payable	18	49	48
2999	Total liabilities	18	49	48
4999	Total liabilities and net position	18	49	48

**LOCAL TELEVISION LOAN GUARANTEE PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)**

**Program and Financing (in millions of dollars)**

Identification code 12-1233-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02	Loan guarantee subsidy	88	
00.09	Administrative expenses	2	

10.00	Total new obligations	2	88
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year		88
22.00	New budget authority (gross)	90	
23.90	Total budgetary resources available for obligation	90	88
23.95	Total new obligations	-2	-88
24.40	Unobligated balance carried forward, end of year	88	

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00	Appropriation	30	
40.35	Appropriation rescinded	-20	
43.00	Appropriation (total discretionary)	10	
<b>Mandatory:</b>			
62.00	Transferred from other accounts	80	
70.00	Total new budget authority (gross)	90	

**Change in obligated balances:**

72.40	Obligated balance, start of year			70
73.10	Total new obligations	2	88	
73.20	Total outlays (gross)	-2	-18	-39
74.40	Obligated balance, end of year			70

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	2		
86.93	Outlays from discretionary balances		2	3
86.98	Outlays from mandatory balances		16	36
87.00	Total outlays (gross)	2	18	39

**Net budget authority and outlays:**

89.00	Budget authority	90		
90.00	Outlays	2	18	39

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 12-1233-0-1-452	2002 actual	2003 est.	2004 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001	Local television	1,135	
215901	Total loan guarantee levels	1,135	
<b>Guaranteed loan subsidy (in percent):</b>			
232001	Local television	7.75	8.25
232901	Weighted average subsidy rate	7.75	8.25
<b>Guaranteed loan subsidy budget authority:</b>			
233001	Local television	88	
233901	Total subsidy budget authority	88	
<b>Guaranteed loan subsidy outlays:</b>			
234001	Local television		18
234901	Total subsidy outlays		18
<b>Administrative expense data:</b>			
351001	Budget authority	2	
358001	Outlays from balances		
359001	Outlays from new authority	2	

The President's budget proposes no additional funds for the Local Television Loan Guarantee program.

The Local Television Loan program provides guaranteed loans to fund the provision of local television stations to rural residents.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**Object Classification** (in millions of dollars)

Identification code 12-1233-0-1-452	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts .....	2		
41.0 Grants, subsidies, and contributions .....		88	
99.9 Total new obligations .....	2	88	

**LOCAL TELEVISION LOAN GUARANTEE FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 12-4220-0-3-452	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			90
22.00 New financing authority (gross) .....		90	4
23.90 Total budgetary resources available for obligation .....		90	94
24.40 Unobligated balance carried forward, end of year .....		90	94
<b>New financing authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	2	4	
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....		6	-3
68.90 Spending authority from offsetting collections (total discretionary) .....	8		1
Mandatory:			
69.00 Offsetting collections (cash) .....	18	39	
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....		64	-36
69.90 Spending authority from offsetting collections (total mandatory) .....		82	3
70.00 Total new financing authority (gross) .....		90	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			-70
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....		-70	39
74.40 Obligated balance, end of year .....		-70	-31

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-18	-39	
88.25 Interest on uninvested funds .....	-1	-2	
88.40 Non-Federal sources .....	-1	-2	
88.90 Total, offsetting collections (cash) .....	-20	-43	
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	-70	39	

**Net financing authority and financing disbursements:**

89.00 Financing authority .....			
90.00 Financing disbursements .....	-20	-43	

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 12-4220-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	103		
2121 Limitation available from carry-forward .....		1,067	
2131 Guaranteed loan commitments exempt from limitation .....	1,032		
2143 Uncommitted limitation carried forward .....	-1,135		
2150 Total guaranteed loan commitments .....		1,067	
2199 Guaranteed amount of guaranteed loan commitments .....		853	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....			205
2231 Disbursements of new guaranteed loans .....		213	480
2251 Repayments and prepayments .....		-8	-25

2290 Outstanding, end of year .....	205	660
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**Memorandum:**

2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	165	528
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 12-4220-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....			19	63
Investments in US securities:				
1106 Receivables, net .....			70	31
1999 Total assets .....			89	94
<b>LIABILITIES:</b>				
2105 Federal liabilities: Other .....			70	31
2204 Non-Federal liabilities: Liabilities for loan guarantees .....			19	63
2999 Total liabilities .....			89	94
4999 Total liabilities and net position .....			89	94

**RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 12-4155-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Capital investment:			
01.01 Interest on FFB borrowings .....	249	123	73
01.05 Interest on Treasury borrowings .....	16	42	11
10.00 Total new obligations (object class 43.0) .....	265	165	84

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	265	156	65
22.70 Balance of authority to borrow withdrawn .....		9	19
23.90 Total budgetary resources available for obligation .....	265	165	84
23.95 Total new obligations .....	-265	-165	-84

**New budget authority (gross), detail:**

Mandatory:			
60.00 Appropriation .....	1,482	208	608
60.47 Portion applied to repay debt .....	-1,217	-52	-543
62.50 Appropriation (total mandatory) .....	265	156	65
69.00 Offsetting collections (cash) .....	428	323	303
69.47 Portion applied to repay debt .....	-428	-323	-303
69.90 Spending authority from offsetting collections (total mandatory) .....			
70.00 Total new budget authority (gross) .....	265	156	65

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	159	55	50
73.10 Total new obligations .....	265	165	84
73.20 Total outlays (gross) .....	-368	-170	-116
74.40 Obligated balance, end of year .....	55	50	18

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	265	156	65
86.98 Outlays from mandatory balances .....	103	14	51
87.00 Total outlays (gross) .....	368	170	116

Credit accounts—Continued

RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT—  
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4155-0-3-452	2002 actual	2003 est.	2004 est.	
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Non-Federal sources .....	-260	-171	-160
88.40	Repayments of guaranteed loans purchased from investors .....	-3	-2	-2
88.40	Interest revenue .....	-163	-150	-141
88.40	Undistributed Charges .....	-2		
88.90	Total, offsetting collections (cash) .....	-428	-323	-303
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	-163	-167	-238
90.00	Outlays .....	-59	-153	-187

Status of Direct Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2002 actual	2003 est.	2004 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	3,068	2,808	2,636
1251	Repayments: Repayments and prepayments .....	-260	-171	-161
1263	Write-offs for default: Direct loans .....		-1	-1
1290	Outstanding, end of year .....	2,808	2,636	2,474

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2002 actual	2003 est.	2004 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	98	80	64
2251	Repayments and prepayments .....	-11	-10	-8
2263	Adjustments: Terminations for default that result in claim payments .....	-7	-6	-5
2290	Outstanding, end of year .....	80	64	51
<b>Memorandum:</b>				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	57	46	36

The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419).

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities, and industrial development in rural areas. Communities unable to afford low interest loans for water and waste disposal facilities are also able to obtain water and waste disposal grants.

As required by the Federal Credit Reform Act of 1990, this account records, for these loan programs, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in these programs is recorded in corresponding program accounts and financing accounts.

In 1994, these loan programs were administered by the Rural Development Administration. Under reorganization of the Department of Agriculture, the water and waste direct and guaranteed loan programs are administered by the Rural Utilities Service, the community facility direct and guaranteed loan programs are administered by the Rural Housing Service, and the business and industry direct and guaranteed loan programs are administered by the Rural Business-Cooperative Service.

Statement of Operations (in millions of dollars)

Identification code 12-4155-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.	
0101	Revenue .....	483	265	186	144
0102	Expense .....	-732	-265	-365	-323
0105	Net income or loss (-) .....	-249		-179	-179

Balance Sheet (in millions of dollars)

Identification code 12-4155-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	159	55	42	-9
1201	Non-Federal assets: Investments in non-Federal securities, net .....	34	34	34	34
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	3,068	2,808	2,636	2,474
1602	Interest receivable .....	56	48	46	44
1603	Allowance for estimated uncollectible loans and interest (-) .....	-1,026	-33	-800	-812
1604	Direct loans and interest receivable, net .....	2,098	2,823	1,882	1,706
1699	Value of assets related to direct loans .....	2,098	2,823	1,882	1,706
1901	Other Federal assets: Other assets .....	18	12	10	8
1999	Total assets .....	2,309	2,924	1,968	1,739
<b>LIABILITIES:</b>					
Federal liabilities:					
2103	Debt .....	3,066	1,421	1,047	200
2104	Resources payable to Treasury .....	-930	1,433	857	1,506
Non-Federal liabilities:					
2202	Interest payable .....	158	55	50	18
2204	Liabilities for loan guarantees .....	2	3	4	5
2207	Other .....	13	12	10	10
2999	Total liabilities .....	2,309	2,924	1,968	1,739
4999	Total liabilities and net position .....	2,309	2,924	1,968	1,739

RURAL COMMUNICATION DEVELOPMENT FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4142-0-3-452	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Interest on Treasury borrowing .....	3	3	3
10.00	Total new obligations (object class 43.0) .....	3	3	3
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	2		
22.00	New budget authority (gross) .....	1	3	3
23.90	Total budgetary resources available for obligation .....	3	3	3
23.95	Total new obligations .....	-3	-3	-3
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.00	Appropriation .....	1	2	2
69.00	Offsetting collections (cash) .....		1	1
70.00	Total new budget authority (gross) .....	1	3	3
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1	1	1
73.10	Total new obligations .....	3	3	3
73.20	Total outlays (gross) .....	-2	-2	-2
74.40	Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	1	2	2
86.98	Outlays from mandatory balances .....	1		
87.00	Total outlays (gross) .....	2	2	2

**Offsets:**  
Against gross budget authority and outlays:

88.40	Offsetting collections (cash) from: Non-Federal sources .....	-1	-1
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**Net budget authority and outlays:**

89.00	Budget authority .....	1	2	2
90.00	Outlays .....	2	1	1

**Status of Direct Loans** (in millions of dollars)

Identification code 12-4142-0-3-452	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	5	5	5
1251 Repayments: Repayments and prepayments .....			-1
1290 Outstanding, end of year .....	5	5	4

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 12-4142-0-3-452	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	4	4	4
2251 Repayments and prepayments .....			-1
2290 Outstanding, end of year .....	4	4	3
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	4	4	3

The Rural Communication Development Fund was established pursuant to the Secretary's Memorandum No. 1988, approved May 22, 1979. No loans have been made through this account since before 1992.

**Statement of Operations** (in millions of dollars)

Identification code 12-4142-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	3	9	8	4
0102 Expense .....	-3	-9	-8	-4
0105 Net income or loss (-) .....				

**Balance Sheet** (in millions of dollars)

Identification code 12-4142-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	3	2	1	1
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	5	5	4	4
1602 Interest receivable .....	1	1	1	1
1603 Allowance for estimated uncollectible loans and interest (-) .....	1	-3	-2	-2
1604 Direct loans and interest receivable, net .....	6	3	3	3
1699 Value of assets related to direct loans .....	6	3	3	3
1999 Total assets .....	9	5	4	4
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....	1	1	2	3
2103 Debt .....	25	25	25	24
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	-17	-21	-23	-23
2999 Total liabilities .....	9	5	4	4
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....				
3999 Total net position .....				
4999 Total liabilities and net position .....	9	5	4	4

**FOREIGN AGRICULTURAL SERVICE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$158,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$140,798,000, of which \$5,000,000 is to support the Montreal Protocol Multilateral Fund: Provided, That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1737) and the foreign assistance programs of the United States Agency for International Development.

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-2900-0-1-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Market access .....	30	32	33
00.02 Market development .....	34	36	37
00.03 Market intelligence .....	28	30	31
00.04 Financial marketing assistance .....	7	6	7
00.05 Long-term market and infrastructure development .....	23	27	28
00.06 Montreal Protocol Multilateral Funding .....			5
09.00 Reimbursable program .....	72	72	74
10.00 Total new obligations .....	194	203	215
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	14	15	15
22.00 New budget authority (gross) .....	197	203	215
23.90 Total budgetary resources available for obligation .....	211	218	230
23.95 Total new obligations .....	-194	-203	-215
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	15	15	15
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	122	131	141
42.00 Transferred from other accounts .....	12		
43.00 Appropriation (total discretionary) .....	134	131	141
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	27	72	74
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	36		
68.90 Spending authority from offsetting collections (total discretionary) .....	63	72	74
70.00 Total new budget authority (gross) .....	197	203	215
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	49	44	45
73.10 Total new obligations .....	194	203	215
73.20 Total outlays (gross) .....	-203	-202	-215
73.40 Adjustments in expired accounts (net) .....	5		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-36		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	35		
74.40 Obligated balance, end of year .....	44	45	45
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	193	192	204

**General and special funds—Continued**SALARIES AND EXPENSES—Continued  
(INCLUDING TRANSFERS OF FUNDS)—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 12-2900-0-1-352	2002 actual	2003 est.	2004 est.
86.93 Outlays from discretionary balances .....	10	10	11
87.00 Total outlays (gross) .....	203	202	215
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-76	-72	-74
Against gross budget authority only:			
88.95 Change in uncollected customer payments from			
Federal sources (unexpired) .....	-36		
88.96 Portion of offsetting collections (cash) credited to			
expired accounts .....	49		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	134	131	141
90.00 Outlays .....	127	130	141
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	4	4	4
99.01 Outlays .....	4	4	4

The mission of the Foreign Agricultural Service (FAS) is to open, expand and maintain global market opportunities through international trade, cooperation, and sustainable development activities which secure the long-term economic vitality and global competitiveness of America's rural communities and related food and agricultural enterprises.

FAS conducts a demand-driven export strategy, deploying five major policy objectives to execute the strategy, while integrating commodity and country market priorities for allocating scarce export assistance resources. These objectives include:

**Market access:** FAS initiates, directs and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices of other countries that hinder U.S. agricultural exports to those markets. In virtually every foreign market, U.S. agricultural exports are subject to import duties and non-tariff trade restrictions. Trade information sent to Washington from FAS personnel overseas is used to map strategies for improving market access, pursuing U.S. rights under trade agreements, and developing programs and policies to make U.S. farm products more competitive.

**Market development, promotion and outreach:** FAS develops foreign markets for U.S. farm products through aggressive market expansion activities. It provides services to the U.S. and foreign agricultural trade sectors that are necessary to establish, build and maintain overseas markets for U.S. agricultural products. Public Law 83-690, approved August 28, 1954, includes authority to establish up to 25 Agricultural Trade Offices. Currently 17 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups and state export marketing officials in trade promotion. Promotional activities are carried out chiefly in cooperation with non-profit agricultural trade associations and firms on a cost-sharing basis. The largest of FAS's promotional programs are the Foreign Market Development Co-operator Program and Market Access Program. In addition, FAS sponsors U.S. participation in several major trade shows and a number of single-industry exhibitions each year. The Quality samples program provides samples of U.S. agricul-

tural products to foreign importers to help overcome marketing trade barriers. These programs are designed to create demand for U.S. agricultural products in foreign markets, introduce U.S. food and agricultural products to potential foreign customers, and show foreign customers how to use U.S. products.

FAS strategic outreach efforts focus on facilitating export readiness and help link both export-ready and new-to-export firms to market entry opportunities, and increase domestic awareness of export opportunities/global consumer quality and product safety expectations. These efforts are designed to strengthen the export knowledge/skills of producers and exporters so they can compete more effectively in the international marketplace. Outreach also includes targeting foreign buyers in educating them about the merits of U.S. products and how they can be purchased.

**Market intelligence:** FAS provides U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is done through a continuous program of reporting by 63 posts located throughout the world covering some 130 countries. Reporting includes information and/or data on foreign government policies, analysis of supply and demand conditions, commercial trade relationships and market opportunities. FAS analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities.

**Financial marketing assistance:** FAS administers a number of price/credit and risk assistance programs designed to leverage overseas market expansion for U.S. agricultural, fish, and forest products. These programs include CCC Export Credit Guarantee Programs, the Export Enhancement Program, and Dairy Export Incentive Program. These programs are designed to help developing nations make the transition from concessional financing to cash purchases, give U.S. producers the ability to counter export subsidies of foreign competitors and allow U.S. exporters to compete with sales terms offered by foreign competitors.

**Long-term market and infrastructure development:** FAS promotes trade capacity building, fosters world food security, and deploys USDA resources and expertise to advance market-based policies, trade and investment, sustainable agricultural systems, and agricultural research and education in developing countries and emerging markets. FAS also provides linkages to worldwide agricultural resources and international organizations to gain access to emerging technologies that can help create new U.S. agricultural products and markets. Direct program activities include administering the Cochran Fellowship Program and managing USDA's bilateral exchange and cooperative research programs with foreign governments and institutions. The Emerging Markets Program, under which technical assistance and related activities are carried out, facilitates international agribusiness relationships, enhances food systems in developing and transitional countries, and helps expand U.S. agricultural exports.

FAS also administers food assistance activities such as Public Law 480, Title I; Food for Progress; Section 416(b); and the McGovern-Dole International Food for Education and Child Nutrition Program. P.L. 480 Title I food aid is designed to help developing nations make the transition from donations and concessional financing to cash purchases while not displacing expected commercial sales. Food for Progress provides food to developing countries and emerging democracies that have made commitments to introduce or expand free enterprise into their agricultural economies. Section 416(b) provides overseas donations of surplus commodities owned by the CCC to assist developing and friendly countries. The

International Food for Education Program provides for the donation of U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school feeding programs in foreign countries.

At the request of the Agency for International Development, international organizations and foreign governments, technical assistance and training in agriculture and rural development are provided on a reimbursable or advance of funds basis.

**Montreal Protocol Multilateral Fund:** The Montreal Protocol Multilateral Fund was created in 1991 to help developing countries switch from ozone depleting substances (ODS) to safer alternatives. Developing countries' commitment to comply with the Protocol's strict requirements is contingent on developed countries providing help through the Fund. With Fund assistance, developing countries as a group have exceeded initial reduction commitment by almost 25%.

Historically, the Department of State and EPA have provided nearly all U.S. payments to the Montreal Protocol Multilateral Fund. This has funded projects that are leading to the phase out of the production and use by developing countries of industrial chemicals that deplete the ozone layer, such as chlorofluorocarbons and halons. In the future, there will be an increasing focus on reducing the use of methyl bromide in developing countries. In recognition of the growing importance of agricultural issues in the Montreal Protocol process, USDA is requesting a \$5 million contribution to the Fund.

**Object Classification** (in millions of dollars)

Identification code 12-2900-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	55	57	59
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	1	1	1
11.8 Special personal services payments .....	2	2	2
11.9 Total personnel compensation .....	60	62	64
12.1 Civilian personnel benefits .....	16	16	16
21.0 Travel and transportation of persons .....	5	5	5
22.0 Transportation of things .....	1	1	1
23.2 Rental payments to others .....	6	7	8
23.3 Communications, utilities, and miscellaneous charges .....	1	2	2
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	29	32	39
25.8 Subsidence and support of persons .....	1	1	1
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	3	3
99.0 Direct obligations .....	122	131	141
99.0 Reimbursable obligations .....	72	72	74
99.9 Total new obligations .....	194	203	215

**Personnel Summary**

Identification code 12-2900-0-1-352	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	792	804	804
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	179	181	201

**SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)**

**Program and Financing** (in millions of dollars)

Identification code 12-1404-0-1-352	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	1
24.40 Unobligated balance carried forward, end of year .....	1	1	1

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	.....
74.40 Obligated balance, end of year .....	1	1	.....
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	1	1	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	1	.....

As authorized by the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, USDA uses foreign currencies to support research on problems of mutual interest to the United States and participating foreign countries. After 1991 no new foreign currency programs have been or are proposed to be initiated.

**FOREIGN ASSISTANCE PROGRAMS**

The funds and facilities of the Commodity Credit Corporation may, by law, be used in carrying out programs to encourage the export of agricultural commodities.

Included in this category are the following activities carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83rd Congress, as amended (P.L. 480): Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104 (title I); for dispositions abroad (titles II and III); and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended. Agreements may provide for commodities to be made available on a multi-year basis. During 2003, Commodity Credit Corporation funds were authorized to carry out the McGovern-Dole International Food for Education Program. Beginning in 2004, the program is authorized to be funded through a direct appropriation.

**PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS**

(INCLUDING TRANSFER OF FUNDS)

*For ocean freight differential costs for the shipment of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 and under the Food for Progress Act of 1985, \$28,000,000, to remain available until expended: Provided, That funds made available for the cost of agreements under title I of the Agricultural Trade Development and Assistance Act of 1954 and for title I ocean freight differential may be used interchangeably between the two accounts with prior notice to the Committees on Appropriations of both Houses of Congress. (7 U.S.C. 1701b, 2209b.)*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-2271-0-1-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 P.L. 480 grant—Title I: Ocean freight differential (OFD) .....	27	28	28
09.00 Reimbursable program .....	1	1	1
10.00 Total new obligations .....	28	29	29
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	15	8	.....
22.00 New budget authority (gross) .....	21	29	29
22.40 Capital transfer to general fund .....	.....	-8	.....
23.90 Total budgetary resources available for obligation .....	36	29	29
23.95 Total new obligations .....	-28	-29	-29
24.40 Unobligated balance carried forward, end of year .....	8	.....	.....

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS—  
Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2271-0-1-351	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	20	28	28
Mandatory:			
69.00	1	1	1
70.00	21	29	29
<b>Change in obligated balances:</b>			
72.40	25	10	11
73.10	28	29	29
73.20	-42	-27	-37
74.40	10	11	3
<b>Outlays (gross), detail:</b>			
86.90		16	16
86.93	41	10	20
86.97	1	1	1
87.00	42	27	37
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00	20	28	28
90.00	42	26	36

This account funds the title I ocean freight differential program.

Object Classification (in millions of dollars)

Identification code 12-2271-0-1-351	2002 actual	2003 est.	2004 est.
41.0	27	28	28
99.0	1	1	1
99.9	28	29	29

PUBLIC LAW 480 TITLE II GRANTS

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, for commodities supplied in connection with dispositions abroad under title II of said Act, \$1,185,000,000, to remain available until expended. (7 U.S.C. 1691, 1721-26a, 1727-27e, 1731-36g-3, 1737, 2209b.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-2278-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02	991	1,248	1,185
09.01	23		
10.00	1,014	1,248	1,185
<b>Budgetary resources available for obligation:</b>			
21.40	94	63	
22.00	887	1,185	1,185
22.22	96		
23.90	1,077	1,248	1,185
23.95	-1,014	-1,248	-1,185
24.40	63		

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	864	1,185	1,185
Mandatory:			
69.00	23		
70.00	887	1,185	1,185

<b>Change in obligated balances:</b>			
72.40	587	656	824
73.10	1,014	1,248	1,185
73.20	-945	-1,080	-1,144
74.40	656	824	865

<b>Outlays (gross), detail:</b>			
86.90	337	622	622
86.93	585	458	522
86.97	23		
87.00	945	1,080	1,144

<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00	-23		

<b>Net budget authority and outlays:</b>			
89.00	864	1,185	1,185
90.00	922	1,080	1,144

This account funds the non-credit components of Public Law 480. Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to ports of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available to meet urgent and extraordinary relief requirements.

Object Classification (in millions of dollars)

Identification code 12-2278-0-1-151	2002 actual	2003 est.	2004 est.
41.0	991	1,248	1,185
99.0	23		
99.9	1,014	1,248	1,185

McGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM GRANTS

For necessary expenses to carry out the provisions of section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 17360-1), \$50,000,000, to remain available until expended: Provided, That the Commodity Credit Corporation is authorized to provide the services, facilities, and authorities for the purpose of implementing such section, subject to reimbursement from amounts provided herein.



**Credit accounts—Continued**

**PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT—Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)—Continued**

Identification code 12-2277-0-1-351	2002 actual	2003 est.	2004 est.
136901 Total upward reestimate outlays	82	13	
Direct loan downward reestimate subsidy budget authority:			
137001 P. L. 480 title I loans		-538	
137901 Total downward reestimate budget authority		-538	
Direct loan downward reestimate subsidy outlays:			
138001 P. L. 480 title I loans		-538	
138901 Total downward reestimate subsidy outlays		-538	
<b>Administrative expense data:</b>			
351001 Budget authority	2	2	4
358001 Outlays from balances			
359001 Outlays from new authority	2	2	4

As required by the Federal Credit Reform Act of 1990, this account records, for the P.L. 480 Program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligation in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**Object Classification (in millions of dollars)**

Identification code 12-2277-0-1-351	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts	2	2	4
41.0 Grants, subsidies, and contributions	237	112	104
99.9 Total new obligations	239	114	108

**P.L. 480 DIRECT CREDIT FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4049-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating program:			
00.01 Direct loans	85	132	132
00.02 Interest on Treasury borrowing	77	41	41
00.91 Direct Program by Activities—Subtotal (1 level)	162	173	173
08.02 Payment of downward reestimate to receipt account		360	
08.04 Payment of interest on downward reestimate to receipt account		178	
08.91 Direct Program by Activities—Subtotal (1 level)		538	
10.00 Total new obligations	162	711	173
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	159	246	
22.00 New financing authority (gross)	285	511	215
22.40 Capital transfer to general fund		-27	-42
22.60 Portion applied to repay debt	-36	-19	
23.90 Total budgetary resources available for obligation	408	711	173
23.95 Total new obligations	-162	-711	-173
24.40 Unobligated balance carried forward, end of year	246		

**New financing authority (gross), detail:**

<b>Discretionary:</b>			
47.00 Authority to borrow	29		
<b>Mandatory:</b>			
67.10 Authority to borrow		366	74

**Spending authority from offsetting collections:**

<b>Discretionary:</b>			
68.00 Offsetting collections (cash)	274		
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-18		
68.90 Spending authority from offsetting collections (total discretionary)	256		
<b>Mandatory:</b>			
69.00 Offsetting collections (cash)	281	277	
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-136	-136	
69.90 Spending authority from offsetting collections (total mandatory)	145	141	
70.00 Total new financing authority (gross)	285	511	215
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	43	46	29
73.10 Total new obligations	162	711	173
73.20 Total financing disbursements (gross)	-178	-864	-326
74.00 Change in uncollected customer payments from Federal sources (unexpired)	18	136	136
74.40 Obligated balance, end of year	46	29	12
87.00 Total financing disbursements (gross)	178	864	326

**Offsets:**

<b>Against gross financing authority and financing disbursements:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Payments from program account	-165	-140	-132
88.25 Interest on uninvested funds	-16	-1	-1
<b>Non-Federal sources:</b>			
88.40 Interest received on loans	-38	-62	-63
88.40 Principal received on loans	-55	-78	-81
88.90 Total, offsetting collections (cash)	-274	-281	-277
<b>Against gross financing authority only:</b>			
88.95 Change in receivables from program accounts	18	136	136

**Net financing authority and financing disbursements:**

89.00 Financing authority	29	366	74
90.00 Financing disbursements	-96	583	49

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4049-0-3-351	2002 actual	2003 est.	2004 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans	168	132	132
1121 Limitation available from carry-forward	176		
1142 Unobligated direct loan limitation (-)	-246		
1150 Total direct loan obligations	98	132	132
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year	2,176	2,334	2,383
1231 Disbursements: Direct loan disbursements	122	127	132
1251 Repayments: Repayments and prepayments	-55	-78	-81
1261 Adjustments: Capitalized interest	91		
1290 Outstanding, end of year	2,334	2,383	2,434

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 12-4049-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
<b>Federal assets:</b>				
1101 Fund balances with Treasury	203	278	250	250
<b>Investments in US securities:</b>				
1106 Receivables, net	64	58	58	58
<b>Net value of assets related to post-1991 direct loans receivable:</b>				
1401 Direct loans receivable, gross	2,176	2,334	2,364	2,412

1402	Interest receivable .....	24	79	24	24
1405	Allowance for subsidy cost (-) .....	-1,603	-1,388	-1,568	-1,568
1499	Net present value of assets related to direct loans .....	597	1,025	820	868
1901	Other Federal assets: Other assets .....	329			
1999	Total assets .....	1,193	1,361	1,128	1,176
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....	31	23	31	31
2104	Resources payable to Treasury .....	753	732	753	753
2105	Other .....	409	606	344	392
2999	Total liabilities .....	1,193	1,361	1,128	1,176
4999	Total liabilities and net position .....	1,193	1,361	1,128	1,176

DEBT REDUCTION—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4143-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	20	33	67
00.02 Interest to Treasury .....	3		
10.00 Total new obligations .....	23	33	67
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	59	51	15
22.00 New financing authority (gross) .....	15	48	80
22.60 Portion applied to repay debt .....		-51	
23.90 Total budgetary resources available for obligation .....	74	48	95
23.95 Total new obligations .....	-23	-33	-67
24.40 Unobligated balance carried forward, end of year .....	51	15	28
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	3	3	
Spending authority from offsetting collections:			
Discretionary:			
Offsetting collections (cash):			
68.00 Offsetting collections (cash) .....	11	12	13
68.00 Offsetting collections—Debt Reduction .....	8	33	67
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-7		
68.90 Spending authority from offsetting collections (total discretionary) .....	12	45	80
70.00 Total new financing authority (gross) .....	15	48	80
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-1	4	
73.10 Total new obligations .....	23	33	67
73.20 Total financing disbursements (gross) .....	-25	-35	-67
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	7		
74.40 Obligated balance, end of year .....	4		
87.00 Total financing disbursements (gross) .....	25	35	67
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-8	-33	-67
88.25 Interest on uninvested funds .....	-2	-2	-2
88.40 Non-Federal sources .....	-9	-10	-11
88.90 Total, offsetting collections (cash) .....	-19	-45	-80
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	7		
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	3	3	
90.00 Financing disbursements .....	7	-10	-13

<b>Status of Direct Loans (in millions of dollars)</b>			
Identification code 12-4143-0-3-351	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	8	3	
1150 Total direct loan obligations .....	8	3	
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	132	236	231
1233 Disbursements: Purchase of loans assets from a liquidating account .....	8	3	
1251 Repayments: Repayments and prepayments .....	-7	-8	-10
1264 Write-offs for default: Other adjustments, net .....	103		
1290 Outstanding, end of year .....	236	231	221

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4143-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....		30	30	30
Investments in US securities:				
1106 Receivables, net .....		10	10	10
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	132	236	231	221
1405 Allowance for subsidy cost (-) .....	-87	-149	-178	-214
1499 Net present value of assets related to direct loans .....	45	87	53	7
1999 Total assets .....	45	127	93	47
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....		2	2	2
2103 Debt .....	45	45	45	45
2105 Other .....		80	46	
2999 Total liabilities .....	45	127	93	47
4999 Total liabilities and net position .....	45	127	93	47

P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, PROGRAM ACCOUNT

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-2273-0-1-351	2002 actual	2003 est.	2004 est.
0101 Negative subsidies/subsidy reestimates .....		195	

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2273-0-1-351	2002 actual	2003 est.	2004 est.
Direct loan downward reestimate subsidy budget authority:			
137001 Downward reestimates subsidy budget authority—P.L. 480 title I credits .....		-195	
137901 Total downward reestimate budget authority .....		-195	
Direct loan downward reestimate subsidy outlays:			
138001 Downward reestimates subsidy outlays .....		-195	
138901 Total downward reestimate subsidy outlays .....		-195	

Sales of U.S. commodities under the credit portion of the Food for Progress program were made to Russia in 1993. The assistance is subject to credit reform budgeting. No credit has been issued since.

**Credit accounts—Continued**

**P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, PROGRAM ACCOUNT—Continued**

**P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-4078-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Interest to Treasury on borrowings .....	11	16	17
08.02 Payment of downward re-estimate to receipt account .....		112	
08.04 Payment of interest on downward re-estimate to receipt account .....		83	
08.91 Direct Program by Activities—Subtotal (1 level) .....		195	
10.00 Total new obligations .....	11	211	17
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	47	68	
22.00 New financing authority (gross) .....	78	297	102
22.40 Capital transfer to general fund .....		-154	-85
22.60 Portion applied to repay debt .....	-47		
23.90 Total budgetary resources available for obligation .....	78	211	17
23.95 Total new obligations .....	-11	-211	-17
24.40 Unobligated balance carried forward, end of year .....	68		
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow .....		207	12
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	78	90	90
70.00 Total new financing authority (gross) .....	78	297	102
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	11	211	17
73.20 Total financing disbursements (gross) .....	-11	-211	-17
87.00 Total financing disbursements (gross) .....	11	211	17
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds .....	-4	-4	-4
Non-Federal sources:			
88.40 Principal collections .....	-74	-74	-74
88.40 Interest collections .....		-12	-12
88.90 Total, offsetting collections (cash) .....	-78	-90	-90
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....		207	12
90.00 Financing disbursements .....	-67	121	-73

**Status of Direct Loans (in millions of dollars)**

Identification code 12-4078-0-3-351	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....			
1150 Total direct loan obligations .....			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	465	409	353
1251 Repayments: Repayments and prepayments .....	-56	-56	-56
1290 Outstanding, end of year .....	409	353	297

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 12-4078-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....		68		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	465	409	353	297
1402 Interest receivable .....	19	12	16	16
1405 Allowance for subsidy cost (-) .....	-347	-165	-165	-165
1499 Net present value of assets related to direct loans .....	137	256	204	148
1999 Total assets .....	137	324	204	148
<b>LIABILITIES:</b>				
Federal liabilities:				
2103 Debt .....	137	128	204	148
2105 Other .....		196		
2999 Total liabilities .....	137	324	204	148
4999 Total liabilities and net position .....	137	324	204	148

**EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS, AGRICULTURE LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 12-2274-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	4		
10.00 Total new obligations (object class 41.0) .....	4		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	77	93	
22.00 New budget authority (gross) .....	93		
22.40 Capital transfer to general fund .....	-73	-93	
23.90 Total budgetary resources available for obligation .....	97		
23.95 Total new obligations .....	-4		
24.40 Unobligated balance carried forward, end of year .....	93		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) (Principal and interest) .....	504	542	505
69.27 Capital transfer to general fund .....	-411	-542	-505
69.90 Spending authority from offsetting collections (total mandatory) .....	93		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	4		
73.20 Total outlays (gross) .....			

<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources—debt reduction .....	-8	-3	
88.40 Principal and interest collections .....	-496	-509	-438
88.90 Total, offsetting collections (cash) .....	-504	-512	-438
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-411	-512	-438
90.00 Outlays .....	-504	-512	-438

**Status of Direct Loans (in millions of dollars)**

Identification code 12-2274-0-1-151	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	8,219	7,908	7,540
Repayments:			
Repayments and prepayments:			
1251 Repayments and prepayments .....	-295	-331	-287
1251 Payments from USDA debt reduction finance account .....	-8	-3	
1263 Write-offs for default: Direct loans .....	-8	-34	

1290 Outstanding, end of year ..... 7,908 7,540 7,253

*Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104; and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).*—Funds appropriated for P.L. 480 are used to finance all sales made pursuant to agreements concluded under the authority of Title I. The Corporation may serve as the purchasing or shipping agent, or both, for the importing country or may award contracts for freight agent services on behalf of the Corporation to handle shipping of commodities under P.L. 480.

Sales are made to developing countries as defined in section 402(4) of P.L. 480 and must not displace expected commercial sales (secs. 403(e) and (h)). Agreements are made with developing countries for delivery in accordance with the terms of the agreement.

When U.S.-flag vessels are required to ship commodities under this title, the Corporation will pay the difference between U.S.-flag rates and foreign-flag rates. In limited cases, full transportation costs to port-of-entry or point-of-entry abroad may be included along with the cost of the commodity in the amount financed by CCC in order to ensure that U.S. food aid can reach the most needy recipients.

*Financing sales of agricultural commodities for dollars on credit terms (title I).*—Payment by developing countries or private entities may be made over a period of not more than 30 years with a deferral of principal payments for up to 5 years. Interest accrues at a concessional rate as determined appropriate.

Section 411 of P.L. 480 authorizes the President to waive payments of principal and interest under dollar credit sales agreements for countries that meet certain enumerated requirements. Such debt relief may be provided only if the President notifies Congress and may not exceed the amount approved for such purpose in an Act appropriating funds to carry out P.L. 480.

*Financing sales of agricultural commodities for local currency, including for local currency on credit terms.*—Payment by a recipient country may be made in local currencies for use in carrying out activities under section 104 of P.L. 480.

Foreign currency received in payment for credit extended may be used for payment of U.S. obligations abroad, subject to the appropriation process. The P.L. 480 program is reimbursed for the dollar value of currencies so used.

The financing of sales of agricultural commodities for local currencies on credit terms is subject to the same terms that are applicable to dollar credit financing.

*Furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).*—Funds appropriated to carry out title I may be used to furnish commodities to carry out the Food for Progress Act of 1985. Such commodities may be furnished on credit terms or on a grant basis in order to assist developing countries and countries that are emerging democracies that have made a commitment to introduce and expand free enterprise elements in their agricultural economies.

*Commodities supplied in connection with dispositions abroad (title II).*—Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, for-

tification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available to meet urgent and extraordinary relief requirements.

The 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks provided for disaster recovery activities and assistance. Title II received \$95 million from the fund as of December 31, 2001.

*Commodities supplied in connection with dispositions abroad (Title III).*—Under Title III, agricultural commodities are furnished to least developed countries as defined in section 302(a). They are provided through foreign governments for direct feeding, development of emergency food reserves or may be sold with the proceeds of such sale used by the recipient country for specific economic development purposes.

The Corporation may pay, in connection with furnishing commodities under Title III, the same cost items as authorized under Title II. Although no funding is requested for Title III, up to 15 percent of funds from other titles under P.L. 480 may be transferred for this program.

**Balance Sheet (in millions of dollars)**

Identification code 12-2274-0-1-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	8,219	7,851	7,490	7,203
1699 Value of assets related to direct loans .....	8,219	7,851	7,490	7,203
1999 Total assets .....	8,219	7,851	7,490	7,203
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....	8,219	7,851	7,490	7,203
2999 Total liabilities .....	8,219	7,851	7,490	7,203
4999 Total liabilities and net position .....	8,219	7,851	7,490	7,203

**MISCELLANEOUS CONTRIBUTED FUNDS**

**Unavailable Collections (in millions of dollars)**

Identification code 12-8232-0-7-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.20 Deposits of miscellaneous contributed funds, International cooperation and development .....		4	4
<b>Appropriations:</b>			
05.00 Miscellaneous contributed funds .....		-4	-4
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 12-8232-0-7-352	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	1	
10.00 Total new obligations (object class 41.0) .....	3	1	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	2	3

Credit accounts—Continued

MISCELLANEOUS CONTRIBUTED FUNDS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-8232-0-7-352	2002 actual	2003 est.	2004 est.
22.00 New budget authority (gross) .....		4	4
23.90 Total budgetary resources available for obligation	5	6	7
23.95 Total new obligations .....	-3	-1	
24.40 Unobligated balance carried forward, end of year .....	2	3	7
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....		4	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-3		-1
73.10 Total new obligations .....	3	1	
73.20 Total outlays (gross) .....		-4	-4
74.40 Obligated balance, end of year .....		-1	-5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		4	4
90.00 Outlays .....		4	4

Miscellaneous funds are received from other Federal agencies, international organizations, and developing countries, for USDA development assistance and international research projects (22 U.S.C. 2392).

FOOD AND NUTRITION SERVICE

Federal Funds

General and special funds:

NUTRITION PROGRAMS ADMINISTRATION

For necessary administrative expenses of the domestic nutrition assistance programs funded under this Act, \$144,849,000, of which \$5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp benefit delivery, and assisting in the prevention, identification, and prosecution of fraud and other violations of law, and of which not less than \$12,000,000 shall be available to improve integrity in the Food Stamp and Child Nutrition programs: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 shall be available for employment under 5 U.S.C. 3109.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-3508-0-1-605	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Nutrition programs administration .....	128	137	145
00.03 Congressional hunger center fellowships .....	2		
09.01 Reimbursable administrative services provided to Federal agencies .....	1	1	1
10.00 Total new obligations .....	131	138	146
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	131	138	146
23.95 Total new obligations .....	-131	-138	-146
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	130	137	145
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1

70.00	Total new budget authority (gross) .....	131	138	146
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	15	17	15
73.10	Total new obligations .....	131	138	146
73.20	Total outlays (gross) .....	-128	-140	-146
73.40	Adjustments in expired accounts (net) .....	-1		
74.40	Obligated balance, end of year .....	17	15	14
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	117	123	131
86.93	Outlays from discretionary balances .....	11	17	15
87.00	Total outlays (gross) .....	128	140	146
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-1	-1	-1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	130	137	145
90.00	Outlays .....	127	139	145
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	8	9	9
99.01	Outlays .....	8	9	9

This account funds the majority of the Federal operating expenses of the Food and Nutrition Service.

Funds are provided for additional activities to identify and address error in the Food Stamp and Child Nutrition programs.

Object Classification (in millions of dollars)

Identification code 12-3508-0-1-605	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent .....	84	93	97
11.3	Other than full-time permanent .....	1	1	1
11.5	Other personnel compensation .....	1	1	1
11.9	Total personnel compensation .....	86	95	99
12.1	Civilian personnel benefits .....	19	21	22
21.0	Travel and transportation of persons .....	3	3	3
23.3	Communications, utilities, and miscellaneous charges .....	2	2	2
25.2	Other services .....	15	14	17
26.0	Supplies and materials .....	2	1	1
31.0	Equipment .....	1	1	1
41.0	Grants, subsidies, and contributions .....	2		
99.0	Direct obligations .....	130	137	145
99.0	Reimbursable obligations .....	1	1	1
99.9	Total new obligations .....	131	138	146

Personnel Summary

Identification code 12-3508-0-1-605	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	1,324	1,486	1,499

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), \$27,745,981,000, of which \$2,000,000,000 shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: Provided, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: Provided further, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: Provided further, That funds made available for Employment and Training under this heading shall remain available until expended, as authorized by section 16(h)(1) of the Food Stamp Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-3505-0-1-605	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Benefits issued	17,975	20,597	21,526
00.02 State administration	2,162	2,212	2,258
00.03 Employment and training program	315	249	255
00.04 Other program costs	64	66	69
00.05 Puerto Rico	1,351	1,395	1,397
00.06 Food distribution program on Indian reservations (Commodities in lieu of food stamps)	51	53	56
00.07 Food distribution program on Indian reservations (Cooperator administrative expense)	23	26	27
00.08 The emergency food assistance program (commodities)	140	140	140
00.09 Modified food stamp program in American Samoa	5	6	6
00.10 Community food project	5	5	5
00.11 Commonwealth of the Northern Mariannas Islands	6	7	7
09.01 Reimbursable program	105	105	105
10.00 Total new obligations	22,202	24,861	25,851
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	187		
22.00 New budget authority (gross)	22,954	26,355	27,851
22.10 Resources available from recoveries of prior year obligations	68		
23.90 Total budgetary resources available for obligation	23,209	26,355	27,851
23.95 Total new obligations	-22,202	-24,861	-25,851
23.98 Unobligated balance expiring or withdrawn	-1,008	-1,494	-2,000
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	17	17	17
Mandatory:			
60.00 Appropriation	22,975	26,233	27,729
60.35 Appropriation rescinded	-24		
60.36 Unobligated balance rescinded	-119		
62.50 Appropriation (total mandatory)	22,832	26,233	27,729
69.00 Offsetting collections (cash)	105	105	105
70.00 Total new budget authority (gross)	22,954	26,355	27,851
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	1,022	947	612
73.10 Total new obligations	22,202	24,861	25,851
73.20 Total outlays (gross)	-22,174	-25,196	-25,831
73.40 Adjustments in expired accounts (net)	-35		
73.45 Recoveries of prior year obligations	-68		
74.40 Obligated balance, end of year	947	612	632
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	9	9	9
86.93 Outlays from discretionary balances	7	8	8
86.97 Outlays from new mandatory authority	21,143	24,240	25,210
86.98 Outlays from mandatory balances	1,015	939	604
87.00 Total outlays (gross)	22,174	25,196	25,831
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-105	-105	-105
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	22,849	26,250	27,746
90.00 Outlays	22,069	25,091	25,726

The Food Stamp Program is the primary source of nutrition assistance for low-income Americans.

Some of these funds provide a grant to Puerto Rico in lieu of the Food Stamp Program which gives the Commonwealth flexibility to administer a nutrition assistance program tailored to the needs of its low-income households.

Funds in this account are also used to carry out the Emergency Food Assistance Act of 1983 and for food distribution and administrative expenses for Native Americans under section 4(b) of the Food Stamp Act.

**Object Classification** (in millions of dollars)

Identification code 12-3505-0-1-605	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent	4	4	4
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	2	2	2
23.3 Communications, utilities, and miscellaneous charges	3	3	3
24.0 Printing and reproduction	12	3	3
25.2 Other services	54	66	68
26.0 Supplies and materials	186	193	196
31.0 Equipment	2	2	2
41.0 Grants, subsidies, and contributions	21,833	24,482	25,467
99.0 Direct obligations	22,097	24,756	25,746
99.0 Reimbursable obligations	105	105	105
99.9 Total new obligations	22,202	24,861	25,851

**Personnel Summary**

Identification code 12-3505-0-1-605	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment	55	56	56

**CHILD NUTRITION PROGRAMS**

(INCLUDING TRANSFERS OF FUNDS)

*For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; \$11,418,441,000, to remain available through September 30, 2005, of which \$6,819,340,000 is hereby appropriated and \$4,559,101,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): Provided, That up to \$5,198,000 shall be available for independent verification of school food service claims.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-3539-0-1-605	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
School lunch program:			
00.01 Above 185 of poverty	404	428	448
00.02 130-185 of poverty	740	785	821
00.03 Below 130 of poverty	4,876	5,176	5,415
00.91 Subtotal, school lunch program	6,020	6,389	6,684
School breakfast program:			
01.01 Above 185 of poverty	50	54	58
01.02 130-185 of poverty	120	131	140
01.03 Below 130 of poverty	1,371	1,496	1,600
01.91 Subtotal, school breakfast program	1,541	1,681	1,798
Child and adult care feeding program:			
02.01 Above 185 of poverty	188	192	201
02.02 130-185 of poverty	106	113	118
02.03 Below 130 of poverty	1,512	1,592	1,672
02.04 Audits	25	28	28
02.91 Subtotal, child and adult care feeding program	1,831	1,925	2,019
Other mandatory activities:			
03.01 Summer food service program	307	288	309
03.02 Special milk program	18	15	15
03.03 State administrative expenses	132	134	140
03.04 Commodity procurement	455	647	422
03.91 Subtotal, Other mandatory activities	912	1,084	886
Discretionary activities:			
04.01 School meals initiative	10	10	10
04.02 Coordinated review and CN pay costs	5	5	5
04.03 Computer support and processing	11	9	9
04.05 Food safety education	2	1	1
04.06 Child nutrition program integrity			6

**General and special funds—Continued**

**CHILD NUTRITION PROGRAMS—Continued**  
(INCLUDING TRANSFERS OF FUNDS)—Continued

**Program and Financing (in millions of dollars)—Continued**

Identification code 12-3539-0-1-605	2002 actual	2003 est.	2004 est.
04.91 Subtotal, discretionary activities .....	28	25	31
Activities with permanent appropriations:			
05.01 Food service management institute and information clearinghouse .....	3	3	3
09.01 Reimbursable program .....	6		
10.00 Total new obligations .....	10,341	11,107	11,421
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	380	359	3
22.00 New budget authority (gross) .....	10,096	10,579	11,421
22.10 Resources available from recoveries of prior year obligations .....	242	172	
23.90 Total budgetary resources available for obligation	10,718	11,110	11,424
23.95 Total new obligations .....	-10,341	-11,107	-11,421
23.98 Unobligated balance expiring or withdrawn .....	-18		
24.40 Unobligated balance carried forward, end of year .....	359	3	3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	7	7	13
Mandatory:			
60.00 Appropriation .....	4,911	5,827	6,809
62.00 Transferred from other accounts .....	5,172	4,745	4,599
62.50 Appropriation (total mandatory) .....	10,083	10,572	11,408
69.00 Offsetting collections (cash) .....	6		
70.00 Total new budget authority (gross) .....	10,096	10,579	11,421
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,629	1,462	983
73.10 Total new obligations .....	10,341	11,107	11,421
73.20 Total outlays (gross) .....	-10,260	-11,414	-11,351
73.40 Adjustments in expired accounts (net) .....	-6		
73.45 Recoveries of prior year obligations .....	-242	-172	
74.40 Obligated balance, end of year .....	1,462	983	1,053
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	4	7
86.93 Outlays from discretionary balances .....	4	3	3
86.97 Outlays from new mandatory authority .....	8,245	9,775	10,027
86.98 Outlays from mandatory balances .....	2,008	1,632	1,314
87.00 Total outlays (gross) .....	10,260	11,414	11,351
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-6		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	10,090	10,579	11,421
90.00 Outlays .....	10,254	11,414	11,351

Payments are made for cash and commodity meal subsidies through the School Lunch, School Breakfast, Special Milk, Summer Food Service, and Child and Adult Care Food programs.

**Object Classification (in millions of dollars)**

Identification code 12-3539-0-1-605	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	7	7	7
12.1 Civilian personnel benefits .....	2	2	2
21.0 Travel and transportation of persons .....	1	1	1
24.0 Printing and reproduction .....	7	7	7
25.2 Other services .....	10	10	16
26.0 Supplies and materials (Commodities) .....	455	646	422
41.0 Grants, subsidies, and contributions .....	9,853	10,434	10,966
99.0 Direct obligations .....	10,335	11,107	11,421
99.0 Reimbursable obligations .....	6		

99.9 Total new obligations .....	10,341	11,107	11,421
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**Personnel Summary**

Identification code 12-3539-0-1-605	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	130	130	130

**CHILD NUTRITION PROGRAMS**

(Legislative proposal, subject to PAYGO)

This legislation would reauthorize programs under the Child Nutrition Act and implement a new system to improve the accuracy of eligibility determinations in the National School Lunch Program beginning in 2005. Any savings from the eligibility determination system would be reinvested in the program to ensure that all eligible children have access to meals and to provide financial incentives to schools that serve meals that meet the dietary guidelines.

**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)**

*For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), \$4,769,232,000, to remain available through September 30, 2005, of which \$20,000,000 shall be for breastfeeding support initiative in addition to the activities specified in section 17(h)(3)(A); \$30,000,000 shall be for a management information system initiative; and \$25,000,000, to remain available until expended, shall be placed in reserve for use in only such amounts, and in such manner, as the Secretary determines necessary, notwithstanding section 17(i) of the Child Nutrition Act, to provide funds to support participation, should costs or participation exceed budget estimates: Provided, That notwithstanding section 17(h)(10)(A) of such Act, \$14,000,000 shall be available for the purposes specified in section 17(h)(10)(B): Provided further, That notwithstanding section 17(g)(5) of such Act, \$7,000,000 shall be available for the Food and Nutrition Service to conduct studies and contract for an evaluation of the effectiveness of the WIC program, and \$5,000,000 shall be for pilot projects to prevent childhood obesity: Provided further, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program: Provided further, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of such Act: Provided further, That none of the funds provided shall be available for activities that are not fully reimbursed by other Federal Government departments or agencies unless authorized by section 17 of such Act.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-3510-0-1-605	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	4,465	4,766	4,971
00.02 Transfer from CCC .....	15		
10.00 Total new obligations (object class 41.0) .....	4,480	4,766	4,971
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	57	125
22.00 New budget authority (gross) .....	4,477	4,726	4,769
22.10 Resources available from recoveries of prior year obligations .....	60	108	227
23.90 Total budgetary resources available for obligation	4,538	4,891	5,121
23.95 Total new obligations .....	-4,480	-4,766	-4,971
23.98 Unobligated balance expiring or withdrawn .....	-1		

24.40	Unobligated balance carried forward, end of year .....	57	125	150
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	4,462	4,726	4,769
Mandatory:				
62.00	Transferred from other accounts .....	15		
70.00	Total new budget authority (gross) .....	4,477	4,726	4,769
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	328	428	268
73.10	Total new obligations .....	4,480	4,766	4,971
73.20	Total outlays (gross) .....	-4,330	-4,818	-4,746
73.40	Adjustments in expired accounts (net) .....	10		
73.45	Recoveries of prior year obligations .....	-60	-108	-227
74.40	Obligated balance, end of year .....	428	268	266
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	3,987	4,348	4,368
86.93	Outlays from discretionary balances .....	328	470	378
86.97	Outlays from new mandatory authority .....	15		
87.00	Total outlays (gross) .....	4,330	4,818	4,746
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	4,477	4,726	4,769
90.00	Outlays .....	4,330	4,818	4,746

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides low-income at-risk pregnant and post-partum women, infants, and children with vouchers for nutritious supplemental food packages, nutrition education and counseling, and health and immunization referrals. The proposed contingency fund will ensure that all eligible persons seeking benefits can be served. This request includes funds for pilot projects to prevent childhood obesity, a breastfeeding support initiative, a project to improve management information systems, and an evaluation of the effectiveness of the WIC program.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out disaster assistance and the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); the Emergency Food Assistance Act of 1983; special assistance for the nuclear affected islands, as authorized by section 103(h)(2) of the Compacts of Free Association Act of 1985; and the Farmers' Market Nutrition Program, as authorized by section 17(m) of the Child Nutrition Act of 1966, \$166,072,000, to remain available through September 30, 2005: Provided, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-3507-0-1-605	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Commodity supplemental food program:				
00.01	Commodity procurement .....	81	76	73
00.02	Administrative costs .....	23	19	22
00.91	Subtotal, commodity supplemental food program .....	104	95	95
The emergency food assistance program:				
02.01	Administrative costs .....	50	50	50
03.01	Senior farmers' market .....	15	15	15
04.01	Farmers' Market Nutrition Program .....			20
05.01	Pacific Island and Disaster Assistance .....			1
09.01	Reimbursable program .....	5		
10.00	Total new obligations .....	174	160	181
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	15		
22.00	New budget authority (gross) .....	160	160	181
23.90	Total budgetary resources available for obligation .....	175	160	181

23.95	Total new obligations .....	-174	-160	-181
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	153	145	166
40.36	Unobligated balance rescinded .....	-3		
43.00	Appropriation (total discretionary) .....	150	145	166
Mandatory:				
62.00	Transferred from other accounts .....	5	15	15
69.00	Offsetting collections (cash) .....	5		
70.00	Total new budget authority (gross) .....	160	160	181
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	17	27	28
73.10	Total new obligations .....	174	160	181
73.20	Total outlays (gross) .....	-164	-159	-179
74.40	Obligated balance, end of year .....	27	28	30
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	131	131	150
86.93	Outlays from discretionary balances .....	29	19	14
86.97	Outlays from new mandatory authority .....	4	8	8
86.98	Outlays from mandatory balances .....		1	7
87.00	Total outlays (gross) .....	164	159	179
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-5		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	155	160	181
90.00	Outlays .....	159	159	179

This account funds the Commodity Supplemental Food Program (CSFP), the Emergency Food Assistance Program (TEFAP), farmers' market nutrition programs, assistance for the nuclear affected islands, and disaster relief.

CSFP provides food packages for low-income women, infants, and children as well as low-income elderly persons. It also funds State administrative expenses.

TEFAP provides cash to support State administrative activities and maintain the storage and distribution pipeline for USDA and privately donated commodities.

This account funds two farmers' market nutrition programs which provide low-income participants vouchers for fresh produce at farmers' markets. The first, for seniors, is funded by transfer from the Commodity Credit Corporation. The second, for women, infants, and children, was previously funded in the WIC account.

Assistance for the nuclear affected islands and disaster relief was previously funded in the Food Donations Programs account.

Object Classification (in millions of dollars)

Identification code 12-3507-0-1-605	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
26.0	Supplies and materials (commodities) .....	82	76	76
41.0	Grants, subsidies, and contributions .....	87	84	105
99.0	Direct obligations .....	169	160	181
99.0	Reimbursable obligations .....	5		
99.9	Total new obligations .....	174	160	181

FOOD DONATIONS PROGRAMS

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General and special funds—Continued**

**FOOD DONATIONS PROGRAMS—Continued**

**Program and Financing (in millions of dollars)**

Identification code 12-3503-0-1-605	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Nutrition program for the elderly .....	150		
00.02 Pacific island assistance .....	1	1	
10.00 Total new obligations .....	151	1	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		
22.00 New budget authority (gross) .....	151	1	
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	153	1	
23.95 Total new obligations .....	-151	-1	
23.98 Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	151	1	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	48	39	
73.10 Total new obligations .....	151	1	
73.20 Total outlays (gross) .....	-157	-40	
73.40 Adjustments in expired accounts (net) .....	-2		
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	39		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	109	1	
86.93 Outlays from discretionary balances .....	48	39	
87.00 Total outlays (gross) .....	157	40	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	151	1	
90.00 Outlays .....	158	40	

This account includes the Nutrition Services Incentive Program which provides cash and commodities for elderly persons served in senior citizens' centers and similar settings. The budget continues the 2003 proposal to consolidate this program with elderly meals programs in the Department of Health and Human Services. The budget also funds assistance for the nuclear affected islands and disaster relief in the commodity assistance program account, beginning in 2004.

**Object Classification (in millions of dollars)**

Identification code 12-3503-0-1-605	2002 actual	2003 est.	2004 est.
26.0 Supplies and materials (grants of commodities to States) .....	3	1	
41.0 Grants, subsidies, and contributions .....	148		
99.9 Total new obligations .....	151	1	

**FOREST SERVICE**

**Federal Funds**

**General and special funds:**

**NATIONAL FOREST SYSTEM**

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, \$1,369,573,000, to remain available until expended, which shall include 50 percent of all moneys received during prior fiscal years as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 460l-6a(i)): Provided, That unobligated balances available at the start of fiscal year 2004 shall be displayed by budget line item in the fiscal year 2005 budget justification: Pro-

vided further, That the Secretary may authorize the expenditure or transfer of such sums as necessary to the Department of the Interior, Bureau of Land Management for removal, preparation, and adoption of excess wild horses and burros from National Forest System lands. For an additional amount to reimburse the Judgment Fund as required by 41 U.S.C. 612(c) for judgment liabilities previously incurred, \$188,405,000.

Note.—A regular 2003 appropriations for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-1106-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 National forest system .....	1,249	1,520	1,369
09.01 Reimbursable program .....	113	50	50
10.00 Total new obligations .....	1,362	1,570	1,419
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	264	222	68
22.00 New budget authority (gross) .....	1,299	1,416	1,420
22.10 Resources available from recoveries of prior year obligations .....	22		
22.21 Unobligated balance transferred to other accounts .....	-1		
23.90 Total budgetary resources available for obligation .....	1,584	1,638	1,488
23.95 Total new obligations .....	-1,362	-1,570	-1,419
24.40 Unobligated balance carried forward, end of year .....	222	68	69
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,332	1,366	1,370
40.35 Appropriation rescinded .....	-3		
41.00 Transferred to other accounts .....	-159		
42.00 Transferred from other accounts .....	1		
43.00 Appropriation (total discretionary) .....	1,170	1,366	1,370
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	113	50	50
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	15		
68.90 Spending authority from offsetting collections (total discretionary) .....	128	50	50
70.00 Total new budget authority (gross) .....	1,299	1,416	1,420
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	248	74	234
73.10 Total new obligations .....	1,362	1,570	1,419
73.20 Total outlays (gross) .....	-1,491	-1,410	-1,420
73.40 Adjustments in expired accounts (net) .....	-8		
73.45 Recoveries of prior year obligations .....	-22		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-15		
74.40 Obligated balance, end of year .....	74	234	231
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	997	1,211	1,215
86.93 Outlays from discretionary balances .....	494	199	205
87.00 Total outlays (gross) .....	1,491	1,410	1,420
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-28	-13	-13
88.40 Non-Federal sources .....	-85	-37	-37
88.90 Total, offsetting collections (cash) .....	-113	-50	-50
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-15		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,171	1,366	1,370
90.00 Outlays .....	1,378	1,360	1,370
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	61	64	68
99.01 Outlays .....	61	64	68

The 156 National Forests, 20 National Grasslands, and nine land utilization projects located in 44 States, Puerto Rico, and the Virgin Islands are managed under multiple-use and sustained-yield principles. The natural resources of timber, minerals, range, wildlife, outdoor recreation, watershed, and soil are used in a planned combination that will best meet the needs of the Nation without impairing productivity of the land or damaging the environment. These management and utilization principles are recognized in the Multiple-Use, Sustained-Yield Act of 1960 (16 U.S.C. 528–531) and use an ecological approach to managing the National Forest System.

National Forest System (NFS) operations and maintenance provide for the planning, assessment, and conservation of ecosystems while delivering multiple public services and uses. These are delivered through the principal NFS programs of land management planning; inventory and monitoring; recreation, heritage, and wilderness; wildlife and fisheries habitat management; grazing management; forest products; vegetation and watershed management; minerals and geology management; landownership management; and law enforcement operations. These programs maintain the capability to manage natural resources in a manner consistent with ecological principles and responsibilities.

**Object Classification** (in millions of dollars)

Identification code 12–1106–0–1–302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	578	571	571
11.3 Other than full-time permanent .....	47	46	46
11.5 Other personnel compensation .....	31	31	31
11.9 Total personnel compensation .....	656	648	648
12.1 Civilian personnel benefits .....	181	179	179
13.0 Benefits for former personnel .....	3	3	3
21.0 Travel and transportation of persons .....	38	39	39
23.1 Rental payments to GSA .....	84	85	87
24.0 Printing and reproduction .....	2	2	2
25.2 Other services .....	224	501	347
26.0 Supplies and materials .....	36	37	38
31.0 Equipment .....	18	19	19
32.0 Land and structures .....	2	2	2
41.0 Grants, subsidies, and contributions .....	2	2	2
42.0 Insurance claims and indemnities .....	2	2	2
43.0 Interest and dividends .....	1	1	1
99.0 Direct obligations .....	1,249	1,520	1,369
99.0 Reimbursable obligations .....	113	50	50
99.9 Total new obligations .....	1,362	1,570	1,419

**Personnel Summary**

Identification code 12–1106–0–1–302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	14,969	14,366	13,844
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	1,379	1,324	1,276
<b>Allocation account:</b>			
<b>Total compensable workyears:</b>			
3001 Civilian full-time equivalent employment .....	746	746	746

**CAPITAL IMPROVEMENT AND MAINTENANCE**

For necessary expenses of the Forest Service, not otherwise provided for, \$524,571,000, to remain available until expended for construction, reconstruction, maintenance, and acquisition of buildings and other facilities, and for construction, reconstruction, repair, and maintenance of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532–538 and 23 U.S.C. 101 and 205.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12–1103–0–1–302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Capital improvement and maintenance .....	447	655	526
09.01 Reimbursable program .....	11	19	19
10.00 Total new obligations .....	458	674	545
<b>Budgetary resources available for obligation:</b>			
21.00 Unobligated balance carried forward, start of year .....	123	130	27
22.00 New budget authority (gross) .....	465	571	544
23.90 Total budgetary resources available for obligation .....	588	701	571
23.95 Total new obligations .....	–458	–674	–545
24.40 Unobligated balance carried forward, end of year .....	130	27	26
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	546	552	525
40.35 Appropriation rescinded .....	–1		
41.00 Transferred to other accounts .....	–97		
42.00 Transferred from other accounts .....	7		
43.00 Appropriation (total discretionary) .....	455	552	525
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	13	19	19
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	–3		
68.90 Spending authority from offsetting collections (total discretionary) .....	10	19	19
70.00 Total new budget authority (gross) .....	465	571	544
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	227	129	238
73.10 Total new obligations .....	458	674	545
73.20 Total outlays (gross) .....	–559	–565	–523
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	3		
74.40 Obligated balance, end of year .....	129	238	260
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	359	433	413
86.93 Outlays from discretionary balances .....	200	132	110
87.00 Total outlays (gross) .....	559	565	523
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	–9	–15	–15
88.40 Non-Federal sources .....	–4	–4	–4
88.90 Total, offsetting collections (cash) .....	–13	–19	–19
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	3		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	455	552	525
90.00 Outlays .....	546	546	504
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	16	16	21
99.01 Outlays .....	16	16	21

Funding provides for capital improvement and maintenance of facilities, roads, and trails. The program emphasizes: better resource management decisions based on the best scientific information and knowledge; an efficient and effective infrastructure that supports public and administrative uses; and quality recreation experiences with minimal impact to ecosystem stability and conditions.

Facilities.—Provides for capital improvement and maintenance of research, fire, administrative, and other (FA&O), and recreation facilities, including site components such as roads and trails and the acquisition of buildings and other facilities necessary to carry out the mission of the Forest Service. Capital Improvement includes: new construction of

**General and special funds—Continued**

**CAPITAL IMPROVEMENT AND MAINTENANCE—Continued**

a facility; alteration of an existing facility to change the function; and expansion of a facility to change the capacity or to serve needs that are different from what was originally intended. Maintenance is divided into four primary areas: annual maintenance, deferred maintenance, decommissioning, and operations. Deferred maintenance work includes the repair, rehabilitation, or replacement of the facility or components of the facility.

**Roads.**—Provides for capital improvement and maintenance of roads. The program also focuses on decommissioning unneeded roads and/or roads that are degrading the ecosystem. Capital improvement includes: new road construction; alteration of an existing road to change the function; and expansion of the road to change the capacity or to serve needs that are different from what was originally intended. The agency will continue to address the growing road system maintenance backlog. Funding priorities are health and safety, resource protection, and mission critical needs. Maintenance is divided into four primary areas: annual road maintenance, deferred road maintenance, road operations, and decommissioning.

**Trails.**—Provides for capital improvement and maintenance of trails. Capital improvement includes: new trail construction; alteration of an existing trail to change the function; and expansion of the trail to change the capacity or to serve needs that are different from what was originally intended. Maintenance funding is used to protect capital investments by keeping trails open for access and protecting vegetation, soil, and water quality. Work includes clearing the pathway of encroaching vegetation and fallen trees, and repairing or improving trail signs, treadways, drainage facilities, and bridges. Maintenance is divided into four primary areas: annual trail maintenance, deferred trail maintenance, trail operations, and trail decommissioning.

**Infrastructure Improvement.**—Ameliorates the backlog in deferred maintenance of National Forest System roads and trails as well as Forest Service fire, administrative, and recreation facilities. The funds focus on critical maintenance backlogs; i.e., these additional funds are for repair and rehabilitation of existing facilities and roads; funds may not be used for new and expanded facilities or roads.

**Object Classification (in millions of dollars)**

Identification code 12-1103-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	146	145	145
11.3 Other than full-time permanent .....	17	17	17
11.5 Other personnel compensation .....	7	7	7
11.9 Total personnel compensation .....	170	169	169
12.1 Civilian personnel benefits .....	46	46	46
13.0 Benefits for former personnel .....	2	2	2
21.0 Travel and transportation of persons .....	9	9	10
23.1 Rental payments to GSA .....	16	16	16
25.2 Other services .....	150	358	228
26.0 Supplies and materials .....	10	10	10
31.0 Equipment .....	6	6	6
32.0 Land and structures .....	38	39	39
99.0 Direct obligations .....	447	655	526
99.0 Reimbursable obligations .....	11	19	19
99.9 Total new obligations .....	458	674	545

**Personnel Summary**

Identification code 12-1103-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	4,116	3,972	3,828

Reimbursable:				
Total compensable workyears:				
2001	Civilian full-time equivalent employment .....	59	57	55

**FOREST AND RANGELAND RESEARCH**

*For necessary expenses of forest and rangeland research as authorized by law, \$252,170,000, to remain available until expended: Provided, That the Chief of the Forest Service may make available by outlease agreements with other Federal agencies or non-Federal public or private entities any unused or underused portion or interest in any agency real and related personal property, and may retain and use the proceeds of such agreements in carrying out the research programs of the agency. Property proposed for outlease must not be property otherwise required to be reported excess under the Federal Property and Administrative Services of 1949, as amended. Outleases shall be made competitively, and be based on the fair market value of the property.*

**GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH**

*For expenses authorized by 16 U.S.C. 1643(b), \$92,000, to remain available until expended, to be derived from the fund established pursuant to the above Act.*

*Note.*—A regular 2003 appropriation for its account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 12-1104-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.06 Forest and rangeland research .....	253	253	252
09.01 Reimbursable program .....	27	23	23
10.00 Total new obligations .....	280	276	275
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	75	23	13
22.00 New budget authority (gross) .....	224	266	276
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation	301	289	289
23.95 Total new obligations .....	-280	-276	-275
24.40 Unobligated balance carried forward, end of year .....	23	13	14
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	241	243	253
40.35 Appropriation rescinded .....	-1		
41.00 Transferred to other accounts .....	-1		
42.00 Transferred from other accounts .....	1		
43.00 Appropriation (total discretionary) .....	241	243	253
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	27	23	23
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-43		
68.90 Spending authority from offsetting collections (total discretionary) .....	-16	23	23
70.00 Total new budget authority (gross) .....	224	266	276
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	38	81	164
73.10 Total new obligations .....	280	276	275
73.20 Total outlays (gross) .....	-277	-193	-273
73.45 Recoveries of prior year obligations .....	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	43		
74.40 Obligated balance, end of year .....	81	164	166
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	153	186	193
86.93 Outlays from discretionary balances .....	124	7	80
87.00 Total outlays (gross) .....	277	193	273

<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-27	-23	-23
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	43		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	240	243	253
90.00	Outlays	250	170	250
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	6	11	13
99.01	Outlays	6	11	13

The mission of Forest and Rangeland Research is to serve society by developing and communicating the scientific information and technology needed to protect, manage, use, and sustain the natural resources of the Nation's forests and rangelands. Research is the key to sustaining our forest and rangeland productivity and health while addressing natural resource needs. Forest and Rangeland Research is conducted through six Forest and Range Experiment Station headquarters and their research work units, the Forest Products Laboratory, and the International Institute of Tropical Forestry.

Priority continues on supporting the implementation of forest planning regulations. This includes developing measurement systems for assessing watershed integrity, applying measurement systems for watershed assessment, providing information about compatible forest uses and fire management control strategies. Funds are also included for global climate change research, particularly the use of small diameter trees for biomass energy uses and carbon cycle studies. Finally, work will continue on development of improved quantitative analytical tools to support forest planning goals to maximize net public benefits in a more objective and transparent manner.

The budget includes \$5 million for new priority research for sudden oak death, invasive species, and biobased products.

**Object Classification** (in millions of dollars)

Identification code 12-1104-0-1-302	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent	117	116	116
11.3	Other than full-time permanent	8	8	8
11.5	Other personnel compensation	3	3	3
11.9	Total personnel compensation	128	127	127
12.1	Civilian personnel benefits	33	32	32
21.0	Travel and transportation of persons	11	12	12
23.1	Rental payments to GSA	13	13	13
24.0	Printing and reproduction	1	1	1
25.2	Other services	33	34	33
26.0	Supplies and materials	27	27	26
31.0	Equipment	4	4	5
41.0	Grants, subsidies, and contributions	3	3	3
99.0	Direct obligations	253	253	252
99.0	Reimbursable obligations	27	23	23
99.9	Total new obligations	280	276	275

**Personnel Summary**

Identification code 12-1104-0-1-302	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
<b>Total compensable workyears:</b>				
1001	Civilian full-time equivalent employment	2,384	2,301	2,217
<b>Reimbursable:</b>				
<b>Total compensable workyears:</b>				
2001	Civilian full-time equivalent employment	110	106	102

**STATE AND PRIVATE FORESTRY**

For necessary expenses of cooperating with and providing technical and financial assistance to States, territories, possessions, and others, and for forest health management, including treatments of pests, pathogens, and invasive or noxious plants, cooperative forestry, and education and land conservation activities and conducting an international program as authorized, \$315,823,000, to remain available until expended, of which \$194,311,000 is to be derived from the Land and Water Conservation Fund: Provided, That: \$103,502,000 is for conservation spending category activities; Provided further, That up to \$11,968,000 may be used by the Secretary solely for: (1) rapid response to new introductions of non-native or invasive pests or pathogens in which no previous federal funding has been identified to address, or (2) for a limited number of instances in which any pest populations increase at over 150 percent of levels monitored for that species in the immediately preceding fiscal year and failure to suppress those populations would lead to a 10-percent increase of annual forest or stand mortality over ambient mortality levels.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 12-1105-0-1-302	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	State and private forestry	284	316	314
09.01	Reimbursable program	6	8	8
10.00	Total new obligations	290	324	322
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	39	51	24
22.00	New budget authority (gross)	302	297	349
23.90	Total budgetary resources available for obligation	341	348	373
23.95	Total new obligations	-290	-324	-322
24.40	Unobligated balance carried forward, end of year	51	24	51
<b>New budget authority (gross), detail:</b>				
<b>Discretionary:</b>				
40.00	Appropriation	291	277	122
40.20	Appropriation (LWCF)			194
40.35	Appropriation rescinded	-1	-8	
42.00	Transferred from other accounts	7		
43.00	Appropriation (total discretionary)	297	269	316
<b>Mandatory:</b>				
62.00	Transferred from other accounts		20	25
<b>Spending authority from offsetting collections:</b>				
<b>Discretionary:</b>				
68.00	Offsetting collections (cash)	10	8	8
68.10	Change in uncollected customer payments from Federal sources (unexpired)	-5		
68.90	Spending authority from offsetting collections (total discretionary)	5	8	8
70.00	Total new budget authority (gross)	302	297	349
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	357	341	360
73.10	Total new obligations	290	324	322
73.20	Total outlays (gross)	-311	-305	-340
74.00	Change in uncollected customer payments from Federal sources (unexpired)	5		
74.40	Obligated balance, end of year	341	360	343
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	234	217	246
86.93	Outlays from discretionary balances	77	73	70
86.97	Outlays from new mandatory authority		15	19
86.98	Outlays from mandatory balances			5
87.00	Total outlays (gross)	311	305	340
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-10	-8	-8
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	5		

General and special funds—Continued

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1105-0-1-302	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	297	289	341
90.00 Outlays .....	301	297	332
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	4	4	4
99.01 Outlays .....	4	4	4

State and private forestry programs provide assistance to manage, use, and protect forest resources on State, urban, and private lands to meet domestic and international demands for goods and services. Assistance is provided to a wide range of customers including all States, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific.

*Forest Health Management.*—Includes Federal lands, and cooperative lands and proposed funding to address emergency pests and pathogens.

*Cooperative Fire Protection.*—Includes funding to enhance the capacity of States to provide coordinated fire suppression response and to promote safe and effective initial fire attack in wildland/urban interface areas by volunteer fire departments.

*Cooperative Forestry.*—Includes forest stewardship, the forest legacy program, urban and community forestry and forest resources and information analysis. This budget proposes significant increases to programs that help maintain the integrity of our country's valuable forest lands. Increased funding is provided for the Forest Legacy program, a federal program that partners with states to leverage funding and support state efforts to protect environmentally sensitive forest lands. Additional funding is also provided for the Forest Stewardship program, which will bring valuable professional assistance to non-industrial private forest (NIPF) landowners to encourage sound environmental management of forests and to ensure that the social, economic, and environmental benefits of these lands are realized.

*International Programs.*—The programs will emphasize habitat protection for migratory birds along the length of flyways, preventing the introduction of new invasive species, and sustainable forestry techniques development for other timber exporting nations.

Object Classification (in millions of dollars)

Identification code 12-1105-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	42	41	41
11.3 Other than full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	1	2	2
11.9 Total personnel compensation .....	46	46	46
12.1 Civilian personnel benefits .....	11	11	11
21.0 Travel and transportation of persons .....	6	6	6
23.1 Rental payments to GSA .....	5	5	5
25.2 Other services .....	25	25	25
26.0 Supplies and materials .....	10	10	10
31.0 Equipment .....	1	1	1
41.0 Grants, subsidies, and contributions .....	190	212	210
99.0 Direct obligations .....	284	316	314
99.0 Reimbursable obligations .....	6	8	8
99.9 Total new obligations .....	290	324	322

Personnel Summary

Identification code 12-1105-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	862	831	801
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	47	46	44

MANAGEMENT OF NATIONAL FOREST LANDS FOR SUBSISTENCE USES

*For necessary expenses of the Forest Service to manage federal lands in Alaska for subsistence uses under title VIII of the Alaska National Interest Lands Conservation Act (Public Law 96-487), \$5,535,000, to remain available until expended, of which not to exceed \$100,000 per annum may be used to reimburse the Office of General Counsel, Department of Agriculture, for salaries and related expenses incurred in providing legal services in relation to subsistence management.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1119-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	7	5	6
10.00 Total new obligations .....	7	5	6
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	.....	1
22.00 New budget authority (gross) .....	5	6	6
23.90 Total budgetary resources available for obligation .....	7	6	7
23.95 Total new obligations .....	-7	-5	-6
24.40 Unobligated balance carried forward, end of year .....	.....	1	1
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	5	6	6
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	3	2
73.10 Total new obligations .....	7	5	6
73.20 Total outlays (gross) .....	-5	-6	-6
74.40 Obligated balance, end of year .....	3	2	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	6	6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	6	6
90.00 Outlays .....	7	6	6

Funding under this program primarily supports fisheries and wildlife habitat management activities in the areas of population assessment, forecasting, harvest regulations, and law enforcement to ensure that the subsistence needs of qualified rural Alaskans are met under the Alaska National Interest Lands Conservation Act (Public Law 96-487).

Object Classification (in millions of dollars)

Identification code 12-1119-0-1-302	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	4	2	3
26.0 Supplies and materials .....	1	1	1
99.9 Total new obligations .....	7	5	6

Personnel Summary

Identification code 12-1119-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	22	22	22

WILDLAND FIRE MANAGEMENT

For necessary expenses for forest fire presuppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, hazardous fuels reduction on or adjacent to such lands, and for emergency rehabilitation of burned-over National Forest System lands and water, \$1,541,775,000, to remain available until expended: Provided, That such funds including unobligated balances under this head, are available for repayment of advances from other appropriations accounts previously transferred for such purposes: Provided further, That notwithstanding any other provision of law, \$8,000,000 of funds appropriated under this appropriation shall be used for Fire Science Research in support of the Joint Fire Science Program: Provided further, That all authorities for the use of funds, including the use of contracts, grants, and cooperative agreements, available to execute the Forest and Rangeland Research appropriation, are also available in the utilization of these funds for Fire Science Research: Provided further, That funds provided shall be available for emergency rehabilitation and restoration, hazardous fuels reduction activities in the urban-wildland interface, support to Federal emergency response, and wildfire suppression activities of the Forest Service: Provided further, That of the funds provided, \$231,392,000 is for hazardous fuels reduction activities, \$21,427,000 is for research activities and to make competitive research grants pursuant to the Forest and Rangeland Renewable Resources Research Act, as amended (16 U.S.C. 1641 et seq.), \$46,455,000 is for state fire assistance, \$8,240,000 is for volunteer fire assistance, and \$11,934,000 is for forest health activities on state, private, and Federal lands: Provided further, That amounts in this paragraph may be transferred to the "State and Private Forestry," "National Forest System," and "Forest and Rangeland Research" accounts to fund state fire assistance, volunteer fire assistance, forest health management, forest and rangeland research, vegetation and watershed management, heritage site rehabilitation, and wildlife and fish habitat management and restoration: Provided further, That notice of transfers of any amounts in excess of those authorized in this paragraph, shall be transmitted to the House and Senate Committees on Appropriations: Provided further, That the costs of implementing any cooperative agreement between the Federal government and any non-Federal entity may be shared, as mutually agreed on by the affected parties: Provided further, That in addition to funds provided for State Fire Assistance programs, and subject to all authorities available to the Forest Service under the State and Private Forestry Appropriations, up to \$15,000,000 may be used on adjacent non-Federal lands for the purpose of protecting communities when hazard reduction activities are planned on national forest lands that have the potential to place such communities at risk: Provided further, That: in using the funds provided in this Act for hazardous fuels reduction activities, the Secretary of Agriculture may conduct fuel reduction treatments on Federal lands using all contracting and hiring authorities available to the Secretary to hazardous fuel reduction activities under the wildland fire management accounts: Provided further, That with regard to such activities, and notwithstanding requirements of the Competition in Contracting Act but subject to any such requirements as the Director of the Office of Management and Budget may prescribe, the Secretary of Agriculture may obtain maximum practicable competition among: (A) local private, nonprofit, or cooperative entities; (B) Youth Conservation Corps crews or related partnerships with state, local, or nonprofit youth groups; (C) small or micro-business; or (D) other entities that will hire or train locally a significant percentage, defined as 50 percent or more, of the project workforce to complete such contracts: Provided further, That in implementing this section, the Secretary shall develop written guidance to field units to ensure accountability and consistent application of authorities provided herein:

(A) The Secretary of Agriculture may transfer or reimburse funds to the United States Fish and Wildlife Service of the Department of the Interior, or the National Marine Fisheries Service of the Department of Commerce, for the costs of carrying out their responsibilities under the Endangered Species Act of 1973 (16 U.S.C. 1531

et seq.) to consult and conference as required by section 7 of such Act in connection with wildland fire management activities in fiscal years 2003 and 2004.

(B) Only those funds appropriated for fiscal years 2003 and 2004 to Forest Service (USDA) for wildland fire management are available to the Secretary of Agriculture for such transfer or reimbursement.

(C) The amount of the transfer or reimbursement shall be as mutually agreed by the Secretary of Agriculture and the Secretary of the Interior or Secretary of Commerce, as applicable, or their designees. The amount shall in no case exceed the actual costs of consultation and conferencing in connection with wildland fire management activities affecting National Forest System lands.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1115-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Wildland fire management .....	1,637	1,569	1,533
09.01 Reimbursable program .....	458	60	60
10.00 Total new obligations .....	2,095	1,629	1,593
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	96	268	68
22.00 New budget authority (gross) .....	2,248	1,429	1,602
22.10 Resources available from recoveries of prior year obligations .....	19		
23.90 Total budgetary resources available for obligation .....	2,363	1,697	1,670
23.95 Total new obligations .....	-2,095	-1,629	-1,593
24.40 Unobligated balance carried forward, end of year .....	268	68	77
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,834	1,369	1,542
40.35 Appropriation rescinded .....	-4		
41.00 Transferred to other accounts .....	-282		
42.00 Transferred from other accounts .....	248		
43.00 Appropriation (total discretionary) .....	1,796	1,369	1,542
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	458	60	60
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-6		
68.90 Spending authority from offsetting collections (total discretionary) .....	451	60	60
70.00 Total new budget authority (gross) .....	2,248	1,429	1,602
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	177	162	31
73.10 Total new obligations .....	2,095	1,629	1,593
73.20 Total outlays (gross) .....	-2,097	-1,760	-1,605
73.45 Recoveries of prior year obligations .....	-19		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	6		
74.40 Obligated balance, end of year .....	162	31	17
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,636	1,286	1,442
86.93 Outlays from discretionary balances .....	461	474	163
87.00 Total outlays (gross) .....	2,097	1,760	1,605
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-458	-60	-60
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	6		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,796	1,369	1,542
90.00 Outlays .....	1,639	1,700	1,545
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	54	57	62
99.01 Outlays .....	54	57	62

General and special funds—Continued

WILDLAND FIRE MANAGEMENT—Continued

*Wildland fire management.*—This appropriation provides funding for Forest Service fire management, presuppression, and suppression on National Forest System lands, adjacent State and private lands, and other lands under fire protection agreement.

The budget places additional emphasis on economic opportunities for rural communities who have experienced job losses from federal timber harvest reductions coupled with an increased threat of wildfire. The budget increases the availability of funds for contracts, expands competitive outsourcing, and provides an expanded authority for local preference.

To address wildfire suppression costs that have risen dramatically over the past few years, this budget proposes a number of management initiatives to ensure sound financial management and that funds are spent in the most targeted and cost-effective way. Specifically, the Administration proposes that the Forest Service:

- Form a review team to evaluate and develop cost containment strategies.
- Revise procedures to improve reporting of fire suppression spending.
- Assess cost-share agreements to ensure consistency and equitability.
- Increase state and local incentives to reduce their risks of catastrophic fire.

*Preparedness.*—To protect National forest system (NFS) lands from damage by wildfires commensurate with the threat to life, values at risk, public values, and management objectives.

Preparedness provides the basic fire organization and capability to prevent forest fires and to take prompt, effective initial attack suppression operations action on wildfires. This funding covers expenses associated with planning, prevention, detection, information, and education; pre-incident training; equipment and supply purchase and replacement; and other preparedness activities, including the base salary and travel of the regular Forest Service firefighting organization. Through this program the Forest Service also assists other Federal agencies and States with training programs, planning assistance, sharing joint equipment use contracts, and inter-agency fire coordination centers.

*Fire Operations.*—To efficiently suppress wildland fires on or threatening NFS lands or other lands under fire protection agreement. Fire Operations provides funds for all hazardous fuel reduction program activities including planning and implementation, mechanical treatments, prescribed fire, and monitoring of fuel treatment accomplishments. Fuel treatment activities are performed to minimize the potential for large, destructive wildfires.

Fire Operations funds are used to immediately and efficiently rehabilitate severely burned NFS lands to prevent further destruction of natural resources and property, including soil loss and flooding. Funds are used to increase the level of fire preparedness when predicted or actual burning conditions exceed normal levels and are also used to support the joint fire sciences program.

The funds provided continue a strong focus on implementation of the National fire plan to protect and manage the impact of wildfires on communities and the environment. In addition to funds specifically for hazardous fuels reduction, fire suppression, and fire readiness, additional funding is provided to continue fire research and rehabilitation activities. Additionally, funds are provided to enhance state and private programs that will contribute to cooperative fire assistance, increased fire department readiness, and forest health programs to reduce fire risk. Funds would also be available to

support Fish and Wildlife Service and National Marine Fisheries Service consultation for project and Endangered Species Act review.

Object Classification (in millions of dollars)

Identification code 12-1115-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	353	354	354
11.3 Other than full-time permanent .....	58	58	58
11.5 Other personnel compensation .....	260	261	260
11.9 Total personnel compensation .....	671	673	672
12.1 Civilian personnel benefits .....	138	139	139
13.0 Benefits for former personnel .....	6	6	7
21.0 Travel and transportation of persons .....	69	71	71
23.1 Rental payments to GSA .....	49	50	51
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	627	452	413
26.0 Supplies and materials .....		100	100
31.0 Equipment .....	32	32	33
32.0 Land and structures .....	2	2	2
41.0 Grants, subsidies, and contributions .....	40	41	42
42.0 Insurance claims and indemnities .....	1	1	1
43.0 Interest and dividends .....	1	1	1
99.0 Direct obligations .....	1,637	1,569	1,533
99.0 Reimbursable obligations .....	458	60	60
99.9 Total new obligations .....	2,095	1,629	1,593

Personnel Summary

Identification code 12-1115-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	9,431	9,187	8,854
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	73	71	69

SOUTHEAST ALASKA ECONOMIC DISASTER FUND

Program and Financing (in millions of dollars)

Identification code 12-1108-0-1-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	5		
10.00 Total new obligations (object class 41.0) .....	5		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5		
23.95 Total new obligations .....	-5		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6		
73.10 Total new obligations .....	5		
73.20 Total outlays (gross) .....	-10		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	10		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	10		

Public Law 104-134 established this appropriation, for the period 1996 through 2002, to provide assistance to employ former timber workers in Wrangell and Sitka and for related community development projects in Sitka, Wrangell, Ketchikan, and selected organized boroughs in Southeast Alaska. The program established direct payments to these and other localities in Southeast Alaska. Distribution to the unorganized boroughs was based on the proportion of 1995

timber receipts from each borough. No funding was appropriated for 2002 and none is requested for 2003 or 2004.

**RANGE BETTERMENT FUND**

*For necessary expenses of range rehabilitation, protection, and improvement, 50 percent of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the 16 Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended, of which not to exceed 6 percent shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 12-5207-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	2	2	2
Receipts:			
02.20 Cooperative range improvements .....	3	3	3
04.00 Total: Balances and collections .....	5	5	5
Appropriations:			
05.00 Range betterment fund .....	-3	-3	-3
07.99 Balance, end of year .....	2	2	2

**Program and Financing (in millions of dollars)**

Identification code 12-5207-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Range betterment fund .....	2	5	3
10.00 Total new obligations .....	2	5	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	2	1
22.00 New budget authority (gross) .....	3	3	3
23.90 Total budgetary resources available for obligation	4	5	4
23.95 Total new obligations .....	-2	-5	-3
24.40 Unobligated balance carried forward, end of year .....	2	1	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) .....	3	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		2
73.10 Total new obligations .....	2	5	3
73.20 Total outlays (gross) .....	-3	-3	-3
74.40 Obligated balance, end of year .....		2	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	2	2
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	3	3
90.00 Outlays .....	3	3	3

Fifty percent of grazing fees from National Forests in the 16 western States, once appropriated, are used to protect and improve rangeland productivity primarily through revegetation, construction and reconstruction, and maintenance of improvements under authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751), as amended.

**Object Classification (in millions of dollars)**

Identification code 12-5207-0-2-302	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1

26.0	Supplies and materials .....	1	4	2
99.9	Total new obligations .....	2	5	3

**Personnel Summary**

Identification code 12-5207-0-2-302	2002 actual	2003 est.	2004 est.	
Direct:				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	21	33	33

**LAND ACQUISITION**

*For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, \$44,130,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, and to be for the conservation activities defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for the purposes of such Act.*

**ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS**

*For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, \$1,069,000, to be derived from forest receipts.*

**ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES**

*For acquisition of lands, such sums, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities, and for authorized expenditures, such sums to be derived from funds deposited by non-federal parties pursuant to land sale and exchange acts, pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended. (16 U.S.C. 4601-4-11, 4601-516-617a, 555a; P.L. 96-586; P.L. 76-589, 76-591; 78-310, and 16 U.S.C. 484a)*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 12-9923-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....		5	5
Receipts:			
02.20 Offsetting receipts (proprietary) .....	6	1	1
04.00 Total: Balances and collections .....	6	6	6
Appropriations:			
05.00 Land acquisition .....	-1	-1	-1
07.99 Balance, end of year .....	5	5	5

**Program and Financing (in millions of dollars)**

Identification code 12-9923-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Land acquisition .....	251	152	50
10.00 Total new obligations .....	251	152	50
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	126	27	7
22.00 New budget authority (gross) .....	151	132	45
23.90 Total budgetary resources available for obligation	277	159	52
23.95 Total new obligations .....	-251	-152	-50
24.40 Unobligated balance carried forward, end of year .....	27	7	4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation (special fund):			
40.20 Appropriation (LWCF) .....	150	131	44
40.20 Appropriation (special act) .....	1	1	1

General and special funds—Continued

LAND ACQUISITION—Continued

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-9923-0-2-302	2002 actual	2003 est.	2004 est.
43.00 Appropriation (total discretionary) .....	151	132	45
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	15	1	38
73.10 Total new obligations .....	251	152	50
73.20 Total outlays (gross) .....	-260	-115	-75
73.40 Adjustments in expired accounts (net) .....	-5		
74.40 Obligated balance, end of year .....	1	38	11
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	100	87	30
86.93 Outlays from discretionary balances .....	160	28	45
87.00 Total outlays (gross) .....	260	115	75
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	151	132	45
90.00 Outlays .....	260	115	75

This appropriation consolidates land acquisition authorities for acquisition of lands, waters, or interest therein, as authorized by law.

*Land and water conservation fund.*—Recreation lands and interests are acquired within areas of the National Forest System, wilderness, wildlife and fisheries habitat management areas, and endangered species and other areas for public outdoor recreation purposes.

*Acquisition of Lands of National Forests, Special Acts.*—To acquire lands within critical watersheds to provide soil stabilization and restoration of vegetation. Public Laws 76-589, 76-591 and 78-310 (54 Stat. 297, 298, 299, and 402; and 58 Stat. 227-228) authorize appropriations for the purchase of lands to minimize erosion and flood damage to critical watersheds within the following National Forests: the Cache, Uinta, and Wasatch, Utah; the Toiyabe, Nevada; and the Angeles, Cleveland, San Bernardino, and Sequoia, California. Appropriations are made from receipts on these National Forests.

*Acquisition of lands to complete land exchanges.*—Deposits made by State, county, or municipal governments, public school districts, or other public school authorities for cash equalization of certain land exchanges are used to acquire similar lands suitable for National Forest System purposes in the same State as the National Forest lands conveyed in the land exchange.

Object Classification (in millions of dollars)

Identification code 12-9923-0-2-302	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	7	7	7
12.1 Civilian personnel benefits .....	2	2	2
23.1 Rental payments to GSA .....	1	1	1
25.2 Other services .....	2	2	2
31.0 Equipment .....	4	4	4
32.0 Land and structures .....	234	135	33
41.0 Grants, subsidies, and contributions .....	1	1	1
99.9 Total new obligations .....	251	152	50

Personnel Summary

Identification code 12-9923-0-2-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	109	105	101

FOREST SERVICE PERMANENT APPROPRIATIONS

Unavailable Collections (in millions of dollars)

Identification code 12-9921-0-2-999	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....		124	124
<b>Receipts:</b>			
02.20 National forests fund, Agriculture .....	120	81	79
02.21 Payments to states .....	94	13	13
02.22 Timber roads, purchaser elections .....	6	6	6
02.23 Road and trails for States, National forest fund .....	14	12	12
02.24 Timber salvage sales .....	65	63	63
02.25 Deposits, brush disposal .....	9	9	9
02.26 Rents and charges for quarters .....	6	7	7
02.27 Timber sales pipeline restoration fund .....		3	5
02.28 Recreational fee demonstration program .....	36	40	42
02.29 Midewin national tallgrass prairie rental fees .....	1	1	1
02.30 National grasslands .....	12	4	7
02.31 Miscellaneous special funds, Forest Service .....	5	2	2
02.32 National forests fund, Interior .....	8	9	9
02.35 Charges, user fees, and natural resource utilization .....	3	4	4
02.99 Total receipts and collections .....	379	254	259
04.00 Total: Balances and collections .....	379	378	383
<b>Appropriations:</b>			
05.00 Forest Service permanent appropriations .....	-269	-254	-175
06.10 Unobligated balance returned to receipts .....	14		
07.99 Balance, end of year .....	124	124	208

Program and Financing (in millions of dollars)

Identification code 12-9921-0-2-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Payments to States, national forest fund .....	208	92	13
00.02 Payments to States, northern spotted owl .....	281		
00.03 Payments to counties, national grasslands fund .....	12	6	4
00.04 Payment to Minnesota .....	4	2	2
00.05 Recreation fee collection costs .....	1	1	1
00.06 Timber roads, purchaser elections .....	6	6	6
00.07 Roads and trails for States, NFF .....	17	15	14
00.08 Timber salvage sales .....	78	76	69
00.09 Expenses, brush disposal .....	31	13	13
00.10 Restoration of forestlands and improvements .....	5	7	7
00.11 Operation and maintenance of quarters .....	7	8	8
00.12 Timber sales pipeline restoration fund .....	1	3	4
00.13 Recreation fee demonstration program .....	43	30	31
00.14 Land between the lakes management fund .....		4	4
00.15 Payments to States, full community stabilization .....		295	371
10.00 Total new obligations .....	693	558	547
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	355	227	218
22.00 New budget authority (gross) .....	571	549	546
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	928	776	764
23.95 Total new obligations .....	-693	-558	-547
23.97 Deficiency .....	6		
23.98 Unobligated balance expiring or withdrawn .....	-14		
24.40 Unobligated balance carried forward, end of year .....	227	218	217

New budget authority (gross), detail:

<b>Mandatory:</b>			
60.00 Appropriation .....	295	295	371
60.20 Appropriation (special fund) .....	269	254	175
62.00 Transferred from other accounts .....	7		
62.50 Appropriation (total mandatory) .....	571	549	546

Change in obligated balances:

72.40 Obligated balance, start of year .....	38	18	28
73.10 Total new obligations .....	693	558	547
73.20 Total outlays (gross) .....	-711	-548	-546
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	18	28	29

Outlays (gross), detail:

86.97 Outlays from new mandatory authority .....	545	518	515
86.98 Outlays from mandatory balances .....	166	30	31

87.00	Total outlays (gross) .....	711	548	546
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	571	549	546
90.00	Outlays .....	711	548	546
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	8	10	13
99.01	Outlays .....	8	10	13

*Operation and maintenance of quarters.*—Quarters rental deductions are collected from employees occupying Forest Service facilities. Amounts are deposited into a special fund and are available for the maintenance and operation of employee-occupied quarters. (5 U.S.C. 5911)

*Resource management, timber receipts.*—Funds in this special account are available for trail maintenance, reconstruction, and construction; wildlife and fisheries habitat management; soil, water, and air management; cultural/heritage resource management; wilderness management; reforestation; and timber sale administration and management.

*Recreation fee demonstration program.*—Pursuant to Sec. 315 of Title III—General Provisions, Omnibus Consolidated Rescissions and Appropriations Act of 1996, Public Law 104–134 of April 26, 1996 as amended, amounts collected at fee demonstration areas, sites, or projects are available for maintenance and development of recreation facilities.

*Midewin National Tallgrass Prairie rental fees.*—Monies received under a special use authorization (issued under subsection (b) of Public Law 104–106, Title XXIX, Subtitle A, Section 2915, after distribution to the State of Illinois and affected counties pursuant to the Act of May 23, 1908) are available to cover the cost to the United States of prairie improvement work at the Midewin National Tallgrass Prairie.

*Midewin National Tallgrass Prairie Restoration Fund.*—Monies received from user fees and the salvage value proceeds from sale of any facilities and improvements pursuant to Section 2915(d) and (e) of Public Law 104–106, as amended by Public Law 105–83, are available to cover the costs of restoration and administrative activities.

*Payment to Minnesota.*—At the close of each fiscal year, the State of Minnesota is paid 0.75 percent of the appraised value of certain Superior National Forest lands in the counties of Cook Lake and St. Louis for distribution to these counties (16 U.S.C. 577g).

*Payments to Counties, National Grasslands.*—This program provides an annual payment to counties in which Title III—Bankhead-Jones Acquired Lands are located for funding public schools and roads. Of the net revenues for use of Title III—Bankhead-Jones Farm Tenant Act lands, 25 percent is paid to the counties in which such lands are located for public school and road purposes (7 U.S.C. 1012).

*Payments to States.*—The Secure Rural Schools and Community Self-Determination Act of 2000 (P.L. 106–393 dated October 30, 2000) provides stabilized education and road maintenance funding through predictable payments to counties, job creation in those counties and other opportunities associated with the restoration, maintenance and stewardship of Federal lands. Under P.L. 106–393, counties may elect one of two methods to calculate Payments to States funding they receive. Counties can either choose to continue receiving funds established by the 25 percent fund or they can receive their share of the State’s “full payment amount.” Full payment amount is the average of the highest three years of payments to the State under the 25 percent fund through the years 1986–1999. A county’s share of that amount is generally determined by the State in cooperation with the affected counties.

*Expenses, brush disposal.*—Funds from payments by purchasers of National Forest timber to dispose of or treat slash and other debris that result from cutting operations (16 U.S.C. 490).

*Licensee programs, Forest Service.*—Funds from fees for the use of characters by private enterprises are collected under regulations promulgated by the Secretary as follows:

*Smokey Bear.*—For furthering the nationwide forest fire prevention campaign (16 U.S.C. 580(2)).

*Woodsy Owl.*—For promoting wise use of the environment and programs which foster maintenance and improvement of environmental quality (16 U.S.C. 580(1)).

*Restoration of forestlands and improvements.*—Funds from claim settlements involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement of forfeiture (16 U.S.C. 579c).

*Timber purchaser roads constructed by Forest Service.*—Funds from timber receipts for Government constructed permanent roads for purchasers of timber who qualify as small businesses and elect to have the Forest Service construct the roads designated under the timber sale contract where costs exceed \$20,000 (16 U.S.C. 472a(i)).

*Recreation fee collection costs.*—Under authority of Section 10002(b) of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103–66), which amended Section 4(i)(1) of the L&WCF Act, the Secretaries of Agriculture and Interior are authorized to withhold a portion of all recreation fees collected (not to exceed 15 percent), to be available during the current fiscal year, without further appropriation to cover fee collection costs.

*Tongass timber supply fund.*—Funds from sales of Alaska timber to maintain the timber supply from the Tongass National Forest at a specified level (16 U.S.C. 539d).

*Timber salvage sales.*—Funds are used for salvage of insect-infested, dead, damaged, or down timber, and to remove associated trees for stand improvement (16 U.S.C. 472a(h)).

*Timber Sales Pipeline Restoration Fund.*—As authorized under Section 327 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, funds from revenues received from timber sales released under Section 2001(k) of the 1995 Supplemental Appropriations for Disaster Assistance and Rescissions Act for the purpose of restoring the timber pipeline and funding the backlog of recreation projects on National Forest System lands.

*Valles Caldera Fund* established under the Valles Caldera Preservation Act (Public Law 106–248) provides funds, which shall be available without further appropriation for any purpose consistent with the purposes of the Act. Notwithstanding sections 1341 and 3302 of title 31 of the United States Code, all monies received from donations under subsection (g) or from the management of the Preserve shall be retained and shall be available, without further appropriation, for the administration, preservation, restoration, operation and maintenance, improvement, repair, and related expenses incurred with respect to properties under its management jurisdiction.

**Object Classification** (in millions of dollars)

Identification code 12–9921–0–2–999	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	50	50	51
11.3 Other than full-time permanent .....	10	10	10
11.5 Other personnel compensation .....	5	5	5
11.9 Total personnel compensation .....	65	65	66
12.1 Civilian personnel benefits .....	16	16	16
21.0 Travel and transportation of persons .....	3	3	3
23.1 Rental payments to GSA .....	6	6	6
25.2 Other services .....	37	35	32
26.0 Supplies and materials .....	58	35	31
31.0 Equipment .....	1	1	1
32.0 Land and structures .....	2	2	2
41.0 Grants, subsidies, and contributions .....	505	395	390
99.9 Total new obligations .....	693	558	547

**General and special funds—Continued**

**FOREST SERVICE PERMANENT APPROPRIATIONS—Continued**

**Personnel Summary**

Identification code 12-9921-0-2-999	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,410	1,380	1,351

A Recreation Fee Program is proposed, generally consistent with the existing recreation fee demonstration program, that would permanently authorize the direct expenditure of recreation fees collected by the Forest Service and the Department of the Interior agencies beginning in 2005.

A proposal to repeal selected parts of the Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA) would eliminate provisions that are duplicative of the Government Performance and Results Act of 1993. The RPA requires the Secretary to prepare a national assessment of resource conditions and trends (the RPA Assessment), an RPA Program (strategic plan) and accompanying Presidential Statement of Natural Resources Policy, and an Annual Report of the Forest Service to Congress that reports on RPA Program accomplishments. In 1993, Congress enacted government-wide legislation, the Government Performance and Results Act (GPRA), requiring a strategic plan and annual reporting requirements that are essentially the same as the RPA requirements except for the requirement for a Presidential Statement of Natural Resources Policy to accompany the strategic plan. Since 1998, language has been carried in Appropriations legislation for the Forest Service to complete its strategic plan and reporting requirements under the Results Act. The Forest Service has done so. The proposal would bring older legislative authorities into accord with more recent enactments, while retaining the RPA Assessment.

A proposal to transfer titles acquired through Forest Legacy would provide for consistent and rational ownership of lands previously acquired by the Forest Service through the Forest Legacy Program in those States that now take title for program acquisitions by electing to utilize the program's state grant option. Prior to the 1996 farm bill, all properties acquired under the Forest Legacy program were titled to the United States. When the State grant option was created in the 1996 Farm Bill, most subsequent acquisitions switched to the States. There are now instances in which some program acquisitions in a state are titled to the Federal government and others are titled to the state. Properties originally acquired by the Forest Service in the name of the United States prior to the establishment of the State grant option could be more efficiently and effectively managed if title were vested in the States.

Watershed Restoration and Enhancement Agreements would authorize the Secretary of Agriculture to use federal funds on non-federal land in proximity to National Forest Systems lands when a project benefits the greater watershed. P.L. 105-257, the Omnibus Appropriations bill for 1999, authorizes the USDA Forest Service to use federal funds on non-federal land in proximity to National Forest Systems lands when a project benefits the greater watershed. The authority allows the Forest Service to protect watersheds that consist of lands under multiple ownerships, including lands in the wildland-urban interface. This proposal promotes the efficient and effective work associated with watershed restoration and enhancement as well as reducing fire hazards across multiple ownerships.

A proposal for a Facilities Acquisition and Enhancement Fund would enable the Secretary to sell facilities and appurtenant administrative land, excess to agency needs, and to use the proceeds for acquiring or developing land and improvements for administrative purposes. Downsizing has led

to the closure of a number of administrative units and consolidation of units to central locations. The agency currently experiences a \$2.8 billion backlog that has accumulated because of inadequate and untimely maintenance. Over 60% of the agency's facilities are over 30 years old and functionally obsolete. Funds collected under this authority would solely be used to reconstruct functionally obsolete facilities or to construct new facilities necessary in light of reorganization and consolidation.

A Partnership Authorities proposal would expand or clarify the agency's authorities to work more efficiently and effectively with nonfederal entities. There are over thirty different laws relating to partnerships cited in Forest Service directives and fourteen different types of agreement instruments are used to document partnership relationships. Navigating this complex patchwork of authorities and agreements has hindered the agency's ability to work efficiently and effectively with nonprofit and community partners. This complex patchwork of authorities and agreements has resulted in inconsistent interpretations of authorities and time-consuming processes for documenting partnerships.

A proposal for Pacific Island Participation in State and Private Forestry (S&PF) Programs would restore eligibility of three U.S. trust territories (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau) in "compacts of free association" for assistance through all S&PF programs.

A proposal would streamline management of proclaimed forests and other management areas within administrative units in order to reduce accounting transactions, improve productivity of financial staff, and support the Presidential Management Agenda by reducing indirect costs.

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 12-4605-0-4-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Working Capital fund .....	162	276	180
10.00 Total new obligations .....	162	276	180
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	23	96	
22.00 New budget authority (gross) .....	226	180	180
22.10 Resources available from recoveries of prior year obligations .....	8		
23.90 Total budgetary resources available for obligation	257	276	180
23.95 Total new obligations .....	-162	-276	-180
24.40 Unobligated balance carried forward, end of year .....	96		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	228	180	180
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
69.90 Spending authority from offsetting collections (total mandatory) .....	226	180	180
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	129	32	128
73.10 Total new obligations .....	162	276	180
73.20 Total outlays (gross) .....	-253	-180	-180
73.45 Recoveries of prior year obligations .....	-8		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
74.40 Obligated balance, end of year .....	32	128	128
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	226	162	162
86.98 Outlays from mandatory balances .....	27	18	18

87.00	Total outlays (gross) .....	253	180	180
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-228	-180	-180
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	2		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	25		

The Working Capital Fund is a self-sustaining revolving fund that provides services to National Forests, to Research Experiment Stations, to other Federal agencies when necessary, to State and private agencies as provided by law, and to persons who cooperate with the Forest Service in fire control and other authorized programs.

Forestry-related supply and support services include: *Equipment Services.*—The fund owns, operates, maintains, replaces, and repairs common-use, motor-driven, and similar equipment. This equipment is rented to administrative units, that is, National Forests, Research Experiment Stations, and other units, and, in some cases, to other agencies, at rates which recover the cost of operation, repair and maintenance, management, and depreciation. The rates also include an increment which provides additional cash which, when added to depreciation earnings and the residual value of equipment, provides sufficient funds to replace the equipment.

*Aircraft Services.*—The fund operates, maintains, and repairs Forest Service owned aircraft used in fire surveillance and suppression and in other Forest Service programs. The aircraft are rented to National Forests, Research Experiment Stations, and in some cases to other agencies, at rates which recover the cost of depreciation, operation, maintenance, repair, and improvements in the airworthiness of the aircraft. Aircraft replacement costs are financed from either appropriated funds or the Forest Service Working Capital Fund, or a combination of both.

*Computer Services.*—The Fund provides computer hardware, software, and radio equipment.

*Supply Services.*—The fund operates the following common services, and provides for cost-recovery of Working Capital Fund Program Management:

Photo reproduction laboratories that store, reproduce, and supply aerial photographs, aerial maps, and other photographs of National Forest lands. Photographic reproductions are sold to National Forests, Experiment Stations, and others at cost.

Sign shops that manufacture and supply special signs for the National Forests for use in regulating traffic and as information to the public and other users of the National Forests. Signs are sold to National Forests and Experiment Stations at cost.

Seed supply services that provide tree seed for direct seeding or sowing in nurseries for the production of trees. Includes purchase or collection of cones, extraction of seeds, cleaning and testing, and storage and delivery. Operates in conjunction with tree nurseries; that is, forest tree nurseries and cold storage facilities for storage of tree seedlings. Tree seedlings are sold to National Forests, State foresters, and other co-operators at cost.

**Object Classification** (in millions of dollars)

Identification code 12-4605-0-4-302	2002 actual	2003 est.	2004 est.	
21.0	Travel and transportation of persons .....	3	3	3
23.1	Rental payments to GSA .....	4	4	4
25.2	Other services .....	32	32	33
26.0	Supplies and materials .....		100	59
31.0	Equipment .....	123	137	81

99.9	Total new obligations .....	162	276	180
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Note.—Personnel totals are included with personnel totals of all other Forest Service programs.

**Trust Funds**

**FOREST SERVICE TRUST FUNDS**

**Unavailable Collections** (in millions of dollars)

Identification code 12-9974-0-7-302	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....			30
<b>Receipts:</b>				
02.00	Transfers from general fund of amounts equal to certain customs duties .....	30	30	30
02.20	Forest Service cooperative fund .....	76	115	123
02.40	Transfer from TVA for land between the lakes trust fund .....		1	1
02.80	Forest Service trust funds, offsetting collections .....	-9		
02.99	Total receipts and collections .....	98	146	154
04.00	Total: Balances and collections .....	98	146	184
<b>Appropriations:</b>				
05.00	Forest Service trust funds .....	-98	-116	-115
05.99	Total appropriations .....	-98	-116	-115
07.99	Balance, end of year .....		30	69

**Program and Financing** (in millions of dollars)

Identification code 12-9974-0-7-302	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Forest Service trust funds .....	276	162	155
10.00	Total new obligations .....	276	162	155
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	143	241	195
22.00	New budget authority (gross) .....	374	116	115
23.90	Total budgetary resources available for obligation .....	517	357	310
23.95	Total new obligations .....	-276	-162	-155
24.40	Unobligated balance carried forward, end of year .....	241	195	155
<b>New budget authority (gross), detail:</b>				
<b>Discretionary:</b>				
42.00	Transferred from other accounts .....	276		
<b>Mandatory:</b>				
60.26	Appropriation (trust fund) .....	107	116	115
69.00	Offsetting collections (cash) .....	-9		
70.00	Total new budget authority (gross) .....	374	116	115
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	240	217	247
73.10	Total new obligations .....	276	162	155
73.20	Total outlays (gross) .....	-298	-131	-115
74.40	Obligated balance, end of year .....	217	247	287
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	58	93	92
86.98	Outlays from mandatory balances .....	240	38	23
87.00	Total outlays (gross) .....	298	131	115
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	9		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	383	116	115
90.00	Outlays .....	307	131	115
<b>Memorandum (non-add) entries:</b>				
92.02	Total investments, end of year: Federal securities: Par value .....	2		
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	5	6	8
99.01	Outlays .....	5	6	8

FOREST SERVICE TRUST FUNDS—Continued

*Reforestation trust fund.*—Amounts from this account are used for reforestation as authorized by 16 U.S.C. 1606a (d) and (e).

*Cooperative work trust fund.*—Funds, including deposits from purchasers of timber, are received and used for specified work in forest investigations, protection, and improvement of the National Forest System, including protection, reforestation, and administration of private lands adjacent to National Forests (7 U.S.C. 2269; 16 U.S.C. 498, 535, 565a, 572, 572a, 576b, 1643; and 31 U.S.C. 1321).

**Object Classification** (in millions of dollars)

Identification code 12-9974-0-7-302	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	41	42	42
11.3 Other than full-time permanent .....	6	6	7
11.5 Other personnel compensation .....	3	3	3
11.9 Total personnel compensation .....	50	51	52
12.1 Civilian personnel benefits .....	13	13	13
21.0 Travel and transportation of persons .....	3	3	3
23.1 Rental payments to GSA .....	5	5	5
25.2 Other services .....		43	39
26.0 Supplies and materials .....	201	43	39
31.0 Equipment .....	2	2	2
32.0 Land and structures .....	2	2	2
99.9 Total new obligations .....	276	162	155

**Personnel Summary**

Identification code 12-9974-0-7-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	965	945	924

**ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS**

Note.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations, as follows:

- Agriculture:
  - Agricultural Research Service.
  - Animal and Plant Health Inspection Service.
  - Natural Resources Conservation Service.
  - Watershed and flood prevention operations.
  - Resource conservation and development.
- Conservation Reserve Program.
- Department Administration:
  - Hazardous materials management.
  - Rural Housing; Rural community fire protection grants.
- Transportation: Federal Highway Administration, Highway Trust Fund.
- Labor: Employment and Training Administration, Training and employment services.

**ADMINISTRATIVE PROVISIONS, FOREST SERVICE**

Appropriations to the Forest Service for the current fiscal year shall be available for: (1) purchase of not to exceed 124 passenger motor vehicles, of which 21 will be used primarily for law enforcement purposes and of which 124 shall be for replacement; acquisition of 25 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft to maintain the operable fleet at 195 aircraft for use in Forest Service wildland fire programs and other Forest Service programs; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (2) services pursuant to 7 U.S.C. 2225, and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (3) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (4) acquisition of land, waters, and interests therein, pursuant to 7 U.S.C. 428a; (5) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, and 558a

note); (6) the cost of uniforms as authorized by 5 U.S.C. 5901-5902; and (7) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

Any appropriations or funds available to the Forest Service may be transferred to the Wildland Fire Management appropriation for forest firefighting, emergency rehabilitation of burned-over or damaged lands or waters under its jurisdiction, and fire preparedness due to severe burning conditions.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

Funds available to the Forest Service shall be available to conduct a program of not less than \$2,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps, defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for the purposes of such Act.

Of the funds available to the Forest Service, \$2,500 is available to the Chief of the Forest Service for official reception and representation expenses.

Pursuant to sections 405(b) and 410(b) of Public Law 101-593, of the funds available to the Forest Service, up to \$2,250,000 may be advanced in a lump sum as Federal financial assistance to the National Forest Foundation, without regard to when the Foundation incurs expenses, for administrative expenses or projects on or benefitting National Forest System lands or related to Forest Service programs: Provided, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds made available by the Forest Service: Provided further, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds: Provided further, That authorized investments of Federal funds held by the Foundation may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Pursuant to section 2(b)(2) of Public Law 98-244, up to \$2,650,000 of the funds available to the Forest Service shall be available for matching funds to the National Fish and Wildlife Foundation, as authorized by 16 U.S.C. 3701-3709, and may be advanced in a lump sum as Federal financial assistance, without regard to when expenses are incurred, for projects on or benefitting National Forest System lands or related to Forest Service programs: Provided, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds advanced by the Forest Service: Provided further, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities for sustainable rural development purposes. Funds appropriated to the Forest Service shall be available for payments to counties within the Columbia River Gorge National Scenic Area, pursuant to sections 14(c)(1) and (2), and section 16(a)(2) of Public Law 99-663.

The Secretary of Agriculture is authorized to enter into grants, contracts, and cooperative agreements as appropriate with the Pinchot Institute for Conservation, as well as with public and other private agencies, organizations, institutions, and individuals, to provide for the development, administration, maintenance, or restoration of land, facilities, or Forest Service programs, at the Grey Towers National Historic Landmark: Provided, That, subject to such terms and conditions as the Secretary of Agriculture may prescribe, any such public or private agency, organization, institution, or individual may solicit, accept, and administer private gifts of money and real or personal property for the benefit of, or in connection with, the activities and services at the Grey Towers National Historic Landmark: Provided further, That such gifts may be accepted notwithstanding the fact that a donor conducts business with the Department of Agriculture in any capacity.

Funds appropriated to the Forest Service shall be available, as determined by the Secretary, for payments to Del Norte County, Cali-

fornia, pursuant to sections 13(e) and 14 of the Smith River National Recreation Area Act (Public Law 101-612).

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service not to exceed \$500,000 may be used to reimburse the Office of the General Counsel (OGC), Department of Agriculture, for travel and related expenses incurred as a result of OGC assistance or participation requested by the Forest Service at meetings, training sessions, management reviews, land purchase negotiations and similar non-litigation related matters.

The Forest Service shall fund indirect expenses, that is expenses not directly related to specific programs or to the accomplishment of specific on-the-ground work, from any funds available to the Forest Service: Provided, That the Forest Service shall implement and adhere to the definitions of indirect expenditures established pursuant to Public Law 105-277 on a nationwide basis without flexibility for modification by any organizational level except the Washington Office, and when changed by the Washington Office, such changes in definition shall be reported in budget requests submitted by the Forest Service: Provided further, That the Forest Service shall provide in all future budget justifications, planned indirect expenditures in accordance with the definitions, summarized and displayed to the Regional, Station, Area, and detached unit office level. The justification shall display the estimated source and amount of indirect expenditures, by budget line item, of funds in the agency's annual budget justification. The display shall include appropriated funds and the Knutson-Vandenberg, Brush Disposal, Cooperative Work-Other, and Salvage Sale funds.

Any appropriations or funds available to the Forest Service may be used for necessary expenses in the event of law enforcement emergencies as necessary to protect natural resources and public or employee safety.

The Secretary of Agriculture may authorize the sale of excess buildings, facilities, and other properties owned by the Forest Service and located on the Green Mountain National Forest, the revenues of which shall be retained by the Forest Service and available to the Secretary without further appropriation and until expended for maintenance and rehabilitation activities on the Green Mountain National Forest.

Of the funds available to the Forest Service, the Secretary of Agriculture may transfer or reimburse, not to exceed \$15,000,000, to the Secretary of the Interior or the Secretary of Commerce to expedite conferencing and consultations as required under section 7 of the Endangered Species Act, 16 U.S.C. 1536. The amount of the transfer or reimbursement shall be as mutually agreed by the Secretary of Agriculture and the Secretary of the Interior or Secretary of Commerce, as applicable, or their designees. The amount shall in no case exceed the actual costs of consultation and conferencing.

GENERAL FUND RECEIPT ACCOUNTS  
(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:			
12-181100 National grasslands .....	18	22	19
12-270110 Agriculture credit insurance, Negative subsidies .....	2	3	4
12-270130 Agriculture credit insurance, Downward reestimates of subsidies .....	53	249	
12-270210 Rural electrification and telephone loans, Negative subsidies .....	26	23	20
12-270230 Rural electrification and telephone loans, Downward reestimates of subsidies .....	83		
12-270310 Rural water and waste disposal, Negative subsidies .....			5
12-270330 Rural water and waste disposal, Downward reestimates of subsidies .....	21		
12-270530 Rural community facility, Downward reestimates of subsidies .....	15		
12-270630 Rural housing insurance, Downward reestimates of subsidies .....	268	665	
12-270730 Rural business and industry, Downward reestimates of subsidies .....	17		
12-270830 P.L. 480 loan program, Downward reestimates of subsidies .....		538	
12-271030 Rural development loans, Downward reestimates of subsidies .....	3		
12-271130 Rural telephone bank loans, Downward reestimates of subsidies .....	3	4	
12-271330 Economic development loans, Downward reestimates of subsidies .....	1		

12-275430 Apple loan program, downward reestimates of subsidies .....	2		
12-275610 Negative subsidies, farm storage facility loans .....			1
12-275630 Farm storage facility loans, Downward reestimate of subsidies .....	1	8	
12-275730 Commodity Credit Corporation export guarantee financing, Downward reestimate of subsidies .....	126	552	
12-276530 P.L. 480 title I food for progress credits, downward reestimates of subsidies .....		195	
General Fund Offsetting receipts from the public .....	639	2,259	49

OTHER CONSOLIDATED RECEIPT ACCOUNTS  
(in millions of dollars)

	2002 actual	2003 est.	2004 est.
12-977210 Miscellaneous contributed funds .....	12	1	1

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for fiscal year 2004 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 398 passenger motor vehicles, of which 396 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 703. The Secretary of Agriculture may transfer unobligated balances of discretionary funds appropriated by this Act or other available unobligated discretionary balances of the Department of Agriculture to the Working Capital Fund for the acquisition of plant and capital equipment necessary for the delivery of financial, administrative, and information technology services of primary benefit to the agencies of the Department of Agriculture: Provided, That none of the funds made available by this Act or any other Act shall be transferred to the Working Capital Fund without the prior approval of the agency administrator: Provided further, That none of the funds transferred to the Working Capital Fund pursuant to this section shall be available for obligation without advance notice transmitted to the Committees on Appropriations of both Houses of Congress.

SEC. 704. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, fruit fly program, emerging plant pests, integrated systems acquisition project, boll weevil program, up to 25 percent of the screwworm program, and up to \$2,000,000 for costs associated with collocating regional offices; Food Safety and Inspection Service, field automation and information management project; Cooperative State Research, Education, and Extension Service, funds for competitive research grants (7 U.S.C. 450i(b)), funds for the Research, Education and Economics Information System (REEIS), and funds for the Native American Institutions Endowment Fund; Farm Service Agency, salaries and expenses funds made available to county committees; Foreign Agricultural Service, middle-income country training program and up to \$2,000,000 of the Foreign Agricultural Service appropriation solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation by the Foreign Agricultural Service.

SEC. 705. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 706. Not to exceed \$50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to section 606C of the Act of August 28, 1954 (7 U.S.C. 1766b).

SEC. 707. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrange-

ments is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 708. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 709. None of the funds in this Act shall be available to pay indirect costs charged against competitive agricultural research, education, or extension grant awards issued by the Cooperative State Research, Education, and Extension Service that exceed 19 percent of total Federal funds provided under each award: Provided, That notwithstanding section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310), funds provided by this Act for grants awarded competitively by the Cooperative State Research, Education, and Extension Service shall be available to pay full allowable indirect costs for each grant awarded under section 9 of the Small Business Act (15 U.S.C. 638).

SEC. 710. Notwithstanding any other provision of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 711. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 2004 shall remain available until expended to cover obligations made in fiscal year 2004 for the following accounts: the Rural Development Loan Fund program account; the Rural Telephone Bank program account; the Rural Electrification and Telecommunications Loans program account; the Rural Housing Insurance Fund program account; and the Rural Economic Development Loans program account.

SEC. 712. Notwithstanding chapter 63 of title 31, United States Code, marketing services of the Agricultural Marketing Service; the Grain Inspection, Packers and Stockyards Administration; the Animal and Plant Health Inspection Service; and the food safety activities of the Food Safety and Inspection Service may use cooperative agreements to reflect a relationship between the Agricultural Marketing Service; the Grain Inspection, Packers and Stockyards Administration; the Animal and Plant Health Inspection Service; or the Food Safety and Inspection Service and a state or cooperator to carry out agricultural marketing programs, to carry out programs to protect the nation's animal and plant resources, or to carry out educational programs or special studies to improve the safety of the nation's food supply.

SEC. 713. None of the funds appropriated by this Act may be used to carry out section 410 of the Federal Meat Inspection Act (21 U.S.C. 679a) or section 30 of the Poultry Products Inspection Act (21 U.S.C. 471).

SEC. 714. None of the funds made available to the Department of Agriculture by this Act may be used to acquire new information technology systems or significant upgrades, as determined by the Office of the Chief Information Officer, without the approval of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board: Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be transferred to the Office of the Chief Information Officer without the prior notification of the Committees on Appropriations of both Houses of Congress.

SEC. 715. With the exception of funds needed to administer and conduct oversight of grants awarded and obligations incurred prior to November 28, 2001, none of the funds appropriated or otherwise made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out the provisions of 7 U.S.C. 7621. Funds under such section for fiscal year 2004 are hereby cancelled.

SEC. 716. Notwithstanding section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f), any balances available to carry out title III of such Act as of the date of enactment of this Act, and any recoveries and reimbursements that become available to carry out title III of such Act, may be used to carry out title II of such Act.

SEC. 717. No funds appropriated or otherwise made available under this Act shall be made available to any person or entity that has

been convicted of violating the Act of March 3, 1933 (41 U.S.C. 10a-10c; popularly known as the "Buy American Act").

SEC. 718. Section 442 of Public Law 106-224 is amended by adding the following new subsections at the end:

"(c) Preconditions for a Transfer Availability.—Funds may be transferred to combat emergencies only for infestations that were not funded in the previous fiscal year.

"(d) Definitions.—For purposes of this section, an "emergency" is an unanticipated event that requires a necessary expenditure that is sudden, urgent, and unforeseen."

SEC. 719. Section 10417 of Public Law 107-171 is amended by adding the following new subsections at the end:

"(d) Preconditions for a Transfer Availability.—Funds may be transferred to combat emergencies only for infestations that were not funded in the previous fiscal year.

"(e) Definitions.—For purposes of this section, an "emergency" is an unanticipated event that requires a necessary expenditure that is sudden, urgent, and unforeseen."

SEC. 720. The Administrator of the Agricultural Research Service may make available by outlease agreements with other Federal agencies or non-Federal public or private entities any unused or underused portion or interest of or interest in any agency real and related personal property, and may retain and use the proceeds of such agreements in carrying out the programs of the agency. Property proposed for outlease must not be property otherwise required to be reported excess under the Federal Property and Administrative Services Act of 1949, as amended. Outleases shall be made competitively, and be based on the fair market value of the property.

SEC. 721. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out the following:

(a) an environmental quality incentives program authorized by 16 U.S.C. 3839aa, et seq. in excess of \$850,000,000;

(b) a ground and surface water conservation program authorized by 16 U.S.C. 3839aa-9 in excess of \$51,000,000;

(c) a water conservation program in the Klamath Basin authorized by 16 U.S.C. 3839aa-9 in excess of \$8,118,000;

(d) a farmland protection program authorized by 16 U.S.C. 3838h-i in excess of \$112,044,000;

(e) a wildlife habitat incentives program authorized by 16 U.S.C. 3839bb et seq. in excess of \$42,000,000;

(f) a conservation security program authorized by 16 U.S.C. 3838-3838c in excess of \$19,379,000;

(g) a small watershed rehabilitation program authorized by 16 U.S.C. 1012(h)(1);

(h) section 9006 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002;

(i) section 9010 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1424) in excess of \$100,000,000.

SEC. 722. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out the following:

(a) section 601(j)(1)(A) of the Rural Electrification Act of 1936 (7 U.S.C. 901). Funds under such section for fiscal year 2004 are hereby cancelled;

(b) section 6401 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002. Funds under such section for fiscal year 2004 are hereby cancelled;

(c) section 6405 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002. Funds under such section for fiscal year 2004 are hereby cancelled.

SEC. 723. Section 508(k)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(A)) is amended—

(1) in clause (i), by striking "and";

(2) in clause (ii)—

(A) by striking "and subsequent reinsurance years" and inserting "through the 2003 reinsurance years"; and

(B) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(iii) for each of the 2004 and subsequent reinsurance years, 20 percent of premium used to define loss ratio."

# DEPARTMENT OF COMMERCE

## DEPARTMENTAL MANAGEMENT

### Federal Funds

#### General and special funds:

#### SALARIES AND EXPENSES

For expenses necessary for the departmental management of the Department of Commerce provided for by law, including not to exceed \$5,000 for official entertainment, \$57,191,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 13-0120-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Executive direction .....	20	19	16
00.02 Departmental staff services .....	29	34	41
09.01 Reimbursable program .....	120	139	137
10.00 Total new obligations .....	169	192	194
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	6	.....
22.00 New budget authority (gross) .....	169	186	194
22.22 Unobligated balance transferred from other accounts .....	2	.....	.....
23.90 Total budgetary resources available for obligation .....	174	192	194
23.95 Total new obligations .....	-169	-192	-194
24.40 Unobligated balance carried forward, end of year .....	6	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	43	48	57
42.00 Transferred from other accounts .....	6	.....	.....
43.00 Appropriation (total discretionary) .....	49	48	57
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	127	138	137
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-7	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	120	138	137
70.00 Total new budget authority (gross) .....	169	186	194
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	29	51	5
73.10 Total new obligations .....	169	192	194
73.20 Total outlays (gross) .....	-154	-236	-193
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	7	.....	.....
74.40 Obligated balance, end of year .....	51	5	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	125	180	187
86.93 Outlays from discretionary balances .....	29	56	6
87.00 Total outlays (gross) .....	154	236	193
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-127	-138	-137
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	7	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	49	48	57
90.00 Outlays .....	27	98	57

Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00	Budget authority .....	2	2
99.01	Outlays .....	2	2

**Executive direction.**—Provides for the formulation of Department of Commerce policy on National and Governmental issues affecting programs and functions assigned to the Department.

**Departmental staff services.**—Provides for the formulation of internal Departmental policy establishing the framework for Departmental operations.

**Performance measures.**—Departmental Management performs Departmental planning, establishes Departmental policies, and provides administrative guidance and performance oversight to accomplish the Department's mission.

Several indicators are used to measure performance in human resources management, financial management, facility management and acquisition management as represented by the following:

	2002 actual	2003 est.	2004 est.
Clean audit opinion obtained on Commerce consolidated financial statements	Yes	Yes	Yes
Strategic competencies—ensure comprehensive training and development strategies	Updated training and policy and supervisory training policy implemented	Institute annual assessment program	Implement training and development tracking system
Increase information technology security program maturity (on a score of 0-5*)	70% at 2 or higher 48% at 3 or higher	95% at 2 or higher 50% at 3 or higher	100% at 2 or higher 80% at 3 or higher

\*Maturity models are industry-accepted standards to assess progress toward achieving IT goals.

**Reimbursable program.**—Provides a centralized collection source for special tasks or costs and their billing to users. The reimbursable program includes Commerce Information Technology Solutions (COMMITTS), an information technology Government-wide Acquisition Contract set-aside exclusively for small, small disadvantaged, 8(a) and women-owned small businesses.

#### Object Classification (in millions of dollars)

Identification code 13-0120-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	16	19	21
12.1 Civilian personnel benefits .....	3	4	5
21.0 Travel and transportation of persons .....	1	.....	.....
23.1 Rental payments to GSA .....	4	4	4
23.3 Communications, utilities, and miscellaneous charges .....	.....	1	1
25.2 Other services .....	15	17	17
25.3 Other purchases of goods and services from Government accounts .....	8	5	6
31.0 Equipment .....	2	3	3
99.0 Direct obligations .....	49	53	57
99.0 Reimbursable obligations .....	120	139	137

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Object Classification (in millions of dollars)—Continued**

Identification code 13-0120-0-1-376	2002 actual	2003 est.	2004 est.
99.9 Total new obligations .....	169	192	194

**Personnel Summary**

Identification code 13-0120-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	183	223	239
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	60	98	84

**OFFICE OF INSPECTOR GENERAL**

*For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App. 1-11, as amended by Public Law 100-504), \$23,378,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 13-0126-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	20	23	23
09.01 Reimbursable program .....	1		
10.00 Total new obligations .....	21	23	23

<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	21	23	23
23.95 Total new obligations .....	-21	-23	-23

<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	20	23	23
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1		
70.00 Total new budget authority (gross) .....	21	23	23

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	3	3
73.10 Total new obligations .....	21	23	23
73.20 Total outlays (gross) .....	-21	-23	-23
74.40 Obligated balance, end of year .....	3	3	3

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	19	20	20
86.93 Outlays from discretionary balances .....	2	3	3
87.00 Total outlays (gross) .....	21	23	23

<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1		

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	20	23	23
90.00 Outlays .....	20	23	23

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

This appropriation provides for agency-wide audits, inspections, and investigative functions to identify and recommend corrections for management and administrative deficiencies that create conditions for existing or potential instances of

fraud, waste, and mismanagement. The audit function provides for internal audits and contract audits. Contract audits provide professional advice to agency contracting officials on accounting and financial matters related to negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of agency operations. Inspections services provide detailed technical evaluations of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

The OIG concentrates on programs and operations that have the greatest potential for identifying fraud, recovering funds, precluding unnecessary outlays, and improving management. The OIG identifies the audit, inspection, and investigative universe and determines how it will focus its work on areas that significantly affect the Department's ability to prevent and detect fraud, waste, abuse, and mismanagement; and improve efficiency, effectiveness, and economy.

The OIG's Semiannual Report to the Congress provides the following Statistical Highlights:

- Value of questioned costs identified in audit reports.
- Value of audit recommendations that funds be put to better use.
- Value of audit recommendations agreed to by management.
- Matters referred for prosecution, indictments, criminal complaints, convictions, personnel actions, fines, restitution, judgments and other civil and administrative recoveries.

**Object Classification (in millions of dollars)**

Identification code 13-0126-0-1-376	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	12	14	15
12.1 Civilian personnel benefits .....	3	3	3
23.1 Rental payments to GSA .....	2	2	1
25.2 Other services .....	3	3	3
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
99.9 Total new obligations .....	21	23	23

**Personnel Summary**

Identification code 13-0126-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	136	170	176

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 13-4511-0-4-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Departmental staff services .....	85	96	100
09.02 General Counsel .....	27	28	28
09.03 Public affairs .....	2	2	2
09.99 Total reimbursable program .....	114	126	130
10.00 Total new obligations .....	114	126	130

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	4	
22.00 New budget authority (gross) .....	114	122	130
23.90 Total budgetary resources available for obligation .....	118	126	130
23.95 Total new obligations .....	-114	-126	-130
24.40 Unobligated balance carried forward, end of year .....	4		

<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00	Offsetting collections (cash) .....	114	122 130
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	18	15 .....
73.10	Total new obligations .....	114	126 130
73.20	Total outlays (gross) .....	-117	-141 -130
74.40	Obligated balance, end of year .....	15	.....
<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority .....	99	122 130
86.98	Outlays from mandatory balances .....	18	19 .....
87.00	Total outlays (gross) .....	117	141 130
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources .....	-114	-122 -130
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	.....	.....
90.00	Outlays .....	3	19 .....

This fund finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently and economically performed on a centralized basis.

**Object Classification** (in millions of dollars)

Identification code 13-4511-0-4-376	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	44	48	50
12.1 Civilian personnel benefits .....	10	11	11
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	7	7	8
23.3 Communications, utilities, and miscellaneous charges .....	3	4	4
25.2 Other services .....	36	39	40
25.3 Other purchases of goods and services from Government accounts .....	2	10	10
26.0 Supplies and materials .....	3	3	3
31.0 Equipment .....	8	3	3
99.9 Total new obligations .....	114	126	130

**Personnel Summary**

Identification code 13-4511-0-4-376	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	608	694	695

**FRANCHISE FUND**

**Program and Financing** (in millions of dollars)

Identification code 13-4564-0-4-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	11	18	13
10.00 Total new obligations .....	11	18	13
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	.....	1	.....
22.00 New budget authority (gross) .....	10	17	13
23.90 Total budgetary resources available for obligation .....	11	18	13
23.95 Total new obligations .....	-11	-18	-13
24.40 Unobligated balance carried forward, end of year .....	1	.....	.....
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00	Offsetting collections (cash) .....	12	17 13
69.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-2	.....
69.90	Spending authority from offsetting collections (total mandatory) .....	10	17 13
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	1	1 .....

73.10	Total new obligations .....	11	18	13
73.20	Total outlays (gross) .....	-12	-18	-13
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	2	.....	.....
74.40	Obligated balance, end of year .....	1	.....	.....
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	10	17	13
86.98	Outlays from mandatory balances .....	2	1	.....
87.00	Total outlays (gross) .....	12	18	13
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-12	-17	-13
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	2	.....	.....
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	.....	.....	.....
90.00	Outlays .....	.....	1	.....

This fund finances computer services and other administrative support services on a fully competitive and cost reimbursable basis to Federal customers.

**Object Classification** (in millions of dollars)

Identification code 13-4564-0-4-376	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.2 Other services .....	7	14	9
99.9 Total new obligations .....	11	18	13

**Personnel Summary**

Identification code 13-4564-0-4-376	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	25	31	31

**Credit accounts:**

**EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 13-0121-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Guarantee loan subsidy .....	1	.....	.....
00.09 Administrative expenses .....	.....	1	.....
10.00 Total new obligations .....	1	1	.....
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	2	.....
22.00 New budget authority (gross) .....	-5	-1	.....
23.90 Total budgetary resources available for obligation .....	2	1	.....
23.95 Total new obligations .....	-1	-1	.....
24.40 Unobligated balance carried forward, end of year .....	2	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance rescinded .....	-5	-1	.....
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	.....	.....
73.10 Total new obligations .....	1	1	.....
73.20 Total outlays (gross) .....	-2	-1	.....
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	.....	-1	.....
86.93 Outlays from discretionary balances .....	2	2	.....
87.00 Total outlays (gross) .....	2	1	.....

**Credit accounts—Continued**

**EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 13-0121-0-1-376	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-5	-1	
90.00 Outlays .....	2	1	

As required by the Federal Credit Reform Act of 1990, this account records the administrative expenses for this program, as well as the subsidy costs associated with the loan guarantees committed in 1992 and thereafter, if any. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Consistent with the Administration's efforts to reduce corporate subsidies, Congress rescinded \$115 million in 2001 and \$5.2 million in 2002 as the economic outlook for the oil and gas industry dramatically improved since the program's inception. In light of the greatly reduced demand for oil and gas guarantees, rescission of \$0.9 million was proposed for 2003. The authority to guarantee new loans expired on December 31, 2001.

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 13-0121-0-1-376	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Emergency Oil & Gas Loan Guarantee Program .....	2		
215901 Total loan guarantee levels .....	2		
Guaranteed loan subsidy (in percent):			
232001 Emergency Oil & Gas Loan Guarantee Program .....	42.03	0.00	
232901 Weighted average subsidy rate .....	42.03	0.00	
Guaranteed loan subsidy budget authority:			
233001 Emergency Oil & Gas Loan Guarantee Program .....	1		
233901 Total subsidy budget authority .....	1		
Guaranteed loan subsidy outlays:			
234001 Emergency Oil & Gas Loan Guarantee Program .....	2		
234901 Total subsidy outlays .....	2		
Administrative expense data:			
351001 Budget authority .....			
358001 Outlays from balances .....		1	
359001 Outlays from new authority .....			

**Object Classification (in millions of dollars)**

Identification code 13-0121-0-1-376	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts .....		1	
41.0 Grants, subsidies, and contributions .....	1		
99.9 Total new obligations .....	1	1	

**EMERGENCY OIL AND GAS GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 13-4327-0-3-376	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	2	2
22.00 New financing authority (gross) .....	1		
23.90 Total budgetary resources available for obligation .....	2	2	2
24.40 Unobligated balance carried forward, end of year .....	2	2	2

**New financing authority (gross), detail:**

<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	2		
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
69.90 Spending authority from offsetting collections (total mandatory) .....	1		

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	1		

**Offsets:**

Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources .....	-2		
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	1		

**Net financing authority and financing disbursements:**

89.00 Financing authority .....			
90.00 Financing disbursements .....	-2		

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans obligated in 1992 and thereafter (including modifications of guaranteed loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 13-4327-0-3-376	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....			
2121 Limitation available from carry-forward .....	497	495	
2142 Uncommitted loan guarantee limitation .....		-495	
2143 Uncommitted limitation carried forward .....	-495		
2150 Total guaranteed loan commitments .....	2		
2199 Guaranteed amount of guaranteed loan commitments .....	2		
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	3	5	3
2231 Disbursements of new guaranteed loans .....	2		
2251 Repayments and prepayments .....		-1	-1
2262 Adjustments: Terminations for default that result in acquisition of property .....		-1	-1
2290 Outstanding, end of year .....	5	3	1
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	4	3	1

**Balance Sheet (in millions of dollars)**

Identification code 13-4327-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....		2	2	2
1999 Total assets .....		2	2	2
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....		2	2	2
2999 Total liabilities .....		2	2	2
4999 Total liabilities and net position .....		2	2	2

**EMERGENCY STEEL GUARANTEED LOAN PROGRAM ACCOUNT**

**(RESCISSION)**

*Of the unobligated balances available under this heading from prior year appropriations, all remaining subsidy amounts are cancelled.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 13-0122-0-1-376	2002 actual	2003 est.	2004 est.
0101 Negative subsidies/subsidy reestimates		1	

**Program and Financing** (in millions of dollars)

Identification code 13-0122-0-1-376	2002 actual	2003 est.	2004 est.
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**Obligations by program activity:**

00.02 Guarantee loan subsidy	5		
00.07 Upward reestimate for loan guarantee		51	
00.08 Interest on upward reestimate		3	
00.09 Administrative expenses	1	1	
10.00 Total new obligations	6	55	

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	129	123	26
22.00 New budget authority (gross)		-42	-26
23.90 Total budgetary resources available for obligation	129	81	
23.95 Total new obligations	-6	-55	
24.40 Unobligated balance carried forward, end of year	123	26	

**New budget authority (gross), detail:**

Discretionary:			
40.36 Unobligated balance rescinded		-96	-26
Mandatory:			
60.00 Appropriation		54	
70.00 Total new budget authority (gross)		-42	-26

**Change in obligated balances:**

72.40 Obligated balance, start of year	14	1	
73.10 Total new obligations	6	55	
73.20 Total outlays (gross)	-19	-56	
74.40 Obligated balance, end of year	1		

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority		-96	-26
86.93 Outlays from discretionary balances	19	98	26
86.97 Outlays from new mandatory authority		54	
87.00 Total outlays (gross)	19	56	

**Net budget authority and outlays:**

89.00 Budget authority		-42	-26
90.00 Outlays	19	56	

As required by the Federal Credit Reform Act of 1990, this account records the administrative expenses for this program, as well as the subsidy costs associated with the loan guarantees committed in 1992 and thereafter, if any. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

In light of lower than anticipated demand for steel loan guarantees, a rescission of \$26 million unobligated balances was proposed for 2003 in this account.

The proposed rescission in FY 2004 of the remaining \$26 million will eliminate the subsidy balance left in the program.

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 13-0122-0-1-376	2002 actual	2003 est.	2004 est.
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Guaranteed loan levels supportable by subsidy budget authority:			
215001 Emergency Steel Loan Guarantee Program	42		
215901 Total loan guarantee levels	42		
Guaranteed loan subsidy (in percent):			
232001 Emergency Steel Loan Guarantee Program	12.36	0.00	
232901 Weighted average subsidy rate	12.36	0.00	

Guaranteed loan subsidy budget authority:			
233001 Emergency Steel Loan Guarantee Program	5		
233901 Total subsidy budget authority	5		
Guaranteed loan subsidy outlays:			
234001 Emergency Steel Loan Guarantee Program	18		
234901 Total subsidy outlays	18		
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Emergency Steel Loan Guarantee Program		54	
235901 Total upward reestimate budget authority		54	
Guaranteed loan upward reestimate subsidy outlays:			
236001 Emergency Steel Loan Guarantee Program		54	
236901 Total upward reestimate subsidy outlays		54	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Emergency Steel Loan Guarantee Program		-1	
237901 Total downward reestimate subsidy budget authority		-1	
Guaranteed loan downward reestimate subsidy outlays:			
238001 Emergency Steel Loan Guarantee Program		-1	
238901 Total downward reestimate subsidy outlays		-1	

**Administrative expense data:**

351001 Budget authority			
358001 Outlays from balances	1	2	
359001 Outlays from new authority			

**Object Classification** (in millions of dollars)

Identification code 13-0122-0-1-376	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts	1	1	
41.0 Grants, subsidies, and contributions	5	54	
99.9 Total new obligations	6	55	

**EMERGENCY STEEL GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 13-4328-0-3-376	2002 actual	2003 est.	2004 est.
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**Obligations by program activity:**

00.01 Default claims	92		
00.02 Interest paid to Treasury on borrowing	5		
00.91 Direct program by activities—Subtotal (1 level)	97		
08.02 Downward reestimate		1	
10.00 Total new obligations	97	1	

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	13	6	60
22.00 New financing authority (gross)	90	54	
23.90 Total budgetary resources available for obligation	103	60	60
23.95 Total new obligations	-97	-1	
24.40 Unobligated balance carried forward, end of year	6	60	60

**New financing authority (gross), detail:**

Mandatory:			
67.10 Authority to borrow	79		
69.00 Offsetting collections (cash)	24	54	
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-13		
69.90 Spending authority from offsetting collections (total mandatory)	11	54	
70.00 Total new financing authority (gross)	90	54	

**Change in obligated balances:**

72.40 Obligated balance, start of year	-13		
73.10 Total new obligations	97	1	
73.20 Total financing disbursements (gross)	-97		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	13		
87.00 Total financing disbursements (gross)	97		

**Credit accounts—Continued**

**EMERGENCY STEEL GUARANTEED LOAN FINANCING ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 13-4328-0-3-376	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-18	-54	
88.25 Interest on uninvested funds	-3		
88.40 Non-Federal sources	-3		
88.90 Total, offsetting collections (cash)	-24	-54	
Against gross financing authority only:			
88.95 Change in receivables from program accounts	13		
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority	79		
90.00 Financing disbursements	74	-54	

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans obligated in 1992 and thereafter (including modifications of guaranteed loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 13-4328-0-3-376	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2121 Limitation available from carry-forward	890	848	848
2142 Uncommitted loan guarantee limitation			-848
2143 Uncommitted limitation carried forward	-848	-848	
2150 Total guaranteed loan commitments	42		
2199 Guaranteed amount of guaranteed loan commitments	37		
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	109	55	38
2231 Disbursements of new guaranteed loans	42		
2251 Repayments and prepayments	-4	-6	-7
2262 Adjustments: Terminations for default that result in acquisition of property	-92	-11	-1
2290 Outstanding, end of year	55	38	30
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	47	32	26

**Balance Sheet (in millions of dollars)**

Identification code 13-4328-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury	13	6	6	6
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1502 Interest receivable	1			
1599 Net present value of assets related to defaulted guaranteed loans	1			
1999 Total assets	14	6	6	6
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees	14	6	6	6
2999 Total liabilities	14	6	6	6
4999 Total liabilities and net position	14	6	6	6

**Trust Funds**

**GIFTS AND BEQUESTS**

**Unavailable Collections (in millions of dollars)**

Identification code 13-8501-0-7-376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.00 Gifts and bequests	1	1	1
Appropriations:			
05.00 Gifts and bequests	-1	-1	-1
07.99 Balance, end of year			

**Program and Financing (in millions of dollars)**

Identification code 13-8501-0-7-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	1	1	1
10.00 Total new obligations (object class 25.2)	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	
22.00 New budget authority (gross)	1	1	1
23.90 Total budgetary resources available for obligation	2	1	1
23.95 Total new obligations	-1	-1	-1
24.40 Unobligated balance carried forward, end of year	1		

**New budget authority (gross), detail:**

Mandatory:			
60.26 Appropriation (trust fund)	1	1	1

**Change in obligated balances:**

73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority	1	1	1
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**Net budget authority and outlays:**

89.00 Budget authority	1	1	1
90.00 Outlays	1	1	1

The Secretary of Commerce is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department of Commerce. Property and the proceeds thereof are used as nearly as possible in accordance with the terms of the gift or bequest.

**ECONOMIC DEVELOPMENT ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of administering the economic development assistance programs as provided for by law, \$33,377,000: Provided, That these funds may be used to monitor projects approved pursuant to title I of the Public Works Employment Act of 1976, as amended, title II of the Trade Act of 1974, as amended, and the Community Emergency Drought Relief Act of 1977. (19 U.S.C. 2346(b); 42 U.S.C. 3214(c), 3231, 5184, and 6710.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 13-0125-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program	31	33	33
09.01 Reimbursable program	2	2	1

10.00	Total new obligations .....	33	35	34
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	2	2	
22.00	New budget authority (gross) .....	33	33	34
23.90	Total budgetary resources available for obligation .....	35	35	34
23.95	Total new obligations .....	-33	-35	-34
24.40	Unobligated balance carried forward, end of year .....	2		

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	31	31	33
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	2	2	1
70.00	Total new budget authority (gross) .....	33	33	34

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....		1	5
73.10	Total new obligations .....	33	35	34
73.20	Total outlays (gross) .....	-31	-32	-34
73.40	Adjustments in expired accounts (net) .....	-1		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	2		
74.40	Obligated balance, end of year .....	1	5	5

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	30	30	31
86.93	Outlays from discretionary balances .....	1	2	3
87.00	Total outlays (gross) .....	31	32	34

<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-2	-2	-1

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	31	31	33
90.00	Outlays .....	29	30	33

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	2	2	2
99.01	Outlays .....	2	2	2

The administration of EDA's economic development assistance programs is carried out through a network of headquarters and regional personnel.

**Direct program.**—These activities include preapplication development, application processing, and project monitoring as well as general support functions such as economic development research, information dissemination, legal, civil rights, environmental compliance, budgeting and debt management.

**Reimbursable program.**—EDA provides grant review and processing services to other Federal agencies on a reimbursable basis. Funds received cover the cost of performing this work.

**Object Classification** (in millions of dollars)

Identification code 13-0125-0-1-452	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
11.1	Personnel compensation: Full-time permanent .....	19	19	20
12.1	Civilian personnel benefits .....	4	4	4
21.0	Travel and transportation of persons .....	1	1	1
23.1	Rental payments to GSA .....	2	2	2
25.2	Other services .....	2	3	2
25.3	Other purchases of goods and services from Government accounts .....	2	2	2
25.7	Operation and maintenance of equipment .....	1	2	2
99.0	Direct obligations .....	31	33	33
99.0	Reimbursable obligations .....	1	2	1
99.5	Below reporting threshold .....	1		
99.9	Total new obligations .....	33	35	34

**Personnel Summary**

Identification code 13-0125-0-1-452	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	239	270	270
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	11	7	7

**ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS**

For grants for economic development assistance as provided by the Public Works and Economic Development Act of 1965, as amended, and for trade adjustment assistance, \$331,027,000, to remain available until expended. (19 U.S.C. 2343, 2355; 42 U.S.C. 3121, 3141, 3143, 3145, 3147, 3149, 3171, 3173, and 3231-3233.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 13-2050-0-1-452	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
<b>Direct program:</b>				
00.01	Planning grants .....	24	22	22
00.02	Technical assistance grants .....	9	9	8
00.03	Public works grants .....	252	234	232
00.04	Economic adjustment grants .....	41	44	55
00.05	Research and evaluation .....		1	1
00.07	Trade adjustment assistance .....	11	13	13
00.08	Hurricanes Andrew, Fran and Hortense, Defense Adjustment, Northeast Fisheries .....		2	
00.09	Tri-State floods, Upper Midwest floods, 1996 floods, S. California Earthquake .....		3	
00.10	Alaska .....		2	
00.11	Norton Sound fisheries .....		2	
00.12	Hurricane Floyd .....	5		
00.13	Emergency response fund .....	2		
09.01	Reimbursable program .....	8	16	18
10.00	Total new obligations .....	352	348	349

<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	12	15	
22.00	New budget authority (gross) .....	345	333	349
22.10	Resources available from recoveries of prior year obligations .....	8		
22.22	Unobligated balance transferred from other accounts .....	2		
23.90	Total budgetary resources available for obligation .....	367	348	349
23.95	Total new obligations .....	-352	-348	-349
24.40	Unobligated balance carried forward, end of year .....	15		

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	335	317	331
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	10	16	18
70.00	Total new budget authority (gross) .....	345	333	349

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1,105	1,059	962
73.10	Total new obligations .....	352	348	349
73.20	Total outlays (gross) .....	-365	-445	-425
73.40	Adjustments in expired accounts (net) .....	-25		
73.45	Recoveries of prior year obligations .....	-8		
74.40	Obligated balance, end of year .....	1,059	962	886

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	18	32	35
86.93	Outlays from discretionary balances .....	347	413	390
87.00	Total outlays (gross) .....	365	445	425

<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-10	-16	-18

**General and special funds—Continued**

**ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 13-2050-0-1-452	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	335	317	331
90.00 Outlays .....	355	429	407

The Economic Development Administration (EDA) provides investments for public works facilities, other financial assistance, and planning and coordination assistance needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions. EDA assistance stimulates job creation, increases income in distressed communities, and promotes greater national productivity and balanced economic growth.

In 2004, EDA will help states, regions, and communities across the nation create wealth and minimize poverty by promoting a favorable business environment to attract private capital investments and higher-skill/higher-wage jobs through capacity building, planning, infrastructure investments, research grants and strategic initiatives. EDA's programs will serve as a catalyst for assisting distressed communities achieve long-term competitive economic potential through the strategic investment of resources based upon locally and regionally developed priorities.

EDA will continue to place priority on investments that drive economic growth, enhance regional competitiveness and support long-term development of the regional economy while also seeking to greater target funds to our Nation's communities of highest distress.

EDA responds to community priorities and strives to meet its objectives through the use of a broad range of program tools:

*Planning investments.*—Support the design and implementation of effective economic development policies and programs by local organizations.

*Technical assistance investments.*—Provide for local feasibility and industry studies, funding for a network of university centers that assist public bodies, nonprofit organizations, and businesses to plan and implement activities designed to generate jobs and income in distressed areas.

*Public works investments.*—Provide for infrastructure projects that foster the establishment or expansion of industrial and commercial businesses generating employment in communities experiencing high unemployment, low per-capita income, or out-migration.

*Economic adjustment investments.*—Provide a package of assistance tools, including planning, technical assistance, revolving loan funds and infrastructure development, to help communities counteract either a gradual erosion or a sudden dislocation of their local economic structure as a result of natural disasters, international trade competition, or major plant closings. Provide grants to support Brownfields redevelopment.

*Research evaluation investments.*—Support studies about the causes of economic distress and approaches to alleviating and preventing such problems, national demonstrations of innovative economic development techniques, and dissemination of economic development information.

*Trade adjustment assistance.*—Provide technical assistance, through a national network of 12 Trade Adjustment Assistance Centers, to certified U.S. manufacturing firms and industries economically injured as the result of international trade competition.

*Performance measures.*—All EDA program activities under this account support the Department of Commerce strategic goals to expand economic growth, trade, and prosperity, stim-

ulate innovation of American competitiveness, and advance sustainable economic development. In 2004, EDA will track the amount of private investment and number of jobs generated by its investments. For investments made in 2002, 2003, and 2004, long-term outcome results will be reported by investment recipients over a period of nine years following award. For example, FY 2004 construction and revolving loan funds investments are expected to create or retain 52,700 jobs by 2013. In 2004, EDA will track its capacity-building investments to ensure that the planning, technical assistance, and trade adjustment assistance programs are providing market-based and value-added services. In addition, EDA will refine its targets to more closely reflect achievable performance. Below are EDA's performance goals and selected measures that demonstrated EDA's support of Commerce strategic goals.

**EDA Goal 1: Promote private enterprise and job creation in economically distressed communities.**

Performance measure	Projected outcomes		
	FY 2007	FY 2010	FY 2013
Jobs created or retained in distressed communities as a result of EDA investments .....	10,500	26,300	53,700
	FY 2002	FY 2003	FY 2004
Percent of investments to areas of highest distress ...	40	37-43	37-43

**EDA Goal 2: Build community capacity to achieve and sustain economic growth**

Performance measure	Projected outcomes		
	FY 2002	FY 2003	FY 2004
Percent of local technical assistance and economic adjustment strategy investments awarded in areas of highest distress .....	30	30-35	30-35

Note.—For 2002, actual results have been tabulated.

A more detailed presentation of goals, performance measures and targets is found in the Commerce Annual Performance Plan.

**Object Classification (in millions of dollars)**

Identification code 13-2050-0-1-452	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	344	332	331
99.0 Reimbursable obligations: Reimbursable obligations ...	8	16	18
99.9 Total new obligations .....	352	348	349

**Public enterprise funds:**

**ECONOMIC DEVELOPMENT REVOLVING FUND LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 13-4406-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Interest expense .....	2	2	2
00.02 Defaults and care and protection of collateral .....	1	2	2
10.00 Total new obligations .....	3	4	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2		
22.00 New budget authority (gross) .....	7	4	6
22.40 Capital transfer to general fund .....	-6		
23.90 Total budgetary resources available for obligation .....	3	4	6
23.95 Total new obligations .....	-3	-4	-4

<b>New budget authority (gross), detail:</b>				
Mandatory:				
69.00	Offsetting collections (cash) .....	7	4	6
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	3	2	1
73.10	Total new obligations .....	3	4	4
73.20	Total outlays (gross) .....	-5	-4	-6
74.40	Obligated balance, end of year .....	2	1	.....
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	5	4	6
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-7	-4	-6
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	.....	.....	.....
90.00	Outlays .....	-2	.....	.....

**Status of Direct Loans (in millions of dollars)**

Identification code 13-4406-0-3-452	2002 actual	2003 est.	2004 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	33	28	24
1251	Repayments: Repayments and prepayments .....	-4	-3	-3
1263	Write-offs for default: Direct loans .....	-1	-1	-1
1290	Outstanding, end of year .....	28	24	20

As required by the Federal Credit Reform Act of 1990, this account records, for these programs, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. This includes interest on loans outstanding; principal repayments from loans made under the Area Redevelopment Act, the Public Works and Economic Development Act of 1965 as amended, and the Trade Act of 1974; and proceeds from the sale of collateral are deposited in this fund.

No new loan or guarantee activity is proposed for 2004.

**Statement of Operations (in millions of dollars)**

Identification code 13-4406-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.	
0101	Revenue .....	2	2	2	2
0102	Expense .....	-2	-2	-2	-2
0105	Net income or loss (-) .....	.....	.....	.....	.....

**Balance Sheet (in millions of dollars)**

Identification code 13-4406-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	5	5	5	5
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	33	29	25	21
1603	Allowance for estimated uncollectible loans and interest (-) .....	-1	-1	-1	-1
1604	Direct loans and interest receivable, net .....	32	28	24	20
1699	Value of assets related to direct loans .....	32	28	24	20
1999	Total assets .....	37	33	29	25
<b>LIABILITIES:</b>					
2102	Federal liabilities: Interest payable .....	2	2	2	2
2999	Total liabilities .....	2	2	2	2
<b>NET POSITION:</b>					
3100	Appropriated capital .....	35	31	27	23
3999	Total net position .....	35	31	27	23

4999	Total liabilities and net position .....	37	33	29	25
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**Object Classification (in millions of dollars)**

Identification code 13-4406-0-3-452	2002 actual	2003 est.	2004 est.	
25.2	Other services .....	1	2	2
43.0	Interest and dividends .....	2	2	2
99.9	Total new obligations .....	3	4	4

**BUREAU OF THE CENSUS**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

*For expenses necessary for collecting, compiling, analyzing, preparing, and publishing statistics, provided for by law, \$220,908,000. (13 U.S.C. 4, 6, 8(b), 12, 61-63, 181, 182, 301-307, 401; 15 U.S.C. 1516, 4901 et seq.; 19 U.S.C. 1484(e), 2354, 2393; 44 U.S.C. 1343.)*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 13-0401-0-1-376	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Current economic statistics .....	111	142	156
00.02	Current demographic statistics .....	74	79	80
00.03	Survey development and data services .....	4	4	5
10.00	Total new obligations .....	189	225	241

**Budgetary resources available for obligation:**

22.00	New budget authority (gross) .....	189	225	241
23.95	Total new obligations .....	-189	-225	-241

**New budget authority (gross), detail:**

Discretionary:				
40.00	Appropriation .....	169	205	221
Mandatory:				
60.00	Appropriation .....	20	20	20
70.00	Total new budget authority (gross) .....	189	225	241

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	9	17	57
73.10	Total new obligations .....	189	225	241
73.20	Total outlays (gross) .....	-181	-185	-225
74.40	Obligated balance, end of year .....	17	57	73

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	120	152	164
86.93	Outlays from discretionary balances .....	41	13	41
86.97	Outlays from new mandatory authority .....	20	20	20
87.00	Total outlays (gross) .....	181	185	225

**Net budget authority and outlays:**

89.00	Budget authority .....	189	225	241
90.00	Outlays .....	181	185	225

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	10	10	12
99.01	Outlays .....	10	10	12

The activities of this appropriation provide for the collection, compilation, and publication of a broad range of current economic, demographic, and social statistics.

*Current economic statistics.*—The business statistics program provides current information on sales and related measures of retail and wholesale trade and selected service industries. This program will expand coverage of a new principal economic indicator of quarterly service industry activity. It also provides annual selected merchandise line data for retail

General and special funds—Continued

SALARIES AND EXPENSES—Continued

and wholesale trade sectors and expands annual coverage of service industries.

Construction statistics reports are provided on significant construction activity such as housing permits and starts, value of new construction, residential alterations and repairs, and quarterly price indexes for new single-family houses.

Manufacturing statistics survey key industrial commodities and manufacturing activities, providing current statistics on the quantity and value of industrial output.

General economic statistics provide a Business Register of all U.S. business firms and their establishments, uniform classification data based on the North American Industry Classification System (NAICS), annual county business data, corporate financial data, e-commerce estimates, and an economic research program. The E-Government increase will permit businesses to file electronically in any one of almost one hundred current economic surveys.

Foreign trade statistics provide for publication of monthly, cumulative, and annual reports on the quantity, shipping weight, and dollar value of imports and exports, by mode of transportation, detailed commodity category, customs districts, and country of origin or destination. This program covers the Census Bureau responsibilities under the Trade Act of 1974. This program accelerates the release of trade statistics, improves export coverage, and expands the Automated Export System.

Government statistics reports provide information on the revenue, expenditures, indebtedness and debt transactions, financial assets, employment, and payrolls of State and local governments. The Census Bureau provides quarterly information on State and local tax revenue on the national level by type of tax and governmental level, and provides information on financial assistance programs of the Federal government.

*Current demographic statistics.*—Household surveys provide information on the number, geographic distribution, and the social and economic characteristics of the population.

The Census Bureau compiles housing statistics on the Nation's housing inventory and provides national and regional estimates of housing vacancy rates. Population and housing analyses provide current demographic reports on the geographic distribution and on the demographic, social, and economic characteristics of the population, as well as current estimates and future projections of the population of the United States, and special analyses of demographic, social and economic trends. International statistics provide estimates of population, labor force, and economic activity, including spatial distribution, and analyses concerning aspects of demographic policies, economic policies, and trends for various countries.

*Survey development and data services.*—The *Statistical Abstract* that the Census Bureau prepares annually summarizes Government and private statistics of the industrial, social, political, and economic activities of the United States. The Bureau conducts general research on survey methods and techniques to find ways of improving the efficiency, accuracy, and timeliness of statistical programs. Data systems development provides advanced data capture, data processing, and information retrieval technology to meet Census Bureau program requirements.

*Survey of Program Dynamics.*—The Personal Responsibility and Work Opportunity Act of 1996 required that the Survey of Income and Program Participation be expanded to evaluate the impact of welfare reforms made by that Act. This program will be considered as part of the re-authorization of the Temporary Assistance for Needy Families program.

The State Children's Health Insurance Program (SCHIP) was established and funded through mandatory appropriations by the Medicare, Medicaid, and State Children's Health Insurance Program Balanced Budget Refinement Act of 1999 (P.L. 106-113). \$10 million was appropriated to produce statistically reliable annual State data on the number of low-income children who do not have health insurance coverage. Data from the SCHIP issued to allocate funds to States based on statistics from an enhanced March Income Supplement to the Current Population Survey (CPS).

*Performance measures.*—Activities under the Salaries and Expenses account support the Department of Commerce's strategic goal involving promotion of economic growth. The performance goals are to meet the needs of policymakers, businesses, nonprofit organizations, and the public for current measures of the U.S. population, economy, and governments and to foster an environment that supports innovation, reduces respondent burden, and ensures individual privacy.

A more detailed presentation of the goals, performance measures, and targets is found in the Commerce Annual Performance Plan.

Object Classification (in millions of dollars)

Identification code 13-0401-0-1-376	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	90	98	106
11.3 Other than full-time permanent .....	12	17	17
11.5 Other personnel compensation .....	7	4	4
11.9 Total personnel compensation .....	109	119	127
12.1 Civilian personnel benefits .....	27	31	34
13.0 Benefits for former personnel .....		1	1
21.0 Travel and transportation of persons .....	4	10	10
22.0 Transportation of things .....	1		
23.1 Rental payments to GSA .....	5	8	9
23.3 Communications, utilities, and miscellaneous charges .....	4	5	5
24.0 Printing and reproduction .....	1	2	2
25.1 Advisory and assistance services .....	13	18	20
25.2 Other services .....	4	9	10
25.3 Other purchases of goods and services from Government accounts .....	9	9	8
25.4 Operation and maintenance of facilities .....	1	1	2
25.5 Research and development contracts .....	1	1	1
25.7 Operation and maintenance of equipment .....	3	1	1
26.0 Supplies and materials .....	3	2	2
31.0 Equipment .....	4	8	9
99.9 Total new obligations .....	189	225	241

Personnel Summary

Identification code 13-0401-0-1-376	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2,164	2,543	2,634

PERIODIC CENSUSES AND PROGRAMS

*For necessary expenses to collect and publish statistics for periodic censuses and programs provided for by law, \$441,053,000, to remain available until expended. (13 U.S.C. 4, 6, 12, 131, 141, 161, 181, 191; 15 U.S.C. 1516; 42 U.S.C. 1973aa-5.)*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 13-0450-0-1-376	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Economic statistics programs:			
00.01 Economic censuses .....	52	87	74
00.02 Census of governments .....	6	7	6

Demographic statistics programs:				
00.06	Intercensal demographic estimates .....	6	9	9
00.08	2000 decennial census .....	139	142	.....
00.09	2010 decennial census .....	64	215	272
00.10	Continuous measurement .....	27	.....	.....
00.11	Demographic surveys sample redesign .....	13	15	13
00.12	Electronic information collection .....	6	6	7
00.13	Geographic support .....	37	39	41
00.14	Data processing .....	23	29	31
00.15	Suitland Federal Center office space renovation/construction .....	2	40	.....
01.00	Total direct program .....	375	589	453
09.01	Reimbursable program .....	9	.....	.....
10.00	Total new obligations .....	384	589	453
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	120	85	.....
22.00	New budget authority (gross) .....	319	500	441
22.10	Resources available from recoveries of prior year obligations .....	31	4	12
23.90	Total budgetary resources available for obligation .....	470	589	453
23.95	Total new obligations .....	-384	-589	-453
23.98	Unobligated balance expiring or withdrawn .....	-1	.....	.....
24.40	Unobligated balance carried forward, end of year .....	85	.....	.....
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	321	500	441
40.73	Reduction pursuant to P.L. 107-206 .....	-11	.....	.....
43.00	Appropriation (total discretionary) .....	310	500	441
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	9	.....	.....
70.00	Total new budget authority (gross) .....	319	500	441
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	258	147	124
73.10	Total new obligations .....	384	589	453
73.20	Total outlays (gross) .....	-464	-609	-470
73.45	Recoveries of prior year obligations .....	-31	-4	-12
74.40	Obligated balance, end of year .....	147	124	95
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	263	395	348
86.93	Outlays from discretionary balances .....	201	214	122
87.00	Total outlays (gross) .....	464	609	470
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-9	.....	.....
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	310	500	441
90.00	Outlays .....	455	609	470
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	14	22	22
99.01	Outlays .....	14	22	22

This appropriation funds legislatively mandated economic and periodic demographic censuses and other authorized activities.

**Economic statistics programs.—**

**Economic censuses.**—The economic censuses provide data on manufacturers, mining, retail and wholesale trade and service industries, construction, and transportation. The censuses are taken every fifth year, covering calendar years ending in two and seven. 2004 is the fifth year in the 2002 Economic Census Cycle. The focus in 2004 is on headquarters processing, including editing, reviewing and preparing products associated with data dissemination of results from the core census programs. In addition, information about the characteristics of almost 2.5 million businesses will be collected during 2004 as part of the Survey of Business Owners.

**Census of governments.**—The census of governments provides information on state and local governments' taxes,

tax valuations, governmental receipts, expenditures, indebtedness, and number of employees. This census is taken every fifth year for calendar years ending in two and seven. 2004 is the fifth year in the five year cycle of the 2002 Census of Governments. The focus for 2004 will be on completing the employment and finance phases of the census, including production of both printed and Internet products.

**Demographic statistics programs.—**

**Intercensal demographic estimates.**—In years between decennial censuses, this program develops annual estimates of the population and its demographic characteristics, for the nation, states, metropolitan areas, counties and functioning governmental units. These data are used for a variety of purposes including the allocation of nearly \$200 billion in Federal funds, as controls for a variety of federally sponsored surveys, as denominators for vital statistics and other health and economic indicators and for a variety of federal, state, and private program planning needs. These data will also allow for and will provide "annual estimates" for the major components of demographic change instead of the current "once a decade" estimate.

**Decennial Census.—**

The Census Bureau has begun the process of planning the next decennial census.

The plan for the 2010 Census features three key components which will reduce operational risks, improve accuracy, provide more relevant data, and contain cost; (1) Establishment of an early design and planning process that will allow the Census Bureau to test fully all major elements of a simplified, streamlined census designed to collect the basic ("short form") data needed to fulfill constitutional and legal mandates; (2) Implementation of the American Community Survey (ACS) to collect "long form" data; instead of having a long form in 2010; and (3) Enhancing the Census Bureau's geographic database and associated address list, referred to as MAF/TIGER (Master Address File/Topologically Integrated Geographic Encoding and Referencing) by replacing the internally developed MAF/TIGER system with one that uses Global Positioning System technology and aerial photography to update and improve the address and street information gathered at great expense for Census 2000. Activities in these three areas are highly integrated, complement each other, and form the basis for re-engineering the 2010 census.

In 2004, the Census Bureau will be conducting extensive planning, testing and development activities to support the re-engineered short form only, 2010 Census. In 2004, we also will begin implementation of the ACS. To enhance the MAF/TIGER system, the Bureau will focus on correcting the accuracy of map feature locations in 600 of the Nation's 3,232 counties.

**Demographic surveys sample redesign.**—This program provides for the sample selection of monthly, quarterly and annual household surveys to conform to the redistribution of the population measured in the decennial census. This is done after each decennial census in order to select accurate samples for the major household surveys throughout the decade. Implementation of the first new samples will begin in 2004.

**Electronic information collection (EIC).**—EIC is the Bureau's program to transform the Bureau's business processes—the collection, processing, and dissemination of information. Making the greatest possible use of automation and telecommunications, EIC seeks to provide the tools and systems to deliver to our customers accurate information quickly and efficiently, with as little burden as possible on those who provide the data to the Bureau.

**Geographic support.**—This activity's goal is to determine the correct location of every business establishment in the U.S. and its territories. The activity's major components include the TIGER data base and the MAF. TIGER provides maps and geographic information for data tabulation; MAF

General and special funds—Continued

PERIODIC CENSUSES AND PROGRAMS—Continued

provides the geographically-assigned address list for the Nation. Together, they provide essential information and products critical for conducting many of the Bureau's programs.

*Data processing systems.*—This activity provides for the purchase or renting of hardware and software needed for the Bureau's general purpose computing facilities. The requested increase will provide funding to prevent disruptions to critical data systems in the event of a disaster and to protect sensitive data.

*Performance measures.*—Activities under the Periodic Censuses and Programs account support the Department of Commerce's strategic goal involving promotion of economic growth. The performance goals are to support the economic and political foundations of the United States by producing benchmark measures of the economy and population for the administration and equitable funding of Federal, state, and local programs; to meet constitutional and legislative mandates by implementing a reengineered 2010 Census that is cost-effective, provides more timely data, improves coverage, and reduces operational risk; and, to foster an environment that supports innovation, reduces respondent burden, and ensures individual privacy.

A more detailed presentation of the goals, performance measures, and targets is found in the Commerce Annual Performance Plan.

Object Classification (in millions of dollars)

Identification code 13-0450-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	141	179	151
11.3 Other than full-time permanent .....	14	37	31
11.5 Other personnel compensation .....	9	5	6
11.9 Total personnel compensation .....	164	221	188
12.1 Civilian personnel benefits .....	43	73	58
13.0 Benefits for former personnel .....	1	1	2
21.0 Travel and transportation of persons .....	7	10	8
22.0 Transportation of things .....	1	1	.....
23.1 Rental payments to GSA .....	10	13	12
23.2 Rental payments to others .....	1	.....	1
23.3 Communications, utilities, and miscellaneous charges .....	8	15	15
24.0 Printing and reproduction .....	3	3	1
25.1 Advisory and assistance services .....	47	54	40
25.2 Other services .....	16	99	79
25.3 Other purchases of goods and services from Government accounts .....	19	15	12
25.4 Operation and maintenance of facilities .....	3	51	9
25.5 Research and development contracts .....	23	9	6
25.7 Operation and maintenance of equipment .....	8	3	2
26.0 Supplies and materials .....	9	8	5
31.0 Equipment .....	13	13	15
99.0 Direct obligations .....	375	589	453
99.0 Reimbursable obligations .....	9	.....	.....
99.9 Total new obligations .....	384	589	453

Personnel Summary

Identification code 13-0450-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	3,216	4,491	3,441

CENSUS WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 13-4512-0-4-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Current economic statistics .....	32	37	38
09.02 Current demographic statistics .....	178	192	194
09.03 Other .....	17	5	5
10.00 Total new obligations .....	227	234	237
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	82	157	157
22.00 New budget authority (gross) .....	295	234	237
22.10 Resources available from recoveries of prior year obligations .....	7	.....	.....
23.90 Total budgetary resources available for obligation .....	384	391	394
23.95 Total new obligations .....	-227	-234	-237
24.40 Unobligated balance carried forward, end of year .....	157	157	157
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	295	234	237
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	55	-12	-12
73.10 Total new obligations .....	227	234	237
73.20 Total outlays (gross) .....	-287	-234	-237
73.45 Recoveries of prior year obligations .....	-7	.....	.....
74.40 Obligated balance, end of year .....	-12	-12	-12
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	287	234	237
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-295	-234	-237
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	-8	.....	.....
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	9	21	21
99.01 Outlays .....	9	21	21

The Working capital fund finances, on a reimbursable basis, functions within the Bureau of the Census which are more efficiently and economically performed on a centralized basis. The fund also finances reimbursable work that the Bureau performs for other public and private entities.

Object Classification (in millions of dollars)

Identification code 13-4512-0-4-376	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	87	87	85
11.3 Other than full-time permanent .....	36	37	34
11.5 Other personnel compensation .....	6	.....	6
11.9 Total personnel compensation .....	129	124	125
12.1 Civilian personnel benefits .....	29	31	32
21.0 Travel and transportation of persons .....	14	19	20
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	7	7	8
23.3 Communications, utilities, and miscellaneous charges .....	4	6	7
24.0 Printing and reproduction .....	3	3	3
25.1 Advisory and assistance services .....	11	9	10
25.2 Other services .....	10	10	9
25.3 Other purchases of goods and services from Government accounts .....	8	9	8
25.4 Operation and maintenance of facilities .....	2	2	2
25.7 Operation and maintenance of equipment .....	2	2	2
26.0 Supplies and materials .....	3	4	4
31.0 Equipment .....	4	7	6
99.9 Total new obligations .....	227	234	237

## Personnel Summary

Identification code 13-4512-0-4-376	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	3,040	3,086	3,086

## ECONOMIC AND STATISTICAL ANALYSIS

## Federal Funds

## General and special funds:

## SALARIES AND EXPENSES

For necessary expenses, as authorized by law, of economic and statistical analysis programs of the Department of Commerce, \$84,756,000, to remain available until September 30, 2005. (15 U.S.C. 171 et seq., 1501 et seq.; 22 U.S.C. 286f, 3101 et seq.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 13-1500-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Bureau of Economic Analysis .....	56	68	78
00.02 Policy support .....	6	7	7
09.01 Reimbursable program .....	2	2	2
10.00 Total new obligations .....	64	77	87
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	2	
22.00 New budget authority (gross) .....	64	75	87
23.90 Total budgetary resources available for obligation .....	65	77	87
23.95 Total new obligations .....	-64	-77	-87
24.40 Unobligated balance carried forward, end of year .....	2		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	62	73	85
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2	2	2
70.00 Total new budget authority (gross) .....	64	75	87
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	8	9
73.10 Total new obligations .....	64	77	87
73.20 Total outlays (gross) .....	-62	-76	-86
74.40 Obligated balance, end of year .....	8	9	10
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	55	66	77
86.93 Outlays from discretionary balances .....	7	10	9
87.00 Total outlays (gross) .....	62	76	86
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Reimbursable projects .....	-2	-2	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	62	73	85
90.00 Outlays .....	60	74	84
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	4
99.01 Outlays .....	3	3	4

**Bureau of Economic Analysis.**—The Bureau of Economic Analysis (BEA), a principal Federal statistical agency, provides the most comprehensive statistical picture available of U.S. economic activity. It prepares, develops, and interprets the national, international, regional and industry economic

accounts of the United States. These accounts provide key information on economic growth, regional development, and the Nation's position in the world economy.

BEA's statistics are used in formulating and evaluating national economic policy, in planning and formulating Federal budgets, and in allocating over \$150 billion in Federal funds annually. They are used by State and local governments for a variety of planning and analytical activities. Because they can have a major impact on interest rates, exchange rates, and cost-of-living adjustments, they are also of vital interest to businesses for market analysis and decisionmaking, and to households for financial planning.

To prepare the accounts, BEA assembles thousands of monthly, quarterly, and annual economic data series—ranging from national level retail sales to county level wages and salaries—and combines them into consistent and comprehensive sets of accounts.

**National economic accounts.**—The national accounts are a system of economic accounts that detail the relationship between production and the incomes generated in production and trace the principal economic flows among the major sectors and industries of the economy. They are best known by summary measures such as gross domestic product (GDP), corporate profits, and personal saving. In addition, they provide information on the U.S. capital stock by type and industry; GDP-by-industry; and, through the input-output accounts, information on how industries interact—providing inputs to, and taking outputs from, each other to produce GDP. The national accounts statistics are regarded as the mainstay of macroeconomic analysis.

**International economic accounts.**—The international transactions accounts are a system of economic accounts that provide information on international transactions in goods, services, investment income, and government and private financial flows. They are best known by summary measures such as the balance of payments and the balance on goods and services. In addition, the accounts provide information on the U.S. international investment position, which measures the value of U.S. international assets and liabilities and changes in those values. The international transactions accounts and the international investment position are critical statistical tools used in formulating and evaluating international economic policy. BEA's data on direct investment—the most detailed data set on the operations of multinational companies available among the major industrialized nations of the world—are used to assess the vital role these companies play in the global economy.

**Regional economic accounts.**—The regional accounts are consistent with the national accounts and provide data on total and per capita personal income by region, State, metropolitan area, and county, and on gross State product. The regional accounts statistics are essential for State government revenue forecasting, the allocation of Federal funds to the States, and for private sector investment decisions.

**Industry economic accounts.**—The industry economic accounts, presented both in an input-output accounting framework and as a time series of gross domestic product by industry, provide a detailed view of the interrelationships between U.S. producers and users and the contribution to production across industries. These accounts are used extensively by policymakers and businesses to understand industry interactions, productivity trends, and the changing structure of the U.S. economy.

**Implementing BEA's strategic plan.**—The dynamics of the U.S. economy, with its growing complexity, technological advances, and dramatic changes in structure, make it increasingly difficult to provide an accurate, up-to-date picture of economic activity. Add the effects of recent events related to national security and the business cycle turnaround, and

## General and special funds—Continued

## SALARIES AND EXPENSES—Continued

it is now more important than ever that government and business leaders have the most relevant, accurate, and timely economic information possible. BEA must continually expand and improve its economic accounts to keep pace with the economy and meet the increased demand for economic information. BEA is working to overcome statistical weaknesses and close gaps in data coverage by developing such improvements as new measures of services and compensation, new quality-adjusted price indexes, and new measures of international trade and finance. In 2004, BEA will build on the progress it made in 2003 to accelerate its key economic indicators by working to release the gross domestic product, personal income and outlays, and county area personal income on an accelerated basis. The resulting increase in timeliness will have a significant impact on the usefulness of these data, especially to high-level policy makers and business leaders. BEA also will continue to improve the quality of its measures by filling gaps in its data sources. BEA will incorporate real-time data into its measures and acquire more information on international transactions. It also will work to meet the U.S.'s statistical commitments to international organizations.

*Improving information technology.*—BEA's statistical processing systems play an essential role in the production of the economic accounts. It is critical that they be redesigned to incorporate new methodologies and modernized to take full advantage of current information technology capabilities. In 2004, BEA will expand its system modernization efforts to include the international accounts, industry accounts, and regional accounts. BEA will continue to upgrade its suite of software tools (e.g. econometric and database software) that are critical in supporting timely and reliable economic estimates. BEA also will expand its electronic reporting capability to more of its international surveys and will continue to develop new data dissemination features via its Web site.

*Policy support.*—The Economics and Statistics Administration's headquarters operation advises the Secretary of Commerce and other Government officials on matters related to economic developments and forecasts, and the development of options and positions relating to both macroeconomic and microeconomic policy.

*Reimbursable program.*—ESA provides economic and statistical data and analyses on a reimbursable and advance payment basis to other Federal agencies, individuals, and firms requesting such information. Funds received for these services cover the cost of performing this work.

Activities under Economic and Statistical Analysis support the Commerce Department's strategic goal of providing the information and the framework to enable the economy to operate efficiently and equitably.

*Performance measures.*—BEA will seek to maintain: delivery of all data releases on schedule; and a mean rating of 4.3 (on a 5-point scale) in users' satisfaction, as determined by a customer survey. In addition, BEA will achieve specified milestones in improving the economic accounts, accelerating economic estimates, meeting international obligations, and upgrading information technology systems.

Goal: Provide relevant, accurate and timely economic data.

Performance measure:	2002 actual	2003 target	2004 target
1a. Reliability of delivery of economic data (number of scheduled releases issued on time) .....	50 of 50	55 of 55	TBD
1b. Customer satisfaction with quality of products and services (mean rating on a 5-point scale) .....	4.3	>4.0	>4.0
1c. Percent of GOP Estimates Correct .....	83%	>84%	>84%

A more detailed presentation of goals, performance measures, and targets is found in the Commerce Annual Performance Plan.

## Object Classification (in millions of dollars)

Identification code 13-1500-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	33	37	42
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	34	38	43
12.1 Civilian personnel benefits .....	7	11	11
23.1 Rental payments to GSA .....	4	7	8
23.3 Communications, utilities, and miscellaneous charges .....	2	1	2
25.1 Advisory and assistance services .....		3	3
25.2 Other services .....	8	4	6
25.3 Other purchases of goods and services from Government accounts .....	4	7	8
25.7 Operation and maintenance of equipment .....		1	1
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	2	2	2
99.0 Direct obligations .....	62	75	85
99.0 Reimbursable obligations .....	2	2	2
99.9 Total new obligations .....	64	77	87

## Personnel Summary

Identification code 13-1500-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	468	500	547
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	8	18	23

## ECONOMICS AND STATISTICS ADMINISTRATION REVOLVING FUND

## Program and Financing (in millions of dollars)

Identification code 13-4323-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	2	2	2
10.00 Total new obligations .....	2	2	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	2	2
22.00 New budget authority (gross) .....	2	2	2
23.90 Total budgetary resources available for obligation .....	4	4	4
23.95 Total new obligations .....	-2	-2	-2
24.40 Unobligated balance carried forward, end of year .....	2	2	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	2	2	2
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	2	2	2
73.20 Total outlays (gross) .....	-2	-2	-2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	2	2
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Subscription and fee sales .....	-2	-2	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The Economic and Statistics Administration operates STAT-USA, a revolving fund activity that provides the public with access to key business, economic, and international trade information. STAT-USA's mission is to produce, distribute, and

assist other government agencies in producing world-class business, economic, and government information products that American businesses and the public can use to make intelligent and informed decisions. It accomplishes this goal through two primary products and services: (1) STAT-USA®/Internet and (2) USA Trade Online®.

STAT-USA has three ongoing objectives pursuant to the accomplishment of its mission:

Objective: Identify new markets for products and services to increase the customer base.

Objective: Increase customer involvement to improve customer satisfaction.

Objective: Increase supplier involvement.

A more detailed presentation of STAT-USA's objectives is found in the Commerce Annual Performance Plan.

#### Object Classification (in millions of dollars)

Identification code 13-4323-0-3-376	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.2 Other services .....	1	1	1
99.0 Reimbursable obligations .....	2	2	2
99.9 Total new obligations .....	2	2	2

#### Personnel Summary

Identification code 13-4323-0-3-376	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	12	15	15

## INTERNATIONAL TRADE ADMINISTRATION

### Federal Funds

#### General and special funds:

##### OPERATIONS AND ADMINISTRATION

For necessary expenses for international trade activities of the Department of Commerce provided for by law, and for engaging in trade promotional activities abroad, including expenses of grants and cooperative agreements for the purpose of promoting exports of United States firms, without regard to 44 U.S.C. 3702 and 3703; full medical coverage for dependent members of immediate families of employees stationed overseas and employees temporarily posted overseas; travel and transportation of employees of the United States and Foreign Commercial Service between two points abroad, without regard to 49 U.S.C. 40118; employment of Americans and aliens by contract for services; rental of space abroad for periods not exceeding 10 years, and expenses of alteration, repair, or improvement; purchase or construction of temporary demountable exhibition structures for use abroad; payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries; not to exceed \$327,000 for official representation expenses abroad; purchase of passenger motor vehicles for official use abroad, not to exceed \$30,000 per vehicle; obtaining insurance on official motor vehicles; and rental of tie lines, \$395,123,000, to remain available until expended, of which \$13,000,000 is to be derived from fees to be retained and used by the International Trade Administration, notwithstanding 31 U.S.C. 3302: Provided, That \$65,009,000 shall be for Trade Development, \$38,100,000 shall be for Market Access and Compliance, \$53,437,000 shall be for the Import Administration, \$208,868,000 shall be for the United States and Foreign Commercial Service, and \$29,709,000 shall be for Executive Direction and Administration: Provided further, That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities without regard to section 5412 of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4912); and that for the purpose of this Act, contributions under the provisions of the Mutual Educational and Cultural Exchange Act shall include payment for assessments for services provided as part of these activities. (15 U.S.C. 637(e), 649, 1501 et seq., 1871, 4001

et seq., 4011 et seq.; 19 U.S.C. 81a et seq., 1202nt., 1303, 1671 et seq., 1673 et seq., 1862, 2031, 2155, 2354, 2411 et seq.; 22 U.S.C. 801 et seq., 2451 et seq., 2651 et seq., 3101 et seq.; 40 U.S.C. 512, 42 U.S.C. 300j; 50 U.S.C. 98-98h, 401 et seq., 2061 et seq., 2401 et seq.; Public Law 99-64.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 13-1250-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Trade development .....	68	56	57
00.02 Market access and compliance .....	38	50	37
00.03 Import administration .....	45	51	53
00.04 U.S. and foreign commercial services .....	202	203	205
00.05 Administration and executive direction .....	13	26	30
01.00 Total direct program .....	366	386	382
09.01 Reimbursable program .....	11	36	36
10.00 Total new obligations .....	377	422	418
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	26	22	.....
22.00 New budget authority (gross) .....	366	400	418
22.10 Resources available from recoveries of prior year obligations .....	7	.....	.....
23.90 Total budgetary resources available for obligation .....	399	422	418
23.95 Total new obligations .....	-377	-422	-418
24.40 Unobligated balance carried forward, end of year .....	22	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	345	364	382
42.00 Transferred from other accounts .....	10	.....	.....
43.00 Appropriation (total discretionary) .....	355	364	382
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	11	36	36
70.00 Total new budget authority (gross) .....	366	400	418
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	95	102	141
73.10 Total new obligations .....	377	422	418
73.20 Total outlays (gross) .....	-361	-383	-406
73.45 Recoveries of prior year obligations .....	-7	.....	.....
74.40 Obligated balance, end of year .....	102	141	153
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	272	291	303
86.93 Outlays from discretionary balances .....	89	92	103
87.00 Total outlays (gross) .....	361	383	406
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-2	-5	-5
88.40 Non-Federal sources .....	-9	-31	-31
88.90 Total, offsetting collections (cash) .....	-11	-36	-36
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	355	364	382
90.00 Outlays .....	350	347	370
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	10	13	13
99.01 Outlays .....	10	13	13

The mission of the International Trade Administration (ITA) in the Department of Commerce is to create economic opportunity for U.S. workers and firms by promoting international trade, opening foreign markets, ensuring compliance with trade laws and agreements, and supporting U.S. commercial interests at home and abroad.

**General and special funds—Continued**

## OPERATIONS AND ADMINISTRATION—Continued

Working as a key part of the Government-wide Trade Promotion Coordinating Committee, ITA will pursue this mission through the activities of its five major subdivisions and through reimbursable programs as follows:

**Trade development.**—The trade development program assesses the competitiveness of various U.S. industries and performs trade and investment analyses; works with manufacturing and service industry associations and firms to identify and to capitalize on trade opportunities and to pinpoint and overcome obstacles to increased U.S. exports; articulates U.S. industries' needs, interests and concerns to American negotiators of international trade agreements and assists in the preparation and implementation of negotiating strategies; and conducts export promotion programs directed toward industry sectors.

**Market access and compliance.**—The Market Access and Compliance unit (MAC) is the U.S. Government's front-line offensive team working to unlock foreign markets for American goods and services country-by-country and region-by-region. MAC concentrates on market access issues and the development of strategies to overcome market access obstacles faced by U.S. businesses. MAC maintains in-depth knowledge of the trade policies of our trading partners. It monitors foreign country compliance with numerous multilateral and bilateral trade-related agreements, identifying compliance problems and other market access obstacles. MAC's specialists work with other Government agencies to address barriers rapidly, and to ensure that U.S. firms know how to use the market opening agreements. It provides information on foreign trade and business practices to U.S. firms and works to find opportunities and to develop market strategies in traditional markets and in the emerging markets. MAC's objective is to develop and to update continuously current and long-term market access strategies, including developing the information needed to conduct trade negotiations to open markets. MAC's specialists work hand-in-hand with U.S. business, trade associations and other business organizations, Commerce's industry and technical specialists, and the U.S. Commercial Service's domestic and overseas offices. This unit will continue to provide support for the operation of the North American Free Trade Agreement.

**Import administration.**—Import Administration investigates antidumping and countervailing duty cases to ensure compliance with applicable U.S. statutes and administers certain other statutory programs relating to imports and foreign trade zones.

**U.S. and foreign commercial service.**—The U.S. and Foreign Commercial Service counsels U.S. businesses on exporting through offices in the United States and overseas countries. The program's goals are to increase the number of U.S. firms that export and the number of foreign markets to which they export; to provide export market information; to promote and facilitate participation of U.S. firms in trade shows; and to encourage and sponsor additional involvement by private, State and local organizations.

**Administration and executive direction.**—Administration and Executive Direction provide policy leadership and administration services for the other ITA subdivisions. Executive Direction includes the Office of the Under Secretary for International Trade, the Deputy Under Secretary for International Trade, and subordinate offices covering Legislative and Intergovernmental Affairs, Public Affairs, Office of the Chief Information Officer, and the Trade Promotion Coordinating Committee staff. Administration provides human resources services, financial management services, and general administrative assistance for the other ITA subdivisions.

**Reimbursable program.**—This program includes receipts for services rendered to other Federal agencies and receipts received on a cost recovery basis from private entities for trade events and export information services. ITA proposes to collect fees to offset the costs associated with services and products provided. In 2004, ITA will continue to improve existing products and services to U.S. businesses.

Activities under the ITA account support Commerce's strategic plan.

Goals—Performance Measures:	2002 actual	2003 est.	2004 est.
Ensure Fair Competition in International Trade			
Percentage of antidumping (AD)/countervailing duty (CVD) cases completed on time .....	100%	100%	100%
Broaden and Deepen U.S. Exporter Base			
Number of U.S. exporters entering a new market .....	5,740	6,500	7,100
Number of export transactions made as a result of ITA involvement .....	12,178	13,500	14,900

A more detailed presentation of goals, performance measures and targets can be found in the Commerce Annual Performance Plan.

**Object Classification** (in millions of dollars)

Identification code 13-1250-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	131	150	149
11.3 Other than full-time permanent .....	14	8	8
11.5 Other personnel compensation .....	5	6	6
11.9 Total personnel compensation .....	150	164	163
12.1 Civilian personnel benefits .....	38	39	39
13.0 Benefits for former personnel .....	3	1	1
21.0 Travel and transportation of persons .....	15	17	15
22.0 Transportation of things .....	3	3	3
23.1 Rental payments to GSA .....	17	18	16
23.2 Rental payments to others .....	5	8	8
23.3 Communications, utilities, and miscellaneous charges .....	10	8	8
24.0 Printing and reproduction .....	3	3	3
25.1 Advisory and assistance services .....	1	1	1
25.2 Other services .....	25	53	51
25.3 Other purchases of goods and services from Government accounts .....	59	53	58
26.0 Supplies and materials .....	7	6	5
31.0 Equipment .....	8	8	9
41.0 Grants, subsidies, and contributions .....	22	4	2
99.0 Direct obligations .....	366	386	382
99.0 Reimbursable obligations .....	11	36	36
99.9 Total new obligations .....	377	422	418

**Personnel Summary**

Identification code 13-1250-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2,230	2,517	2,550
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	25	49	49

**BUREAU OF INDUSTRY AND SECURITY****Federal Funds****General and special funds:**

## OPERATIONS AND ADMINISTRATION

*For necessary expenses for export administration and national security activities of the Department of Commerce, including costs associated with the performance of export administration field activities both domestically and abroad; full medical coverage for dependent members of immediate families of employees stationed overseas; employment of Americans and aliens by contract for services abroad; payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries;*

not to exceed \$15,000 for official representation expenses abroad; awards of compensation to informers under the Export Administration Act of 1979, and as authorized by 22 U.S.C. 401(b); purchase of passenger motor vehicles for official use and motor vehicles for law enforcement use with special requirement vehicles eligible for purchase without regard to any price limitation otherwise established by law, \$78,169,000, to remain available until expended: Provided, That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities: Provided further, That payments and contributions collected and accepted for materials or services provided as part of such activities may be retained for use in covering the cost of such activities, and for providing information to the public with respect to the export administration and national security activities of the Department of Commerce and other export control programs of the United States and other governments. (10 U.S.C. 7430(e); 15 U.S.C. 1501 et seq., 1531; 19 U.S.C. 1862; 22 U.S.C. 401(b), 2455(f), 2458(c), 2799aa-1(b), 3922, 6004-6005, 7201-7205; 30 U.S.C. 185(s), 185(u); 42 U.S.C. 300j, 2139a, 5195, 6212; 43 U.S.C. 1354; 46 U.S.C. app. 466c; 50 U.S.C. 82, 98-98h, 1701, app. 468, app. 2061 et seq., app. 2401 et seq., app 2411.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 13-0300-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Management and policy coordination .....	6	7	7
00.02 Export administration .....	29	38	35
00.03 Export enforcement .....	28	34	36
01.00 Total direct program .....	63	79	78
09.01 Reimbursable program .....	5	9	6
10.00 Total new obligations .....	68	88	84
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	9	.....
22.00 New budget authority (gross) .....	70	79	84
22.10 Resources available from recoveries of prior year obligations .....	1	.....	.....
23.90 Total budgetary resources available for obligation .....	78	88	84
23.95 Total new obligations .....	-68	-88	-84
24.40 Unobligated balance carried forward, end of year .....	9	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	65	73	78
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	3	6	6
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	2	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	5	6	6
70.00 Total new budget authority (gross) .....	70	79	84
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	13	12	17
73.10 Total new obligations .....	68	88	84
73.20 Total outlays (gross) .....	-66	-85	-84
73.45 Recoveries of prior year obligations .....	-1	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-2	.....	.....
74.40 Obligated balance, end of year .....	12	17	17
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	62	68	72
86.93 Outlays from discretionary balances .....	4	17	12
87.00 Total outlays (gross) .....	66	85	84
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-2	-5	-5

88.40 Non-Federal sources .....	-1	-1	-1
88.90 Total, offsetting collections (cash) .....	-3	-6	-6
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-2	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	65	73	78
90.00 Outlays .....	63	79	78
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

The mission of the Bureau of Industry and Security (BIS) is to advance U.S. national security, foreign policy, and economic interest. BIS's activities include regulating the export of sensitive goods and technologies in an effective and efficient manner; enforcing export control, anti-boycott, and public safety laws; cooperating with and assisting other countries on export control and strategic trade issues; assisting U.S. industry to comply with international arms control agreements; and monitoring the viability of the U.S. defense industrial base.

**Management and policy coordination.**—The management and policy coordination program provides executive direction and policy guidance necessary to effectively administer U.S. export control laws and laws regarding the defense industrial and technology base.

**Export administration.**—The export administration program safeguards U.S. national and economic security, nonproliferation, and trade interests by effectively administering U.S. export control laws relating to dual-use technologies and weapons of mass destruction; removes outdated export controls; develops, promotes, and implements policies which ensure a strong and technologically superior defense industrial base; oversees compliance by the U.S. business community with the Chemical Weapons Convention (CWC); and implements the Nation's computer and encryption export policy.

**Export enforcement.**—The export enforcement program protects national security, nonproliferation, counter-terrorism, and foreign policy interests by enforcing dual-use controls to ensure that illegal exports will be detected and either prevented or the violators sanctioned.

**Performance measures.**—The activities under this account support the Commerce strategic goal to provide the information and the framework to enable the economy to operate efficiently and equitably.

**Stimulate Innovation for American Competitiveness**

Goals and outcome measures:	2002 actual	2003 est.	2004 est.
Enhance the efficiency of the export control system while protecting U.S. national security interests			
Median processing time for referrals of export licenses to other agencies (days) .....	New	9	9
Ensure U.S. industry compliance with the Chemical Weapons Convention (CWC) and additional protocol to the International Atomic Energy Agency (IAEA) safeguards agreement			
Number of site assistance visits conducted to assist companies prepare for international inspections .....	16	12	24
Detect illegal export transactions and penalize violators			
Number of cases opened that result in the prevention of a criminal violation or the prosecution of a criminal or administrative case .....	82	85	85
Assist key nations to establish effective export control programs			
Number of targeted deficiencies remedied in the export control systems of program Nations .....	25	25	25

A more detailed presentation of goals, objectives, and performance measures is found in the Commerce Annual Performance Plan.

**General and special funds—Continued**

**OPERATIONS AND ADMINISTRATION—Continued**

**Object Classification (in millions of dollars)**

Identification code 13-0300-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	25	29	31
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	27	31	33
12.1 Civilian personnel benefits .....	8	8	9
21.0 Travel and transportation of persons .....	2	3	3
23.1 Rental payments to GSA .....	5	6	6
23.3 Communications, utilities, and miscellaneous charges .....	1	2	2
25.2 Other services .....	5	13	8
25.3 Other purchases of goods and services from Government accounts .....	13	13	14
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	2	2
99.0 Direct obligations .....	63	79	78
99.0 Reimbursable obligations .....	5	9	6
99.9 Total new obligations .....	68	88	84

**Personnel Summary**

Identification code 13-0300-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	358	454	470
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....		4	4

**MINORITY BUSINESS DEVELOPMENT AGENCY**

**Federal Funds**

**General and special funds:**

**MINORITY BUSINESS DEVELOPMENT**

For necessary expenses of the Department of Commerce in fostering, promoting, and developing minority business enterprise, including expenses of grants, contracts, and other agreements with public or private organizations, \$29,487,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 13-0201-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	28	29	29
10.00 Total new obligations .....	28	29	29
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	28	29	29
23.95 Total new obligations .....	-28	-29	-29
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	28	29	29
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	11	10	15
73.10 Total new obligations .....	28	29	29
73.20 Total outlays (gross) .....	-27	-24	-29
73.40 Adjustments in expired accounts (net) .....	-2		
74.40 Obligated balance, end of year .....	10	15	15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	20	15	15
86.93 Outlays from discretionary balances .....	7	9	14

87.00 Total outlays (gross) .....	27	24	29
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	28	29	29
90.00 Outlays .....	27	24	29

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The Minority Business Development Agency (MBDA) has the lead role in the Federal Government of coordinating minority business development programs. The mission of the Agency is to achieve economic parity for minority businesses by actively promoting their ability to grow and compete in the global economy. MBDA is transforming to become an entrepreneurially focused and innovative organization committed to empowering minority business enterprises and wealth creation.

*Minority Business Development.*—This activity provides a variety of direct and indirect business services through public/private partnerships. MBDA coordinates and leverages resources, expands domestic and international market opportunities, collects and disseminates vital business information, and provides management and technical assistance. MBDA also provides support for research, advocacy, and technology to reduce information barriers and improve the participation rate of minority-owned businesses in the U.S. as well as the global marketplace.

In 2004, MBDA will continue to use electronic components of its Internet portal to develop databases from a variety of public and private sector sources. These databases will provide timely on-line market and resource information to minority business owners regarding available business opportunities. MBDA will continue to work with the Small Business Administration and other Federal agencies to promote growth and sustainable development of minority-owned businesses.

*Performance measures.*—MBDA activities support the Administration's theme on opportunity of providing the information and the framework to enable the economy to operate efficiently and equitably. MBDA's activities include goals on developing an entrepreneurial innovative market focus economy and improving opportunities for minority-owned businesses to pursue financing. In FY 2004, MBDA will focus on redefining its performance measures, examining unit costs, and instituting long-term program performance evaluation. Additionally, MBDA will promote electronic-commerce as well as provide business services electronically.

**Goal:** Develop entrepreneurial innovative market focus economy.

	2002 actual	2003 est.	2004 est.
Performance Measure:			
Dollar value of contracts (in millions) .....	1,700	1,000	1,000

**Object Classification (in millions of dollars)**

Identification code 13-0201-0-1-376	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	6	7	7
12.1 Civilian personnel benefits .....	1	1	1
23.1 Rental payments to GSA .....	1	2	2
25.2 Other services .....	3	4	5
25.3 Other purchases of goods and services from Government accounts .....	2	2	2
31.0 Equipment .....	1		
41.0 Grants, subsidies, and contributions .....	14	13	12
99.9 Total new obligations .....	28	29	29

**Personnel Summary**

Identification code 13-0201-0-1-376	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	92	120	120

**NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION**

**Federal Funds**

**General and special funds:**

OPERATIONS, RESEARCH, AND FACILITIES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of activities authorized by law for the National Oceanic and Atmospheric Administration, including maintenance, operation, and hire of aircraft; grants, contracts, or other payments to nonprofit organizations for the purposes of conducting activities pursuant to cooperative agreements; and relocation of facilities as authorized by 33 U.S.C. 883i, \$2,389,300,000, to remain available until expended; in addition, not to exceed \$3,000,000, to be derived by transfer from the fund entitled "Coastal Zone Management"; and in addition, \$75,000,000, to be derived by transfer from the fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries": Provided, That fees and donations received by the National Ocean Service for the management of the national marine sanctuaries may be retained and used for the salaries and expenses associated with those activities, notwithstanding 31 U.S.C. 3302: Provided further, That of the amount provided under this heading, \$219,493,000 shall be for the conservation activities defined in section 250(c)(4)(K) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. (15 U.S.C. ch. 9, 9A, 40, 56; 16 U.S.C. ch. 32, 32A, 33; 33 U.S.C. ch. 17, 22, 26; 42 U.S.C. ch. 97, 103; 43 U.S.C. ch. 29.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

FOREIGN FISHING OBSERVER FUND

For expenses necessary to carry out the provisions of the Atlantic Tunas Convention Act of 1975, as amended (Public Law 96-339), the Magnuson-Stevens Fishery Conservation and Management Act of 1976, as amended (Public Law 100-627), and the American Fisheries Promotion Act (Public Law 96-561), to be derived from the fees imposed under the foreign fishery observer program authorized by these Acts, not to exceed \$191,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 13-1450-0-1-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 National Ocean Service .....	406	405	391
00.02 National Marine Fisheries Service .....	587	671	620
00.03 Oceanic and Atmospheric Research .....	347	307	367
00.04 National Weather Service .....	675	701	721
00.05 National Environmental Satellite, Data, and Information Service .....	140	147	150
00.06 Program support .....	153	174	191
00.07 Facilities .....	17	29	29
00.08 Fleet maintenance and planning .....	11	12	12
00.09 Retired pay for NOAA Corps Officers .....	16	17	18
00.14 Foreign Fishing Observer Fund .....		2	
00.17 Payments for NOAA Corps Benefits .....		1	1
01.00 Total direct program .....	2,352	2,466	2,500
Reimbursable program:			
09.01 National Ocean Service .....	14	59	50
09.02 National Marine Fisheries Service .....	45	45	37
09.03 Oceanic and Atmospheric Research .....	45	48	39
09.04 National Weather Service .....	53	54	50
09.05 National Environmental Satellite, Data and Information Service .....	22	16	13

09.06 Program support .....	18	37	30
09.99 Total reimbursable program .....	197	259	219
10.00 Total new obligations .....	2,549	2,725	2,719

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	153	182	
22.00 New budget authority (gross) .....	2,571	2,525	2,704
22.10 Resources available from recoveries of prior year obligations .....	11	17	15
23.90 Total budgetary resources available for obligation .....	2,735	2,724	2,719
23.95 Total new obligations .....	-2,549	-2,725	-2,719
23.98 Unobligated balance expiring or withdrawn .....	-3		
24.40 Unobligated balance carried forward, end of year .....	182		

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	2,275	2,211	2,389
40.73 Reduction pursuant to P.L. 107-206 .....	-9		
41.00 Transferred to other accounts .....	-1		
42.00 Transferred from other accounts .....	68	75	75
43.00 Appropriation (total discretionary) .....	2,333	2,286	2,464
Mandatory:			
60.00 Appropriation .....	16	17	18
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	234	219	219
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-15		
68.62 Transferred from other accounts .....	3	3	3
68.90 Spending authority from offsetting collections (total discretionary) .....	222	222	222
70.00 Total new budget authority (gross) .....	2,571	2,525	2,704

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	969	1,148	1,360
73.10 Total new obligations .....	2,549	2,725	2,719
73.20 Total outlays (gross) .....	-2,374	-2,498	-2,635
73.45 Recoveries of prior year obligations .....	-11	-17	-15
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	15		
74.40 Obligated balance, end of year .....	1,148	1,360	1,430

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1,676	1,639	1,749
86.93 Outlays from discretionary balances .....	682	842	868
86.97 Outlays from new mandatory authority .....	16	17	18
87.00 Total outlays (gross) .....	2,374	2,498	2,635

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....		-7	-7
88.40 Non-Federal sources .....	-234	-212	-212
88.90 Total, offsetting collections (cash) .....	-234	-219	-219
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	15		

**Net budget authority and outlays:**

89.00 Budget authority .....	2,352	2,306	2,485
90.00 Outlays .....	2,140	2,279	2,416

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	63	54	53
99.01 Outlays .....	63	54	53

*National Ocean Service (NOS).*—These programs provide scientific, technical, and management expertise to promote safe navigation; assess the health of coastal and marine resources and respond to natural and human induced threats; and preserve the coastal ocean and global environments. To meet 21st Century challenges, NOS seeks to maintain its suite of navigation, response and restoration, and coastal resource science and management programs. This funding will help strengthen the understanding and protection of our valuable ocean resources, as well as our Nation's economic com-

**General and special funds—Continued**

OPERATIONS, RESEARCH, AND FACILITIES—Continued

petitiveness by promoting safe maritime commerce through real-time physical oceanographic data and powerful new digital nautical chart products. NOS will maintain investments in Coastal Zone Management, the National Estuarine Research Reserves, the National Marine Sanctuaries, Coral Reef, and other conservation programs.

*National Marine Fisheries Service.*—These programs provide for the management and conservation of the Nation’s living marine resources and their environment, including fish stocks, marine mammals and endangered species. Using science-based conservation, management and restoration activities, these resources can benefit the Nation on a sustained basis. Increases are proposed to carry out the legislative mandates of the Magnuson-Stevens Fishery Conservation and Management Act, the Endangered Species Act, and the Marine Mammal Protection Act and other responsibilities. These increases will allow NOAA to meet its Strategic Plan goals to build sustainable fisheries, recover protected species and sustain healthy coastal ecosystems for the enjoyment of all and the communities that depend on them.

*Office of Oceanic and Atmospheric Research (OAR).*—These programs provide the critical environmental research and technology needed to improve NOAA services (weather and air quality warnings and forecasts, solar-terrestrial services, climate predictions, and marine services) to enable the Nation to balance a growing economy with effective management and prediction of our environment and natural resources. To accomplish these goals, OAR supports a network of scientists in its Federal research laboratories, universities, and joint institutes and partnership programs. OAR provides the scientific basis for national policy formulation in key environmental areas, e.g., climate change, weather research, air quality, stratospheric ozone depletion, marine biotechnology, aquaculture, and environmental observing technologies. The NOAA-wide programs also funded in OAR are Climate Change Research, U.S. Weather Research, Ocean Exploration, and High Performance Computing and Communications (HPCC).

*National Weather Service (NWS).*—These programs provide timely and accurate meteorologic, hydrologic, and oceanographic warnings, forecasts, and planning information to ensure the safety of the population, mitigate property losses, and improve the economic efficiency of the Nation. NWS is also responsible for issuing operational climate forecasts for the United States. NWS data and products form a national information database and infrastructure which can be used by other government agencies, the private sector, the public, and the global community. Funding is proposed to support physical security measures at NWS facilities; to continue Pacific Islands weather observations; to operate the Susquehanna River Basin Flood System; and to meet out-year performance goals for weather warnings and forecasts.

*National Environmental Satellite, Data, and Information Service.*—These programs provide for operation of environmental polar-orbiting and geostationary satellites; for the collection and archiving of global environmental data and information; and services for distribution to users in commerce, industry, agriculture, science and engineering, the general public and Federal, State and local agencies.

*Program support.*—These programs provide for overall NOAA management including the NOAA Commissioned Corps, NOAA’s share of the regional Administrative Support Centers, and aircraft and marine data acquisition.

*Facilities.*—This program provides for repair and maintenance to existing facilities; facilities planning and design; and environmental compliance.

*Fleet maintenance and planning.*—This program provides for the repair and maintenance of vessels, including related equipment to maintain the existing fleet and for the planning of future modernization.

*Foreign fishing observer fund.*—This fund is financed through collections from foreign vessel owners who fish within the U.S. Exclusive Economic Zone. Collections to the fund are used by the Secretary of Commerce to pay the salaries of observers and program support personnel and the costs of data management and analysis of the observer program. The observers collect scientific information on the foreign catch and monitor compliance with provisions of the Magnuson-Stevens Fishery Conservation and Management Act of 1976 as amended.

*Performance measures.*—Activities under this account support NOAA’s seven goals. Each goal has key supporting performance measures as follows:

**Goal: Advance short-term warning and forecast services.**

	2002 actual	2003 est.	2004 est.
Tornado Warnings:			
Lead-time (minutes) .....	12	11	12
Accuracy (percent) .....	77%	70%	71%
False Alarm Rate (percent) .....	73%	70%	70%

**Goal: Promote safe navigation.**

	2002 actual	2003 est.	2004 est.
Percent reduction in the backlog of critical area hydrographic surveys for critical areas .....	34.3%	40.9%	47.6%

**Goal: Implement seasonal to interannual climate forecasts.**

	2002 actual	2003 est.	2004 est.
Accuracy of El Nino/Southern oscillation (ENSO) climate forecasts (correlation with actual conditions) .....	0.85	0.85	0.86

**Goal: Build sustainable fisheries.**

	2002 actual	2003 est.	2004 est.
Reduce number of known major overfished stocks from 2000 baseline of 46 .....	TBD	45	43

**Goal: Recover protected species.**

Number of endangered species with probability of extinction reduced from baseline of 29 .....	TBD	6	6
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**Goal: Sustain healthy coasts.**

Acres of coastal habitat area benefited (cumulative) .....	108,531	117,884	120,532
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A more detailed listing of goals, performance measures, and targets are found in the Commerce Annual Performance Plan.

The estimates in the following table support the President’s Budget proposal to extend accrual financing for health care provided to non-medicare eligible uniformed service retirees.

**Uniformed Services Non-Medicare Eligible Retiree Health Care Accrual Proposal Effects on National Oceanic and Atmospheric Administration Accounts in 2004**

	(In millions of dollars)	
	Mandatory	Discretionary
Mandatory Offsetting Collection through the Defense Health Account from the Uniformed Services Retiree Health Care Fund for Non-Medicare Eligible Retiree Health Care:		
National Oceanic and Atmospheric Administration (NOAA) .....	2	.....
Adjustments to NOAA Appropriation:		
Payments to the Uniformed Services Retiree Health Care Fund Operations, Research and Facilities Account .....	.....	1
Adjustment to Operations, Research and Facilities Account .....	-2	.....

**Object Classification (in millions of dollars)**

Identification code 13-1450-0-1-306	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	679	677	605
11.3 Other than full-time permanent .....	10	11	11
11.5 Other personnel compensation .....	52	53	57
11.7 Military personnel .....	12	12	12
11.8 Special personal services payments .....	5	2	2
11.9 Total personnel compensation .....	758	755	687
12.1 Civilian personnel benefits .....	188	190	192
12.2 Military personnel benefits .....	1	1	1

13.0	Benefits for former personnel .....	16	18	19
21.0	Travel and transportation of persons .....	38	38	38
22.0	Transportation of things .....	12	15	15
23.1	Rental payments to GSA .....	54	54	54
23.2	Rental payments to others .....	12	12	12
23.3	Communications, utilities, and miscellaneous charges .....	60	63	64
24.0	Printing and reproduction .....	4	4	4
25.1	Advisory and assistance services .....	89	70	75
25.2	Other services .....	281	384	281
25.3	Other purchases of goods and services from Government accounts .....	115	103	250
25.5	Research and development contracts .....	3	52	67
26.0	Supplies and materials .....	93	95	103
31.0	Equipment .....	53	54	78
32.0	Land and structures .....	3	5	6
41.0	Grants, subsidies, and contributions .....	572	553	554
99.0	Direct obligations .....	2,352	2,466	2,500
99.0	Reimbursable obligations .....	197	259	219
99.9	Total new obligations .....	2,549	2,725	2,719

**Personnel Summary**

Identification code 13-1450-0-1-306	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	11,022	11,210	10,767
1101	Military full-time equivalent employment .....	341	368	388
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	724	1,115	849

**PROCUREMENT, ACQUISITION AND CONSTRUCTION  
(INCLUDING TRANSFERS OF FUNDS)**

For procurement, acquisition and construction of capital assets, including alteration and modification costs, of the National Oceanic and Atmospheric Administration, \$842,399,000, to remain available until expended: Provided, That unexpended balances of amounts previously made available in the "Operations, Research, and Facilities" account for activities funded under this heading may be transferred to and merged with this account, to remain available until expended for the purposes for which the funds were originally appropriated: Provided further, That of the amount provided under this heading for expenses necessary to carry out conservation activities defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, \$20,000,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 13-1460-0-1-306	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Systems acquisition:				
00.01	NEXRAD .....	9	9	12
00.02	ASOS .....	5	5	5
00.03	AWIPS .....	17	17	14
00.04	Weather and climate super computing .....	15	28	26
00.06	GOES .....	222	283	277
00.07	Polar convergence .....	277	384	391
00.08	Radiosonde replacement .....	5	7	7
00.09	Research supercomputing .....	8	7	10
00.10	CLASS .....	4	4	4
00.11	CAMS/NOAA financial data system .....	17	17	1
00.12	CIP/NWS telecommunication back-up/Legacy system replacement .....	7	1	3
00.13	NESDIS-CIP .....	4	3	3
Construction:				
00.15	WFO construction/NOAA Science Center .....	14	11	24
00.16	NERRS acquisition and construction .....	27	11	10
00.17	Marine sanctuary construction .....	8	20	10
00.18	Other NOS facilities .....	7	25	.....
00.19	NMFS construction .....	11	70	14
00.20	Coastal remote sensing .....	.....	6	.....
00.21	NESDIS construction .....	14	13	13

00.23	Fleet replacement .....	24	101	.....
00.24	FBF transfer for Norman,OK .....	2	17	.....
00.32	Coastal and estuarine land conservation program/COA .....	20	3	.....
00.33	EOS and advance polar data processing, distribution archiving systems .....	.....	3	3
00.34	All hazards radio .....	.....	.....	6
00.35	G-IV instrumentation upgrades/aircraft replacement .....	.....	8	9
00.36	NWS Coastal global observing system .....	.....	.....	2
10.00	Total new obligations .....	717	1,053	844

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year .....	108	239	.....
22.00	New budget authority (gross) .....	845	811	842
22.10	Resources available from recoveries of prior year obligations .....	3	3	2
23.90	Total budgetary resources available for obligation .....	956	1,053	844
23.95	Total new obligations .....	-717	-1,053	-844
24.40	Unobligated balance carried forward, end of year .....	239	.....	.....

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation .....	836	811	842
42.00	Transferred from other accounts .....	8	.....	.....
43.00	Appropriation (total discretionary) .....	844	811	842
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	1	.....	.....
70.00	Total new budget authority (gross) .....	845	811	842

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	453	425	853
73.10	Total new obligations .....	717	1,053	844
73.20	Total outlays (gross) .....	-742	-621	-777
73.45	Recoveries of prior year obligations .....	-3	-3	-2
74.40	Obligated balance, end of year .....	425	853	917

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	296	284	294
86.93	Outlays from discretionary balances .....	446	337	483
87.00	Total outlays (gross) .....	742	621	777

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-1	.....	.....

**Net budget authority and outlays:**

89.00	Budget authority .....	844	811	842
90.00	Outlays .....	741	621	777

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	1	1	1
99.01	Outlays .....	1	1	1

The projects included in this account support NOAA's operational mission across all line offices. Funding is proposed for the National Estuarine Research Reserves Systems Construction and the National Marine Sanctuaries Construction program. Increases are proposed for the following: to initiate the Coastal Global Observing System; to accelerate technical upgrades of the NEXRAD radar system; to upgrade the NWS Telecommunication Gateway; to automate the distribution of civilian emergency managers' messages over the All Hazards NOAA Weather Radio; to fund the lease for an improved operating facility for NWS forecasting centers; to replace a snow survey aircraft; to develop the GOES next generation satellite system; to increase GFDL super computer capacity that will allow more climate modeling; and, to continue the Department of Commerce's participation in the tri-agency converged polar satellite program.

**Object Classification (in millions of dollars)**

Identification code 13-1460-0-1-306	2002 actual	2003 est.	2004 est.	
11.1	Personnel compensation: Full-time permanent .....	10	10	10
12.1	Civilian personnel benefits .....	2	2	2

**General and special funds—Continued**

**PROCUREMENT, ACQUISITION AND CONSTRUCTION—Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

**Object Classification (in millions of dollars)—Continued**

Identification code 13-1460-0-1-306	2002 actual	2003 est.	2004 est.
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	3	3	3
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	5	7	7
23.2 Rental payments to others .....	5	1	1
23.3 Communications, utilities, and miscellaneous charges	8	8	8
25.1 Advisory and assistance services .....	32	33	33
25.2 Other services .....	88	210	210
25.3 Other purchases of goods and services from Govern- ment accounts .....	426	464	315
25.5 Research and development contracts .....	16	16	16
26.0 Supplies and materials .....	12	12	12
31.0 Equipment .....	39	89	89
32.0 Land and structures .....	8	26	26
41.0 Grants, subsidies, and contributions .....	61	170	110
99.9 Total new obligations .....	717	1,053	844

**Personnel Summary**

Identification code 13-1460-0-1-306	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equiv- alent employment .....	218	190	148

**LIMITED ACCESS SYSTEM ADMINISTRATION FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 13-5284-0-2-306	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Permit title registration fees .....	3		
Appropriations:			
05.00 Limited access system administ .....	-3		
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 13-5284-0-2-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	2	
10.00 Total new obligations (object class 41.0) .....	3	2	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	2	
22.00 New budget authority (gross) .....	3		
23.90 Total budgetary resources available for obligation	4	2	
23.95 Total new obligations .....	-3	-2	
24.40 Unobligated balance carried forward, end of year .....	2		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	3		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		
73.10 Total new obligations .....	3	2	
73.20 Total outlays (gross) .....	-3	-2	
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	3		
86.98 Outlays from mandatory balances .....		2	
87.00 Total outlays (gross) .....	3	2	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3		

90.00 Outlays .....	3	2	
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This fund was established by Title III of P.L. 104-297, Fee collections equaling no more than one-half percent of the proceeds from the sale or transfer of limited access system permits are deposited into the Fund. These deposits to the Fund are used to administer an exclusive central registry system for the limited access system permits.

**PACIFIC COASTAL SALMON RECOVERY**

*For necessary expenses associated with the restoration of Pacific salmon populations and the implementation of the 1999 Pacific Salmon Treaty Agreement between the United States and Canada, \$90,000,000, to remain available until September 30, 2005: Provided, That this amount shall be for the conservation activities defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 13-1451-0-1-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 State of Washington .....	39	30	30
00.02 State of Alaska .....	29	20	15
00.03 State of Oregon .....	17	15	18
00.04 State of California .....	17	15	18
00.05 Columbia River Tribes .....	5	3	3
00.06 Pacific Coastal Tribes .....	10	7	6
00.07 Northern Transboundary Fund .....	20	10	
00.08 Southern Transboundary Fund .....	20	10	
00.09 Pacific Salmon Commission .....	2		
10.00 Total new obligations (object class 41.0) .....	159	110	90
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2		
22.00 New budget authority (gross) .....	157	110	90
23.90 Total budgetary resources available for obligation	159	110	90
23.95 Total new obligations .....	-159	-110	-90
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	157	110	90
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	130	219	
73.10 Total new obligations .....	159	110	90
73.20 Total outlays (gross) .....	-71	-329	-90
74.40 Obligated balance, end of year .....	219		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	71	110	90
86.93 Outlays from discretionary balances .....		219	
87.00 Total outlays (gross) .....	71	329	90
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	157	110	90
90.00 Outlays .....	71	329	90

This account funds Pacific Coastal Salmon Recovery for the purpose of helping share the costs of State, Tribal and local conservation initiatives. This account supports NOAA's contribution to a broad interdepartmental initiative bolstering and deploying existing and new Federal capabilities to assist in the conservation of at-risk Pacific salmon runs in the western States of California, Oregon, Washington, and Alaska. Federal dollars to the States would be matched with 25 percent State and local funds. In addition, funds would be available to coastal tribes (not to exceed 10 percent) that do not require matching dollars. The account has been established under existing authorities by the Secretary of Commerce and

made available through agreements with the Governors of each of the four States for distribution to assist State, Tribal and local conservation efforts. The Secretary will establish terms and conditions for the effective use of the funds and specific reporting requirements appropriate for ensuring full accountability of the available funds to meet the purpose of the account.

**Personnel Summary**

Identification code 13-1451-0-1-306	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	10		1

**COASTAL IMPACT ASSISTANCE**

**Program and Financing (in millions of dollars)**

Identification code 13-1462-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	143	7	
10.00 Total new obligations (object class 41.0) .....	143	7	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	150	7	
23.95 Total new obligations .....	-143	-7	
24.40 Unobligated balance carried forward, end of year .....	7		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		136	72
73.10 Total new obligations .....	143	7	
73.20 Total outlays (gross) .....	-7	-71	-57
74.40 Obligated balance, end of year .....	136	72	15
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	7	71	57
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	7	71	57

No funds for this account are proposed in 2004.

**PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH  
PERTAINING TO AMERICAN FISHERIES**

**Program and Financing (in millions of dollars)**

Identification code 13-5139-0-2-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	4	11	
10.00 Total new obligations .....	4	11	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	11	
22.00 New budget authority (gross) .....	11		
23.90 Total budgetary resources available for obligation .....	15	11	
23.95 Total new obligations .....	-4	-11	
24.40 Unobligated balance carried forward, end of year .....	11		
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
41.00 Transferred to other accounts .....	-68	-75	-75
<b>Mandatory:</b>			
62.00 Transferred from other accounts .....	79	75	75
70.00 Total new budget authority (gross) .....	11		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	4	5

73.10 Total new obligations .....	4	11	
73.20 Total outlays (gross) .....	-2	-10	-4
74.40 Obligated balance, end of year .....	4	5	1

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	-68	-75	-75
86.97 Outlays from new mandatory authority .....	70	75	75
86.98 Outlays from mandatory balances .....		10	4
87.00 Total outlays (gross) .....	2	10	4

**Net budget authority and outlays:**

89.00 Budget authority .....	11		
90.00 Outlays .....	2	10	4

An amount equal to 30 percent of the gross receipts from customs duties on imported fishery products is transferred to the Department of Commerce annually from the U.S. Department of Agriculture.

The American Fisheries Promotion Act (AFPA) of 1980 authorized a grants program for fisheries research and development projects to be carried out with Saltonstall-Kennedy (S-K) funds. These funds are used to enhance the productivity and improve the sustainable yield of domestic marine fisheries resources.

**Object Classification (in millions of dollars)**

Identification code 13-5139-0-2-376	2002 actual	2003 est.	2004 est.
25.2 Other services .....		1	
41.0 Grants, subsidies, and contributions .....	4	10	
99.9 Total new obligations .....	4	11	

**Personnel Summary**

Identification code 13-5139-0-2-376	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	4	4	4

**FISHERMEN'S CONTINGENCY FUND**

For carrying out the provisions of title IV of Public Law 95-372, not to exceed \$956,000, to be derived from receipts collected pursuant to that Act, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 13-5120-0-2-376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.00 Fees, Fishermen's contingency fund .....		1	1
<b>Appropriations:</b>			
05.00 Fishermen's contingency fund .....		-1	-1
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 13-5120-0-2-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		3	1
10.00 Total new obligations (object class 42.0) .....		3	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	2	
22.00 New budget authority (gross) .....		1	1
23.90 Total budgetary resources available for obligation .....	2	3	1

**General and special funds—Continued**

**FISHERMEN'S CONTINGENCY FUND—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 13-5120-0-2-376	2002 actual	2003 est.	2004 est.
23.95 Total new obligations .....		-3	-1
24.40 Unobligated balance carried forward, end of year .....	2		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) .....		1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		3	1
73.20 Total outlays (gross) .....		-3	-1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		1	1
86.93 Outlays from discretionary balances .....		2	
87.00 Total outlays (gross) .....		3	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		1	1
90.00 Outlays .....		3	1

This program provides compensation to commercial fishermen for damages to or loss of fishing gear, including economic loss, related to oil and gas exploration, development, and production on the Outer Continental Shelf. The fund is supported by assessments to holders of leases, permits, easements, and rights of way in areas of the Outer Continental Shelf.

**Personnel Summary**

Identification code 13-5120-0-2-376	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....		1	1

**ENVIRONMENTAL IMPROVEMENT AND RESTORATION FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 13-5362-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	10		
Receipts:			
02.40 Interest earned .....	5	3	6
04.00 Total: Balances and collections .....	15	3	6
Appropriations:			
05.00 Environmental improvement and restoration fund .....	-15	-3	-6
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 13-5362-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	12	8	6
10.00 Total new obligations (object class 41.0) .....	12	8	6
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	5	
22.00 New budget authority (gross) .....	15	3	6
23.90 Total budgetary resources available for obligation .....	17	8	6
23.95 Total new obligations .....	-12	-8	-6
24.40 Unobligated balance carried forward, end of year .....	5		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	15	3	6

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		12	
73.10 Total new obligations .....	12	8	6
73.20 Total outlays (gross) .....		-20	-6
74.40 Obligated balance, end of year .....	12		

<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		3	6
86.98 Outlays from mandatory balances .....		17	
87.00 Total outlays (gross) .....		20	6

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	15	3	6
90.00 Outlays .....		20	6

This fund was established by Title IV of P.L. 105-83. Twenty percent of the interest earned from this fund is made available to the Department of Commerce. Funds are to be used by Federal, State, private or foreign organizations or individuals to conduct research activities on or relating to the fisheries or marine ecosystems in the north Pacific Ocean, Bering Sea, and Arctic Ocean. Research priorities and grant requests are reviewed and approved by the North Pacific Research Board with emphasis placed on cooperative research efforts designed to address pressing fishery management or marine ecosystem information needs.

**BUSINESS MANAGEMENT FUND**

**Program and Financing (in millions of dollars)**

Identification code 13-4514-0-4-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Business lines .....			166
09.02 Clearing accounts .....			1
09.03 Office of Chief Information Officer .....			6
09.99 Total reimbursable program .....			173
10.00 Total new obligations .....			173

<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			173
23.95 Total new obligations .....			-173

<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....			173

<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			173
73.20 Total outlays (gross) .....			-173

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			173

<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....			-173

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The Business Management Fund provides a mechanism to capture all of NOAA's centralized services. It allows for a more accurate distribution of corporate services costs to NOAA's Line Offices based on utilization of services.

**Object Classification (in millions of dollars)**

Identification code 13-4514-0-4-306	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....			60
11.3 Other than full-time permanent .....			5
11.5 Other personnel compensation .....			1

11.8	Special personal services payments .....	1
11.9	Total personnel compensation .....	67
12.1	Civilian personnel benefits .....	15
13.0	Benefits for former personnel .....	1
21.0	Travel and transportation of persons .....	4
22.0	Transportation of things .....	1
23.1	Rental payments to GSA .....	4
23.2	Rental payments to others .....	2
23.3	Communications, utilities, and miscellaneous charges .....	1
24.0	Printing and reproduction .....	1
25.1	Advisory and assistance services .....	1
25.2	Other services .....	38
25.3	Other purchases of goods and services from Government accounts .....	2
25.4	Operation and maintenance of facilities .....	15
26.0	Supplies and materials .....	15
31.0	Equipment .....	5
32.0	Land and structures .....	1
99.9	Total new obligations .....	173

**Personnel Summary**

Identification code 13-4514-0-4-306	2002 actual	2003 est.	2004 est.
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....			763

**COASTAL ZONE MANAGEMENT FUND**

Of amounts collected pursuant to section 308 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1456a), not to exceed \$3,000,000 shall be transferred to the "Operations, Research, and Facilities" account to offset the costs of implementing such Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 13-4313-0-3-306	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	3	27	27
Receipts:			
02.80 Coastal zone management fund, offsetting collections .....	27	3	3
04.00 Total: Balances and collections .....	30	30	30
Appropriations:			
05.00 Coastal zone management fund .....	-3	-3	-3
05.99 Total appropriations .....	-3	-3	-3
07.99 Balance, end of year .....	27	27	27

**Program and Financing (in millions of dollars)**

Identification code 13-4313-0-3-306	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	27	3	3
68.45 Portion precluded from obligation (limitation on obligations) .....	-24		
68.61 Transferred to other accounts .....	-3	-3	-3
68.90 Spending authority from offsetting collections (total discretionary) .....			
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		
73.20 Total outlays (gross) .....			
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-27	-3	-3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-27	-3	-3
90.00 Outlays .....	-27	-3	-3

This fund was established by the Coastal Zone Act Reauthorization Amendments of 1990 (CZARA). The fund consists of loan repayments from the former Coastal Energy Impact Program. The proceeds are to be used to offset the Operations, Research, and Facilities account for the costs of implementing the Coastal Zone Management Act of 1972, as amended.

**DAMAGE ASSESSMENT AND RESTORATION REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 13-4316-0-3-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	6	22	4
09.01 Reimbursable program .....	3	2	2
10.00 Total new obligations .....	9	24	6
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	21	18	
22.00 New budget authority (gross) .....	3	3	3
22.22 Unobligated balance transferred from other accounts .....	2	3	3
23.90 Total budgetary resources available for obligation .....	26	24	6
23.95 Total new obligations .....	-9	-24	-6
24.40 Unobligated balance carried forward, end of year .....	18		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
62.00 Transferred from other accounts .....		1	1
69.00 Offsetting collections (cash) .....	3	2	2
70.00 Total new budget authority (gross) .....	3	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	7	
73.10 Total new obligations .....	9	24	6
73.20 Total outlays (gross) .....	-8	-31	-6
74.40 Obligated balance, end of year .....	7		
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	3	2	2
86.98 Outlays from mandatory balances .....	5	29	4
87.00 Total outlays (gross) .....	8	31	6
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-3	-2	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		1	1
90.00 Outlays .....	5	29	4

The Oil Pollution Act of 1990 stipulates that sums recovered from awards or settlements for natural resource damages to NOAA trust resources shall be retained in a revolving trust account to permit NOAA to carry out (1) oil and hazardous materials contingency planning and response, (2) natural resource damage assessment, and (3) restoration or replacement of injured or lost natural resources. For a comprehensive description of the Prince William Sound Restoration Program, refer to the U.S. Fish and Wildlife Service's Natural Resource Damage Assessment account. The 2003 and 2004 estimates transferred from other accounts are preliminary and subject to change. NOAA will utilize funds transferred to this account to respond to hazardous materials spills in the coastal and marine environments, by conducting damage assessments, providing scientific support during litigation, and using recovered damages to restore injured resources.

**General and special funds—Continued**

**DAMAGE ASSESSMENT AND RESTORATION REVOLVING FUND—  
Continued**

**Object Classification (in millions of dollars)**

Identification code 13-4316-0-3-306	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.1 Advisory and assistance services .....	1	1	
25.2 Other services .....	1	20	3
25.3 Other purchases of goods and services from Government accounts .....	1		
32.0 Land and structures .....	1		
41.0 Grants, subsidies, and contributions .....	1		
99.0 Direct obligations .....	6	22	4
25.2 Reimbursable obligations: Other services .....	3	2	2
99.9 Total new obligations .....	9	24	6

**Personnel Summary**

Identification code 13-4316-0-3-306	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	11	15	16

**Credit accounts:**

**FISHERIES FINANCE PROGRAM ACCOUNT**

*For the cost of direct loans, \$287,000, as authorized by the Merchant Marine Act of 1936, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$30,000,000 only to finance fishing capacity reduction programs, individual fishing quotas, aquaculture facilities, reconditioning of fishing vessels for the purpose of reducing bycatch or reducing capacity in an overfished or overcapitalized fishery, and the purchase of assets sold at foreclosure instituted by the Secretary: Provided further, That none of the funds made available under this heading may be used for direct loans for any new fishing vessel that will increase the harvesting capacity in any United States fishery.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 13-1456-0-1-376	2002 actual	2003 est.	2004 est.
0101 Fisheries finance, downward reestimates of subsidies .....	4	6	
0102 Fisheries finance, negative subsidies .....		3	1

**Program and Financing (in millions of dollars)**

Identification code 13-1456-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Reestimate of direct loan subsidy .....	1	2	
00.07 Reestimate of guaranteed loan subsidy .....		3	
00.08 Interest on reestimate of guaranteed loan subsidy .....		2	
00.09 Administrative costs for crab buyback program .....		1	
00.10 Subsidy for groundfish buyback program .....		1	
10.00 Total new obligations (object class 25.2) .....	1	9	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	2	
22.00 New budget authority (gross) .....	2	7	
23.90 Total budgetary resources available for obligation .....	3	9	
23.95 Total new obligations .....	-1	-9	
24.40 Unobligated balance carried forward, end of year .....	2		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
42.00 Transferred from other accounts .....	1		
<b>Mandatory:</b>			
60.00 Appropriation .....	1	7	
70.00 Total new budget authority (gross) .....	2	7	

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	1	9	
73.20 Total outlays (gross) .....	-1	-10	
74.40 Obligated balance, end of year .....	1	1	1

**Outlays (gross), detail:**

86.93 Outlays from discretionary balances .....		3	
86.97 Outlays from new mandatory authority .....	1	7	
87.00 Total outlays (gross) .....	1	10	

**Net budget authority and outlays:**

89.00 Budget authority .....	2	7	
90.00 Outlays .....	1	10	

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 13-1456-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 IFQ loans .....	5	5	5
115002 Traditional loan program .....	19	19	6
115003 Crab Buyback loans .....	100		
115004 NE Groundfish Buyback Loans .....		45	
115005 Pacific Groundfish Buyback Loans .....		36	
115006 Aquaculture .....			19
115901 Total direct loan levels .....	124	105	30
<b>Direct loan subsidy (in percent):</b>			
132001 IFQ loans .....	0.26	-12.03	-15.94
132002 Traditional loan program .....	-15.66	-11.89	-5.49
132003 Crab Buyback loans .....	-4.60	0.00	0.00
132004 NE Groundfish Buyback Loans .....	0.00	-0.37	0.00
132005 Pacific Groundfish Buyback Loans .....	0.00	1.08	0.00
132006 Aquaculture .....	0.00	0.00	2.00
132901 Weighted average subsidy rate .....	-6.45	-2.86	-3.33
<b>Direct loan subsidy budget authority:</b>			
133001 IFQ loans .....		-1	-1
133002 Traditional loan program .....	-3	-2	
133003 Crab Buyback loans .....	-5		
133004 NE Groundfish Buyback Loans .....			
133005 Pacific Groundfish Buyback loans .....			
133006 Aquaculture .....			
133901 Total subsidy budget authority .....	-8	-3	-1
<b>Direct loan subsidy outlays:</b>			
134001 IFQ loans .....			
134002 Traditional loan program .....			
134003 Crab Buyback loans .....		-5	
134004 NE Groundfish Buyback Loans .....			
134005 Pacific Groundfish Buyback Loans .....			
134006 Aquaculture .....			
134901 Total subsidy outlays .....		-5	
<b>Direct loan upward reestimate subsidy budget authority:</b>			
135002 Traditional loan program .....	1	2	
135901 Total upward reestimate budget authority .....	1	2	
<b>Direct loan upward reestimate subsidy outlays:</b>			
136002 Traditional loan program .....	1	2	
136901 Total upward reestimate outlays .....	1	2	
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 IFQ loans .....		-2	
137002 Traditional loan program .....	-1		
137008 Pollock .....	-1	-4	
137901 Total downward reestimate budget authority .....	-2	-6	
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 IFQ loans .....		-2	
138002 Traditional loan program .....	-1		
138008 Pollock .....	-1	-4	
138901 Total downward reestimate subsidy outlays .....	-2	-6	

233901 Total subsidy budget authority .....			
234901 Total subsidy outlays .....			
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Traditional .....	5		
235901 Total upward reestimate budget authority .....	5		
Guaranteed loan upward reestimate subsidy outlays:			
236001 Traditional .....	5		
236901 Total upward reestimate subsidy outlays .....	5		
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Traditional .....	-1		
237901 Total downward reestimate subsidy budget authority .....	-1		
Guaranteed loan downward reestimate subsidy outlays:			
238001 Traditional .....	-1		
238901 Total downward reestimate subsidy outlays .....	-1		
Administrative expense data:			
351001 Budget authority .....	1	7	
358001 Outlays from balances .....		3	
359001 Outlays from new authority .....			

This account covers the subsidy costs of guaranteed loans (pre-1997) and direct loans (post-1996) obligated or committed subsequent to October 1, 1991, as authorized by the Merchant Marine Act of 1936 as amended.

FISHERIES FINANCE, DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 13-4324-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	24	24	30
00.02 Crab buyback loans .....	100		
00.03 NE groundfish buyback loans .....		45	
00.04 Pacific groundfish buyback loans .....		36	
00.05 Interest payment to Treasury .....	11	17	12
00.91 Subtotal .....	135	122	42
08.01 Negative subsidy .....	8	3	1
08.02 Downward reestimate .....	2	5	
08.04 Interest on downward reestimate .....		1	
08.91 Subtotal .....	10	9	1
10.00 Total new obligations .....	145	131	43
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		1	
22.00 New financing authority (gross) .....	146	130	42
22.10 Resources available from recoveries of prior year obligations .....	52		
22.60 Portion applied to repay debt .....	-52		
23.90 Total budgetary resources available for obligation .....	146	131	42
23.95 Total new obligations .....	-145	-131	-43
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	134	113	31
69.00 Offsetting collections (cash) .....	38	40	38
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....		1	-1
69.47 Portion applied to repay debt .....	-26	-24	-26
69.90 Spending authority from offsetting collections (total mandatory) .....	12	17	11
70.00 Total new financing authority (gross) .....	146	130	42
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	114	180	168
73.10 Total new obligations .....	145	131	43
73.20 Total financing disbursements (gross) .....	-27	-144	-101
73.45 Recoveries of prior year obligations .....	-52		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....		-1	1

74.00 Obligated balance, end of year .....	180	168	111
87.00 Total financing disbursements (gross) .....	27	144	101
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account .....	-1	-2	
88.25 Interest on uninvested funds .....	-2	-5	-2
Non-Federal sources:			
88.40 Repayments of principal, net .....	-22	-12	-10
88.40 Interest Received on loans .....	-13	-21	-26
88.90 Total, offsetting collections (cash) .....	-38	-40	-38
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....		-1	1
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	108	89	5
90.00 Financing disbursements .....	-10	104	63

Status of Direct Loans (in millions of dollars)

Identification code 13-4324-0-3-376	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	124	105	30
1150 Total direct loan obligations .....	124	105	30
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	161	139	244
1231 Disbursements: Direct loan disbursements .....	13	117	87
1251 Repayments: Repayments and prepayments .....	-22	-12	-10
1264 Write-offs for default: Other adjustments, net .....	-13		
1290 Outstanding, end of year .....	139	244	321

This account covers the financing of direct loans as authorized by the Magnuson-Stevens Fishery Conservation and Management Act. Funds are not used for purposes that would contribute to the overcapitalization of the fishing industry.

Balance Sheet (in millions of dollars)

Identification code 13-4324-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	16	14	4	4
Investments in US securities:				
1106 Federal Receivables, net .....	1	2		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	148	139	244	321
1402 Interest receivable .....	1	1	1	1
1405 Allowance for subsidy cost (-) .....	19	20	27	27
1499 Net present value of assets related to direct loans .....	168	160	272	349
1999 Total assets .....	185	176	276	353
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	2	6	2	
2103 Federal liabilities, debt .....	183	170	274	353
2999 Total liabilities .....	185	176	276	353
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....				
3999 Total net position .....				
4999 Total liabilities and net position .....	185	176	276	353

FISHERIES FINANCE, GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 13-4314-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Loan default costs .....			1

**Credit accounts—Continued****FISHERIES FINANCE, GUARANTEED LOAN FINANCING ACCOUNT—  
Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 13-4314-0-3-376	2002 actual	2003 est.	2004 est.
00.02 Interest payments to Treasury .....	1	1	1
00.91 Direct Program by Activities—Subtotal (1 level)	1	1	2
08.02 Downward reestimate .....	1		
10.00 Total new obligations .....	2	1	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3	2	7
22.00 New financing authority (gross) .....	2	6	2
22.60 Portion applied to repay debt .....	-1		
23.90 Total budgetary resources available for obligation	4	8	9
23.95 Total new obligations .....	-2	-1	-2
24.40 Unobligated balance carried forward, end of year .....	2	7	6
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	9		
69.00 Offsetting collections (cash) .....	1	6	2
69.47 Portion applied to repay debt .....	-8		
69.90 Spending authority from offsetting collections (total mandatory) .....	-7	6	2
70.00 Total new financing authority (gross) .....	2	6	2
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	2	1	2
73.20 Total financing disbursements (gross) .....	-2	-1	-2
87.00 Total financing disbursements (gross) .....	2	1	2

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from program account .....		-5	
88.40 Repayments of principal, net .....	-1	-1	-2
88.90 Total, offsetting collections (cash) .....	-1	-6	-2

**Net financing authority and financing disbursements:**

89.00 Financing authority .....	1		
90.00 Financing disbursements .....	1	-5	

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 13-4314-0-3-376	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....			
2150 Total guaranteed loan commitments .....			
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	51	37	27
2251 Repayments and prepayments .....	-14	-10	-7
2261 Adjustments: Terminations for default that result in loans receivable .....			-1
2290 Outstanding, end of year .....	37	27	19
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	37	27	19
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	13	13	13
2331 Disbursements for guaranteed loan claims .....			1
2390 Outstanding, end of year .....	13	13	14

This account covers the financing of guaranteed loans obligated or committed subsequent to October 1, 1991 as authorized by the Merchant Marine Act of 1936 as amended. Funds are not used for purposes which would contribute to the overcapitalization of the fishing industry.

**Balance Sheet (in millions of dollars)**

Identification code 13-4314-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	3	2	5	4
Investments in US securities:				
1106 Receivables, net .....		5		
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross .....	13	13	13	13
1504 Foreclosed property related to default guarantee .....	3	3	3	3
1505 Allowance for subsidy cost (-) .....	-5	-7	-5	-4
1599 Net present value of assets related to defaulted guaranteed loans .....	11	9	11	12
1999 Total assets .....	14	16	16	16
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt .....	14	13	14	14
2204 Non-Federal liabilities: Liabilities for loan guarantees .....		3	2	2
2999 Total liabilities .....	14	16	16	16
4999 Total liabilities and net position .....	14	16	16	16

**FEDERAL SHIP FINANCING FUND, FISHING VESSELS LIQUIDATING  
ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 13-4417-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Obligations by program activity .....		1	1
10.00 Total new obligations (object class 33.0) .....		1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3	3	
22.00 New budget authority (gross) .....	4	4	4
22.60 Portion applied to repay debt .....	-3	-6	-3
23.90 Total budgetary resources available for obligation	4	1	1
23.95 Total new obligations .....		-1	-1
24.40 Unobligated balance carried forward, end of year .....	3		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	4	4	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			1
73.10 Total new obligations .....		1	1
73.20 Total outlays (gross) .....	-1	-1	-1
74.40 Obligated balance, end of year .....		1	1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1	1	1
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-4	-4	-4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-3	-3	-3

## Status of Guaranteed Loans (in millions of dollars)

Identification code 13-4417-0-3-376	2002 actual	2003 est.	2004 est.
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	39	31	25
2251 Repayments and prepayments .....	-8	-6	-5
2290 Outstanding, end of year .....	31	25	20
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	31	25	20
<b>Addendum:</b>			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	42	40	38
2351 Repayments of loans receivable .....	-2	-2	-2
2390 Outstanding, end of year .....	40	38	36

Premiums and fees collected under the Fishing Vessel Obligations Guarantee program for loan commitments made prior to October 1, 1991 are deposited in this fund for operations of this program, loans, and for use in case of default. Proceeds from the sale of collateral also are deposited in the fund for defaults on loans committed prior to October 1, 1991 (46 U.S.C. 1272, 1273(f), and 1274).

## Statement of Operations (in millions of dollars)

Identification code 13-4417-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	1			
0102 Expense .....	-1			
0105 Net income or loss (-) .....				

## Balance Sheet (in millions of dollars)

Identification code 13-4417-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	3	3	3	3
1102 Investments in US securities:				
Investments, Net .....				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1701 Defaulted guaranteed loans, gross ....	42	41	40	39
1703 Allowance for estimated uncollectible loans and interest (-) .....	-32	-30	-30	-30
1704 Defaulted guaranteed loans and interest receivable, net .....	10	11	10	9
1706 Foreclosed property .....	1	1	1	1
1799 Value of assets related to loan guarantees .....	11	12	11	10
1999 Total assets .....	14	15	14	13
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....	14	15	14	13
2999 Total liabilities .....	14	15	14	13
<b>NET POSITION:</b>				
3100 Unexpended appropriations .....				
3999 Total net position .....				
4999 Total liabilities and net position .....	14	15	14	13

## NORTH PACIFIC MARINE RESEARCH INSTITUTE FUND

## Program and Financing (in millions of dollars)

Identification code 13-8220-0-7-306	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	2	

73.20 Total outlays (gross) .....	-3	-2	
74.40 Obligated balance, end of year .....	2		

## Outlays (gross), detail:

86.93 Outlays from discretionary balances .....	3	2	
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## Net budget authority and outlays:

89.00 Budget authority .....			
90.00 Outlays .....	3	2	

The North Pacific Marine Research Institute Fund was created by Section 2204 of P.L. 106-246. Funds are to be administered by the North Pacific Research Board to conduct research and carry out education and demonstration projects relating to the North Pacific main ecosystem. The emphasis of these projects is on marine mammals, sea birds, fish and shellfish populations in the Bering Sea and Gulf of Alaska and near the Alaska Marine National Wildlife Refuge. These funds are being used to cover the lease, maintenance, and operation costs and to upgrade research equipment for the Alaska Sea Life Center.

## UNITED STATES PATENT AND TRADEMARK OFFICE

## Federal Funds

## General and special funds:

## SALARIES AND EXPENSES

For necessary expenses of the United States Patent and Trademark Office provided for by law, including defense of suits instituted against the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, \$1,203,054,837, to remain available until expended, which amount shall be derived from offsetting collections assessed and collected pursuant to 15 U.S.C. 1113 and 35 U.S.C. 41 and 376, and shall be retained and used for necessary expenses in this appropriation: Provided, That, during fiscal year 2004, should the total amount of offsetting fee collections be less than \$1,203,054,837, the total amounts available to the United States Patent and Trademark Office shall be reduced accordingly: Provided further, That from amounts provided herein, not to exceed \$1,000 shall be made available in fiscal year 2004 for official reception and representation expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Unavailable Collections (in millions of dollars)

Identification code 13-1006-0-1-376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	539	563	756
<b>Receipts:</b>			
<b>Offsetting collections:</b>			
02.80 Salaries and expenses, offsetting collections .....	1,145	1,527	1,303
02.80 Salaries and expenses, offsetting collections, legislative proposal .....			201
02.99 Total receipts and collections .....	1,145	1,527	1,504
04.00 Total: Balances and collections .....	1,684	2,090	2,260
<b>Appropriations:</b>			
<b>Appropriations:</b>			
05.00 Salaries and expenses .....	-1,121	-1,334	-1,203
05.00 Salaries and expenses, legislative proposal .....			-201
05.99 Total appropriations .....	-1,121	-1,334	-1,404
07.99 Balance, end of year .....	563	756	856

## Program and Financing (in millions of dollars)

Identification code 13-1006-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Reimbursable program:</b>			
09.01 Patents .....	1,015	1,190	1,058
09.02 Trademarks .....	129	144	145

## General and special funds—Continued

## SALARIES AND EXPENSES—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 13–1006–0–1–376	2002 actual	2003 est.	2004 est.
10.00 Total new obligations .....	1,144	1,334	1,203
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	11	6	6
22.00 New budget authority (gross) .....	1,129	1,334	1,203
22.10 Resources available from recoveries of prior year obligations .....	10		
23.90 Total budgetary resources available for obligation	1,150	1,340	1,209
23.95 Total new obligations .....	–1,144	–1,334	–1,203
24.40 Unobligated balance carried forward, end of year .....	6	6	6
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation Emergency Supplemental P. L. 107–117 .....	2		
40.73 Reduction pursuant to P.L. 107–206 .....	–1		
43.00 Appropriation (total discretionary) .....	2		
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	1,145	1,527	1,303
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	7		
68.26 Offsetting collections (PY available balances) .....	282	100	
68.45 Portion precluded from obligation (limitation on obligations) CY .....	–306	–293	–100
68.90 Spending authority from offsetting collections (total discretionary) .....	1,128	1,334	1,203
70.00 Total new budget authority (gross) .....	1,129	1,334	1,203
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	316	288	461
73.10 Total new obligations .....	1,144	1,334	1,203
73.20 Total outlays (gross) .....	–1,155	–1,161	–1,265
73.45 Recoveries of prior year obligations .....	–10		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	–7		
74.40 Obligated balance, end of year .....	288	461	399
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	954	926	902
86.93 Outlays from discretionary balances .....	201	235	363
87.00 Total outlays (gross) .....	1,155	1,161	1,265
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	–1,145	–1,527	–1,303
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	–7		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	–23	–193	–100
90.00 Outlays .....	10	–366	–38

## Summary of Budget Authority and Outlays

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	–22	–193	–100
Outlays .....	10	–366	–38
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			
Outlays .....			–50
Total:			
Budget Authority .....	–22	–193	–100
Outlays .....	10	–366	–88

The United States Patent and Trademark Office (USPTO) administers the patent and trademark laws, which provide protection to inventors and businesses for their inventions and corporate and product identifications, and encourages innovation and the scientific and technical advancement of

American industry through the preservation, classification, and dissemination of patent and trademark information. In addition to the examination of applications for patent grants and trademark registrations, the USPTO provides technical advice and information to other Executive Branch agencies on intellectual property matters and the trade-related aspects of intellectual property rights.

Under the Administration's proposal, the USPTO would have a program level of \$1,404 million in 2004 and fees of \$1,504 million. This represents a \$70 million increase in program level and a \$23 million decrease in fees, relative to the President's request for 2003. The Administration is proposing legislation to restructure statutory fees in support of the goals and objectives of the USPTO's strategic plan, including proposed quality initiatives, e-government initiatives, and acceleration of patent processing.

During 2004, the Office will continue to operate through two distinct business lines:

**Patent business.**—The Patent Business grants exclusive rights, for limited times, to inventors for their discoveries. The activities under this business include all functions in the patent application processing pipeline, including the initial administrative examination of patent applications, the processing of patent applications filed under the Patent Cooperation Treaty, the formal examination of patent applications to determine the patentability of a claimed invention, the post-examination processing and printing of allowed patents, the review for quality, and the quasi-judicial review in appeal and interference proceedings. Other ancillary functions of the Patent Business are the classification, documentation and search systems, and the maintenance of a scientific and technical library.

Resources requested in 2004 are to accelerate implementing e-Government in Patents by October 1, 2004. Funds are also requested to begin competitively sourcing classification and search functions currently performed by patent examiners, thereby redirecting patent examiner expertise to the core government function of examination. Additional resources will be used to expand bilateral and multilateral agreements to strengthen intellectual property rights globally and reduce duplication of effort among intellectual property offices.

Key Patent Business performance measures follow. These measures apply to the President's request of \$1,404,130,000.

	2002 actual	2003 est.	2004 est.
Applications received .....	333,688	343,699	360,884
Application disposals by examiners .....	260,245	259,000	280,600
Patents issued .....	162,221	182,300	188,600
Average total pendency (months) .....	24.0	27.7	29.9
Improve quality of patents by reducing the error rate .....	4.2%	4.0%	3.7%
Average first action pendency .....	16.7	18.4	18.8

**Trademark business.**—The Trademark Business enhances the protection of trademarks through Federal registration. The activities under this business include the examination of trademark applications to determine whether the statutory criteria for the Federal registration of a trade or service mark are met. The Office issues notices of allowance and certificates of registration based on a trademark attorney's determination. Trademark application examination activities also include *inter parte* proceedings involving oppositions, cancellations, and *ex parte* proceedings.

The 2004 program level provides resources to fund 2004 trademark programs and staff levels, including inflationary adjustments. Additional funding is provided in 2004 to continue work focused on achieving a fully electronic workplace to be completed in 2004 that will improve timeliness and productivity in the trademark business.

Key trademark business quantity and quality performance measures follow. These measures apply to the President's request of \$1,404,130,000.

	2002 actual	2003 est.	2004 est.
Applications received (includes additional classes) .....	258,873	265,000	290,000

Trademark registrations issued .....	133,225	95,700	107,200
Trademark registrations including additional classes .....	164,457	111,300	124,700
Pending time to first action (in months) .....	4.3	3.0	2.5
Pending time to registration/abandonment (in months) .....	19.9	15.5	13.0
Improve quality of trademarks by reducing the error rate .....	4.3%	4.0%	3.0%

**Object Classification** (in millions of dollars)

Identification code 13-1006-0-1-376	2002 actual	2003 est.	2004 est.
99.0 Reimbursable obligations: Reimbursable obligations ...	1,144	1,334	1,201
99.5 Below reporting threshold .....			2
99.9 Total new obligations .....	1,144	1,334	1,203

**Personnel Summary**

Identification code 13-1006-0-1-376	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	6,593	7,453	7,666

**SALARIES AND EXPENSES**

(Legislative proposal, not subject to PAYGO)

*Upon enactment of authorization to increase fees collected pursuant to 35 U.S.C. 41, any resulting increased receipts may be collected and credited to this account as offsetting collections; of which not to exceed \$201,075,163, to remain available until expended, shall be available for authorized purposes: Provided, That the total amount appropriated from offsetting collections collected in fiscal year 2004 shall not exceed \$1,404,130,000.*

**Program and Financing** (in millions of dollars)

Identification code 13-1006-2-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Reimbursable program:			
09.01 Patents .....			202
09.02 Trademarks .....			-1
10.00 Total new obligations .....			201
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			201
23.95 Total new obligations .....			-201
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....			201
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			201
73.20 Total outlays (gross) .....			-151
74.40 Obligated balance, end of year .....			50
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			151
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....			-201
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			-50

In response to growing backlogs, significantly increased pendency, and the desire to increase the quality of its products, in fiscal year 2002 the USPTO conducted a thorough top-to-bottom internal review and developed a new and aggressive strategic plan to address these issues. The agency determined that, in addition to improving the use of its current resources, significant new investments were needed in automation and examiner resources to address these concerns

and meet current and future requirements of the intellectual property community.

In turn, legislation is required to restructure the statutory fees charged for products and services. Relative to current law, the restructuring is expected to raise fee collections by \$201 million, which will be available for the USPTO's 2004 programs.

**Object Classification** (in millions of dollars)

Identification code 13-1006-2-1-376	2002 actual	2003 est.	2004 est.
99.0 Reimbursable obligations: Reimbursable obligations ...			201
99.9 Total new obligations .....			201

**Personnel Summary**

Identification code 13-1006-2-1-376	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....			220

**TECHNOLOGY ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses for the Under Secretary for Technology/ Office of Technology Policy, \$8,015,000. (15 U.S.C. 1511(e), 1533, 3704, 3711a.)*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 13-1100-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	8	8	8
10.00 Total new obligations .....	8	8	8
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	8	8	8
23.95 Total new obligations .....	-8	-8	-8
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	8	8	8
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	4	3
73.10 Total new obligations .....	8	8	8
73.20 Total outlays (gross) .....	-11	-9	-8
74.40 Obligated balance, end of year .....	4	3	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	8	5	5
86.93 Outlays from discretionary balances .....	3	4	3
87.00 Total outlays (gross) .....	11	9	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	8	8	8
90.00 Outlays .....	11	9	8

The Technology Administration (TA) is the principal civilian technology agency working with industry to improve U.S. industrial competitiveness and serves as an advocate for U.S. industry in the Executive Branch, before Congress, and in international fora. It discharges this role through the leadership of the Under Secretary for Technology; through the Office of Technology Policy's analysis, formulation, and advocacy of

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

policies to maximize the contribution of technology to economic growth; through the technology development, diffusion, and commercialization programs of the National Institute of Standards and Technology; and through the dissemination of technological information by the National Technical Information Service.

Recognizing that legislative approval is necessary, funding for the Office of Space Commercialization has been taken out of the Technology Administration budget and will be provided through the International Trade Administration.

*Performance measures.*—The activities under the Under Secretary for Technology/Office of Technology Policy account support the Commerce strategic goal to provide infrastructure for innovation to enhance American competitiveness.

*Performance goal:* Provide leadership in promoting national technology policies that facilitate U.S. pre-eminence in key areas of science and technology and leverage technological innovation to strengthen American global competitiveness.

Performance measures are milestone accomplishments in three key action areas: outreach, analysis/education, and advocacy.

**Object Classification** (in millions of dollars)

Identification code 13-1100-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	4	4	4
12.1 Civilian personnel benefits .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
25.2 Other services .....	1		
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
99.0 Direct obligations .....	8	7	7
99.5 Below reporting threshold .....		1	1
99.9 Total new obligations .....	8	8	8

**Personnel Summary**

Identification code 13-1100-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	45	49	45
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1	1	1

**NATIONAL TECHNICAL INFORMATION SERVICE**

**Federal Funds**

**Intragovernmental funds:**

**NTIS REVOLVING FUND**

**Program and Financing** (in millions of dollars)

Identification code 13-4295-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	28	51	42
10.00 Total new obligations .....	28	51	42
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	9	10	
22.00 New budget authority (gross) .....	29	41	42
23.90 Total budgetary resources available for obligation .....	38	51	42
23.95 Total new obligations .....	-28	-51	-42

24.40 Unobligated balance carried forward, end of year .....	10		
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	29	41	42
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	34	29	18
73.10 Total new obligations .....	28	51	42
73.20 Total outlays (gross) .....	-33	-62	-42
74.40 Obligated balance, end of year .....	29	18	18
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	16	23	23
86.93 Outlays from discretionary balances .....	17	39	19
87.00 Total outlays (gross) .....	33	62	42
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-16	-21	-22
88.40 Non-Federal sources .....	-13	-20	-20
88.90 Total, offsetting collections (cash) .....	-29	-41	-42
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	4	21	

The National Technical Information Service (NTIS), a component of the Technology Administration, operates this revolving fund for the payment of all expenses incurred in performing the activities of the NTIS, which include the acquisition and public sale of domestic and foreign federally funded research, development, and engineering reports and associated business information.

*Performance measures.*—The activities under this account support the Commerce strategic goal of providing infrastructure for innovation to enhance American competitiveness. This objective provides infrastructural tools and capabilities that improve the productivity, quality, and efficiency of research and innovation processes.

**Statement of Operations** (in millions of dollars)

Identification code 13-4295-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	36	32	38	38
0102 Expense .....	-34	-31	-37	-37
0105 Net income or loss (-) .....	2	1	1	1

**Balance Sheet** (in millions of dollars)

Identification code 13-4295-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	43	39	40	41
1206 Non-Federal assets: Receivables, net .....	1	1	1	1
<b>Other Federal assets:</b>				
1803 Property, plant and equipment, net .....	1	1	1	1
1901 Other assets .....	5	6	6	6
1999 Total assets .....	50	47	48	49
<b>LIABILITIES:</b>				
<b>Federal liabilities:</b>				
2101 Accounts payable .....	6	5	5	5
2105 Other .....	18	13	13	13
<b>Non-Federal liabilities:</b>				
2201 Accounts payable .....	3	2	2	2
2207 Other .....	9	12	12	12
2999 Total liabilities .....	36	32	32	32
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	14	15	16	17
3999 Total net position .....	14	15	16	17
4999 Total liabilities and net position .....	50	47	48	49

Object Classification (in millions of dollars)				
Identification code 13-4295-0-3-376	2002 actual	2003 est.	2004 est.	
11.1 Personnel compensation: Full-time permanent .....	11	15	12	
12.1 Civilian personnel benefits .....	2	4	4	
22.0 Transportation of things .....	1	1	2	
23.1 Rental payments to GSA .....	2	2	1	
23.2 Rental payments to others .....		1	2	
23.3 Communications, utilities, and miscellaneous charges .....	1	2	2	
24.0 Printing and reproduction .....	1	1	3	
25.2 Other services .....	6	19	10	
25.3 Other purchases of goods and services from Government accounts .....	1	1	1	
25.7 Operation and maintenance of equipment .....	1	1	1	
26.0 Supplies and materials .....	1	2	2	
31.0 Equipment .....	1	2	2	
99.0 Reimbursable obligations .....	28	51	42	
99.9 Total new obligations .....	28	51	42	

**Personnel Summary**

Identification code 13-4295-0-3-376	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	186	260	260

**NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY**

**Federal Funds**

**General and special funds:**

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

For necessary expenses of the National Institute of Standards and Technology, \$387,621,000, to remain available until expended, of which not to exceed \$7,772,000 may be transferred to the "Working Capital Fund". (15 U.S.C. 272, 273, 278b-j; p, 290b-f, 1151-52, 1454(d), 1454(e), 1511, 1512, 3711.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 13-0500-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating expenses:			
Measurement and engineering research and standards:			
00.01 Electronics and electrical engineering .....	42	43	44
00.02 Manufacturing engineering .....	19	22	22
00.03 Chemical science and technology .....	34	40	41
00.04 Physics .....	35	38	49
00.05 Materials science and engineering .....	56	70	67
00.06 Building and fire research .....	20	19	23
00.07 Computer science and applied mathematics .....	56	55	57
00.08 Technology assistance .....	18	19	19
00.09 National quality program .....	5	6	6
00.11 Research support activities .....	45	84	53
10.00 Total new obligations .....	330	396	381
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	9	10	
22.00 New budget authority (gross) .....	330	385	380
22.10 Resources available from recoveries of prior year obligations .....	1	1	1
23.90 Total budgetary resources available for obligation .....	340	396	381
23.95 Total new obligations .....	-330	-396	-381
24.40 Unobligated balance carried forward, end of year .....	10		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	330	389	388
41.00 Transferred to other accounts .....		-4	-8

43.00 Appropriation (total discretionary) .....	330	385	380
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	90	107	99
73.10 Total new obligations .....	330	396	381
73.20 Total outlays (gross) .....	-312	-402	-384
73.45 Recoveries of prior year obligations .....	-1	-1	-1
74.40 Obligated balance, end of year .....	107	99	95
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	240	297	293
86.93 Outlays from discretionary balances .....	72	105	91
87.00 Total outlays (gross) .....	312	402	384
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	330	385	380
90.00 Outlays .....	312	402	384
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	11	13	12
99.01 Outlays .....	11	13	12

The National Institute of Standards and Technology (NIST) is responsible for the measurement foundation that supports U.S. industry, Government, and scientific establishments. NIST's intramural research program is funded by the Scientific and Technical Research and Services appropriation. *Measurement and engineering research and standards.*—

*Electronics and electrical engineering.*—Conducts research, provides measurement services and helps set standards in support of the fundamental electronic technologies of semiconductors, magnetics, and superconductors; information and communications technologies, such as fiber optics, photonics, microwaves, electronic displays, and electronics manufacturing supply chain collaboration; forensics and security screening through radar, x-ray and terahertz sensor technologies; electronic measurement instrumentation; fundamental and practical physical standards and measurement services for electrical quantities; maintaining the quality and integrity of electrical power systems; and the development of nanoscale and microelectromechanical devices.

*Manufacturing engineering.*—Encompasses research, measurements, standards development and support in the areas of high-precision dimensional and mechanical measurements including length, mass, force, acoustics, and vibration; measurements, test methods, and interface standards for automated production technology and intelligent systems including advanced sensor systems for manufacturing and open-system architectures for intelligent manufacturing systems; interoperability standards, information models, and measurements and test methods for integrating manufacturing systems.

*Chemical science and technology.*—Conducts research in measurement science and develops the chemical, biochemical, and chemical engineering measurements, data, models, and reference standards that are required to enhance U.S. industrial competitiveness in the world market, and to improve public health, safety, and environmental quality and to support homeland defense. This research includes chemical characterization of materials, process metrology, chemical and biochemical sensing, nanotechnology, health care measurements, environmental measurements, microelectronics, chemical and physical property data, biomolecules and materials, DNA technologies, and international measurement standards.

*Physics.*—Investigates the structure and dynamics of atoms, molecules, and micro- and nanoscale structures for quantum computing, information storage, and electronic and optical applications; covers the development of high performance sensors, instrumentation, measurement methods, and standards for time, frequency, and optical and ionizing radiation. This includes measurements and stand-

**General and special funds—Continued****SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES—Continued**

ards to support provision of safe and effective applications of radiation in medical diagnostics and treatment, national and homeland security, energy production, and radioactivity monitoring.

**Materials science and engineering.**—Covers research in materials characterization and the relationships between materials structure and properties in metals, polymers, ceramics, and composite materials; addresses the measurement, standards and technological issues required to stimulate the more effective production and use of materials for applications including health care, automotive transport, and microelectronics. Also develops measurements for understanding materials at the nanoscale.

**Building and fire research.**—Includes research and development of technologies to predict, measure, and test the performance of construction materials, components, systems, and practices, including support of nanoscale technologies to develop new building materials, including support of homeland security, and to investigate the scientific principles that govern the phenomena of fire initiation, propagation, and suppression.

**Computer science and applied mathematics.**—Includes development and demonstration of evaluation techniques, testing methods, and standards to enable usable, reliable, and interoperable computer and telecommunications systems and software; provides leadership and collaborative research in the application and use of mathematics, statistics, and computer science, and support of computing and telecommunications services; and provides leadership and guidance for information security issues for Federal agencies and for public and private sectors in the advancement of critical infrastructure protection.

**Technology assistance.**—Provides a central source of information and assistance for U.S. industry, academia, and government regarding national and international standardization, conformity assessment activities, and legal metrology (weights and measures) services; and provides, on a reimbursable basis, centralized access to critically needed services, including Standard Reference Materials, Standard Reference Data, calibration, and laboratory accreditation programs.

**National quality program.**—Extends U.S. competitiveness in business, health care, and education, through performance excellence criteria and other information transfer, and administration of the Malcolm Baldrige National Quality Award.

**Research support activities.**—Includes centrally managed activities that provide support to all other NIST programs. This support includes advanced capabilities development in NIST mission-oriented areas of research, high caliber postdoctoral scientists and engineers, computing support for research programs, business systems activities, and support for the Advanced Measurement Laboratory facility.

**Performance Measures.**—The activities under this account support the Commerce strategic goal to provide infrastructure for innovation to enhance American competitiveness.

**Performance goals:**

1. The NIST laboratories pursue three overarching goals: (1) research and develop the measurements and standards needed to support emerging science and technology-intensive industries; (2) develop and efficiently disseminate the measurements and standards needed to support the nation's strategic interests in homeland security; and (3) assure the availability and efficient transfer of measurement and standards capabilities essential to established industries. NIST evaluates its performance toward these goals through a combination of evaluation methods, including external peer review

(conducted by the National Research Council), economic impact studies, and evaluation of numerous scientific and technical outputs (key outputs listed below).

2. Catalyze and reward quality and performance improvement practices in U.S. businesses and other organizations.

	2002 actual	2003 est.	2004 est.
Standard reference materials available .....	1,353	1,360	1,360
Standard reference data titles available .....	90	70	95
Number of items calibrated .....	2,924	2,900	2,800
Number of technical publications produced .....	2,236	2,100	2,200
Total number of applications to the MBNQA and Baldrige-based State and local quality awards .....	669 est.	1,111	692

**Object Classification (in millions of dollars)**

Identification code 13-0500-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	132	144	154
11.3 Other than full-time permanent .....	11	11	11
11.5 Other personnel compensation .....	5	5	5
11.9 Total personnel compensation .....	148	160	170
12.1 Civilian personnel benefits .....	34	37	40
21.0 Travel and transportation of persons .....	7	7	8
22.0 Transportation of things .....	1	2	2
23.2 Rental payments to others .....	3	3	3
23.3 Communications, utilities, and miscellaneous charges .....	10	17	18
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	5	4	2
25.2 Other services .....	43	47	41
25.3 Other purchases of goods and services from Gov- ernment accounts .....	12	12	14
25.5 Research and development contracts .....	1	2	5
25.7 Operation and maintenance of equipment .....	4	4	5
26.0 Supplies and materials .....	16	23	21
31.0 Equipment .....	27	63	35
41.0 Grants, subsidies, and contributions .....	18	13	14
99.0 Direct obligations .....	330	395	379
99.5 Below reporting threshold .....		1	2
99.9 Total new obligations .....	330	396	381

**Personnel Summary**

Identification code 13-0500-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equiv- alent employment .....	1,913	2,016	2,065

**INDUSTRIAL TECHNOLOGY SERVICES**

*For necessary expenses of the Manufacturing Extension Partnership of the National Institute of Standards and Technology, \$12,600,000, to remain available until expended: Provided, That the Secretary of Commerce is authorized to enter into agreements with one or more nonprofit organizations for the purpose of carrying out collective research and development initiatives pertaining to 15 U.S.C. 278k paragraph (a), and is authorized to seek, accept, and use contributions from public and private sources to support these efforts as necessary.*

*In addition, for necessary expenses of the Advanced Technology Program of the National Institute of Standards and Technology, \$27,007,000, to remain available until expended. (15 U.S.C. 271, 278b, 278k, 278l, 278n.)*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 13-0525-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Extramural programs:</b>			
00.01 Advanced technology program .....	197	145	31
00.02 Manufacturing extension partnership .....	108	18	13

01.00	Total direct program .....	305	163	44
09.01	Reimbursable program .....	1		
10.00	Total new obligations .....	306	163	44
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	36	40	
22.00	New budget authority (gross) .....	292	120	40
22.10	Resources available from recoveries of prior year obligations .....	18	4	4
23.90	Total budgetary resources available for obligation .....	346	164	44
23.95	Total new obligations .....	-306	-163	-44
24.40	Unobligated balance carried forward, end of year .....	40		
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	291	120	40
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	1		
70.00	Total new budget authority (gross) .....	292	120	40
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	380	388	327
73.10	Total new obligations .....	306	163	44
73.20	Total outlays (gross) .....	-279	-220	-207
73.40	Adjustments in expired accounts (net) .....	-1		
73.45	Recoveries of prior year obligations .....	-18	-4	-4
74.40	Obligated balance, end of year .....	388	327	160
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	60	20	7
86.93	Outlays from discretionary balances .....	219	200	200
87.00	Total outlays (gross) .....	279	220	207
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-1		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	291	120	40
90.00	Outlays .....	278	220	207
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	2	1	1
99.01	Outlays .....	2	1	1

This appropriation supports the extension of technology to American industry and fosters the development of broad-based, high-risk technology by industry.

*Extramural programs.*

*Advanced technology program (ATP).*—The ATP endeavors to help accelerate the commercialization of high-risk, broad benefit enabling technologies with significant commercial potential. ATP is a merit-based, rigorously competitive, cost-shared partnership program that provides assistance to U.S. businesses and joint R&D ventures to help them improve their competitive position. The President's 2004 Budget proposes funding for administrative costs and close-out of the program.

*Manufacturing extension partnership (MEP).*—As a nationwide system of centers serving clients in all 50 states and Puerto Rico, MEP's goal is to improve the competitiveness of U.S.-based small manufacturers. MEP does this by providing information, decision support, and implementation assistance to small manufacturers in adopting advanced manufacturing technologies and business best practices. The centers are created through a partnership among State, Federal, and local governments, educational institutions, and private industry, and they tailor services to meet the needs of the local manufacturing base in the area. In 2004, consistent with the program's original design, the President's Budget recommends that all centers with more than six years experience operate without Federal contribution.

*Performance measures.*—The activities under this account support the Commerce strategic goal to provide infrastructure for innovation to enhance American competitiveness. The performance of these activities is evaluated through a combination of external review, economic impact studies, and evaluation of numerous quantitative outcomes and outputs.

*Performance goals:*

1. Accelerate private investment in and development of high risk, broad-impact technologies.
2. Raise the productivity and competitiveness of small manufacturers.

	2002 est.	2003 est.	2004 est.
Cumulative number of technologies under commercialization ..	190	210	250
Increased sales attributed to MEP assistance .....	726	13	13

**Object Classification** (in millions of dollars)

Identification code 13-0525-0-1-376	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent .....	24	18	14
11.3	Other than full-time permanent .....	2	2	2
11.5	Other personnel compensation .....	1	1	1
11.9	Total personnel compensation .....	27	21	17
12.1	Civilian personnel benefits .....	6	5	3
13.0	Benefits for former personnel .....			2
21.0	Travel and transportation of persons .....	2	1	1
23.2	Rental payments to others .....	1	1	
23.3	Communications, utilities, and miscellaneous charges .....	3	1	1
25.1	Advisory and assistance services .....	3	3	2
25.2	Other services .....	6	4	2
25.3	Other purchases of goods and services from Government accounts .....	3	5	1
25.5	Research and development contracts .....	5	3	
26.0	Supplies and materials .....	1	2	
31.0	Equipment .....	4	1	
41.0	Grants, subsidies, and contributions .....	244	116	15
99.0	Direct obligations .....	305	163	44
99.0	Reimbursable obligations .....	1		
99.9	Total new obligations .....	306	163	44

**Personnel Summary**

Identification code 13-0525-0-1-376	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	338	248	182

**CONSTRUCTION OF RESEARCH FACILITIES**

*For construction of new research facilities, including architectural and engineering design, and for renovation and maintenance of existing facilities, not otherwise provided for the National Institute of Standards and Technology, as authorized by 15 U.S.C. 278c-278e, \$69,590,000, to remain available until expended.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 13-0515-0-1-376	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	71	70	70
10.00	Total new obligations .....	71	70	70
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	23	16	
22.00	New budget authority (gross) .....	64	54	70
23.90	Total budgetary resources available for obligation .....	87	70	70
23.95	Total new obligations .....	-71	-70	-70

**General and special funds—Continued**

**CONSTRUCTION OF RESEARCH FACILITIES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 13-0515-0-1-376	2002 actual	2003 est.	2004 est.
24.40 Unobligated balance carried forward, end of year .....	16		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	64	54	70
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	181	128	146
73.10 Total new obligations .....	71	70	70
73.20 Total outlays (gross) .....	-123	-51	-55
74.40 Obligated balance, end of year .....	128	146	161
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	9	6	8
86.93 Outlays from discretionary balances .....	114	45	47
87.00 Total outlays (gross) .....	123	51	55
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	64	54	70
90.00 Outlays .....	123	51	55

This appropriation supports the construction of new facilities and the renovation and maintenance of NIST's current buildings and laboratories to comply with more stringent science and engineering requirements and to keep pace with tightening Federal, state, and local health and safety regulations.

In 2004, the request improves the safety and performance of existing NIST facilities by addressing the highest priority repair projects. In addition, the request includes funds for design and renovation of existing facilities and the construction of new facilities.

**Object Classification (in millions of dollars)**

Identification code 13-0515-0-1-376	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	3	3	4
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	18	51	50
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1		
32.0 Land and structures .....	5	13	13
41.0 Grants, subsidies, and contributions .....	41		
99.9 Total new obligations .....	71	70	70

**Personnel Summary**

Identification code 13-0515-0-1-376	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	49	51	53

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 13-4650-0-4-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Measurement and engineering research and standards:			
09.01 Electronics and electrical engineering .....	30	40	43
09.02 Manufacturing engineering .....	11	10	10
09.03 Chemical science and technology .....	19	23	22
09.04 Physics .....	21	22	26
09.05 Material science and engineering .....	11	13	12

09.06 Building and fire research .....	14	29	20
09.07 Computer science and applied mathematics .....	12	17	17
09.08 Technology assistance .....	18	13	13
09.11 National quality program .....		2	2
09.12 Research support activities .....	35	16	15
10.00 Total new obligations .....	171	185	180

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	76	94	34
22.00 New budget authority (gross) .....	189	124	179
23.90 Total budgetary resources available for obligation	265	218	213
23.95 Total new obligations .....	-171	-185	-180
24.40 Unobligated balance carried forward, end of year .....	94	34	32

**New budget authority (gross), detail:**

Discretionary:			
42.00 Transferred from other accounts .....		4	8
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	200	120	171
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-11		
68.90 Spending authority from offsetting collections (total discretionary) .....	189	120	171
70.00 Total new budget authority (gross) .....	189	124	179

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	-2	-13	50
73.10 Total new obligations .....	171	185	180
73.20 Total outlays (gross) .....	-193	-122	-177
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	11		
74.40 Obligated balance, end of year .....	-13	50	53

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	115	94	136
86.93 Outlays from discretionary balances .....	78	28	41
87.00 Total outlays (gross) .....	193	122	177

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-160	-80	-131
88.40 Non-Federal sources .....	-40	-40	-40
88.90 Total, offsetting collections (cash) .....	-200	-120	-171
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	11		

**Net budget authority and outlays:**

89.00 Budget authority .....		4	8
90.00 Outlays .....	-7	2	6

The Working capital fund finances research and technical services performed for other Government agencies and the public. These activities are funded through advances and reimbursements. The Fund also finances the acquisition of equipment, standard reference materials, and storeroom inventories until issued or sold.

**Object Classification (in millions of dollars)**

Identification code 13-4650-0-4-376	2002 actual	2003 est.	2004 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	47	52	52
11.3 Other than full-time permanent .....	4	4	4
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	52	57	57
12.1 Civilian personnel benefits .....	12	13	13
21.0 Travel and transportation of persons .....	2	3	3
22.0 Transportation of things .....	1	1	1
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	5	5	5
25.1 Advisory and assistance services .....	4	3	2
25.2 Other services .....	29	22	22

25.3	Other purchases of goods and services from Government accounts .....	12	15	15
25.5	Research and development contracts .....	1	1	1
25.7	Operation and maintenance of equipment .....	1	1	1
26.0	Supplies and materials .....	8	10	10
31.0	Equipment .....	36	43	42
41.0	Grants, subsidies, and contributions .....	6	7	7
99.0	Reimbursable obligations .....	170	182	180
99.5	Below reporting threshold .....	1	3	.....
99.9	Total new obligations .....	171	185	180

**Personnel Summary**

Identification code 13-4650-0-4-376	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	699	749	724

**NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses, as provided for by law, of the National Telecommunications and Information Administration (NTIA), \$18,869,000, to remain available until expended: Provided, That, notwithstanding 31 U.S.C. 1535(d), the Secretary of Commerce shall charge Federal agencies for costs incurred in spectrum management, analysis, and operations, and related services and such fees shall be retained and used as offsetting collections for costs of such spectrum services, to remain available until expended: Provided further, That hereafter, notwithstanding any other provision of law, NTIA shall not authorize spectrum use or provide any spectrum functions pursuant to the National Telecommunications and Information Administration Organization Act, 47 U.S.C. 902-903, to any Federal entity without reimbursement as required by NTIA for such spectrum management costs, and Federal entities withholding payment of such cost shall not use spectrum: Provided further, That the Secretary of Commerce is authorized to retain and use as offsetting collections all funds transferred, or previously transferred, from other Government agencies for all costs incurred in telecommunications research, engineering, and related activities by the Institute for Telecommunication Sciences of NTIA, in furtherance of its assigned functions under this paragraph, and such funds received from other Government agencies shall remain available until expended. (15 U.S.C. 1512, 1532; 47 U.S.C. §§ 305, 606, 901 et seq.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 13-0550-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Domestic and international policy .....	4	4	5
00.02 Spectrum management .....	4	5	6
00.03 Telecommunication sciences research .....	6	8	8
01.00 Total, direct program .....	14	17	19
Reimbursable program:			
09.01 Spectrum management .....	15	18	26
09.02 Telecommunication sciences research .....	4	7	6
09.99 Total reimbursable program .....	19	25	32
10.00 Total new obligations .....	33	42	51
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	7	.....
22.00 New budget authority (gross) .....	36	36	51

23.90 Total budgetary resources available for obligation	40	43	51
23.95 Total new obligations .....	-33	-42	-51
24.40 Unobligated balance carried forward, end of year .....	7	.....	.....

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	14	17	19
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	22	19	32
70.00 Total new budget authority (gross) .....	36	36	51

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	9	6	6
73.10 Total new obligations .....	33	42	51
73.20 Total outlays (gross) .....	-36	-43	-52
74.40 Obligated balance, end of year .....	6	6	6

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	33	33	47
86.93 Outlays from discretionary balances .....	3	10	5
87.00 Total outlays (gross) .....	36	43	52

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-22	-19	-32

**Net budget authority and outlays:**

89.00 Budget authority .....	14	17	19
90.00 Outlays .....	14	24	20

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The National Telecommunications and Information Administration (NTIA) is the principal executive branch adviser to the President on domestic and international telecommunications policy. Additionally, it manages the Federal Government's use of the radio frequency spectrum and performs extensive research in telecommunication sciences.

*Domestic and international policies.*—NTIA develops and advocates policies to improve and expand domestic telecommunications services and markets. NTIA provides advice to White House officials, coordinates with other Executive Branch agencies, and participates in relevant Congressional actions and interagency and Federal Communications Commission (FCC) proceedings on a host of issues. NTIA's focus is on current and emerging issues such as the deployment of broadband networks and services. NTIA develops policies promoting universal service to all Americans, competition in telecommunications and information markets, and development of new technologies. NTIA makes policy recommendations in such areas as traditional common carrier networks, wireless services and products, the mass media (including advanced television), as well as issues arising from the Internet and electronic commerce.

NTIA advocates the advancement of U.S. priorities in the international telecommunications policy and regulatory areas. NTIA will continue to encourage forcefully the broad liberalization of telecommunication regulations now taking hold across the globe that create significant opportunities for U.S. telecommunications interests and enterprises, including emphasis on the international development of electronic commerce as an essential element of today's information society. NTIA supports U.S. interests in international and regional fora affecting telecommunications standards, infrastructure development and market access. NTIA also represents executive branch concerns related to international telecommunications regulation before the FCC. In coordination with the Department of State and the FCC, the agency also discharges statutory responsibilities with respect to international satellite organizations.

*Spectrum management.*—NTIA manages the Federal Government's use of the radio frequency spectrum, both domes-

General and special funds—Continued

SALARIES AND EXPENSES—Continued

tically and internationally. In coordination with the FCC and with the advice of the Interdepartment Radio Advisory Committee (IRAC), NTIA supports the spectrum requirements of the Federal Government, makes plans to satisfy the Government's future spectrum needs, coordinates Federal spectrum requirements in shared spectrum bands, and develops and implements policy to use the spectrum effectively and efficiently. NTIA prepares for, participates in, and implements the results of regional, national, and international conferences on spectrum use and allocations. NTIA also is responsible for emergency communications and Federal Government continuity of operations planning for communications during emergency conditions. NTIA coordinates its activities with the private sector through its spectrum openness program and its Internet web site and apprises private sector entities of Government spectrum use and rules and regulations governing this use. NTIA reviews major Federal communications systems to certify that spectrum will be available; conducts frequency band studies to define spectrum issues and makes plans to prevent future interference; and, processes approximately 90,000 annual requests for frequency assignments to meet the communications needs of the Federal Government and support analysis and engineering aspects of spectrum management. NTIA also strives to identify and apply new spectrum saving technologies, identify adjacent band effects for use by designers of future communications, and address the public safety community's need for spectrum and interoperability at the Federal, State, and local levels.

**Telecommunication sciences research.**—NTIA develops improved spectrum measurement techniques to address the increasing use of broadband technologies, including digital signals, spread-spectrum, and frequency agile systems. NTIA supports the development of wireless technologies by studying the behavior of broadband radio waves in indoor and outdoor environments in order to create more accurate modeling of radio propagation that will lead to improved methods of spectrum sharing among users. Additionally, NTIA prepares and coordinates proposed domestic and international telecommunications standards, develops and demonstrates user-friendly ways to assess the performance of industry and Government telecommunications networks, evaluates future technologies that may facilitate competition in the U.S. telecommunications industry, promotes international trade opportunities for U.S. telecommunications firms and improves the cost effectiveness of Government telecommunications use.

**Performance measures.**—Activities under this account support the Commerce strategic goal to provide the information and the framework to enable the economy to operate efficiently and equitably.

Goal: Ensure allocation of radio spectrum—a scarce resource essential to all communications—provides the greatest benefit to all people.

Performance Measure:	2002 actual	2003 est.	2004 est.
Timeliness of processing .....	New	15 business days	12 business days

A more detailed presentation of goals, performance measures and targets is found in the Commerce Annual Performance Plan.

Object Classification (in millions of dollars)

Identification code 13-0550-0-1-376	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	7	9	9
12.1 Civilian personnel benefits .....	2	2	2

23.1 Rental payments to GSA .....	1	1	1
25.2 Other services .....	2	2	3
31.0 Equipment .....	2	1	1
99.0 Direct obligations .....	14	15	16
99.0 Reimbursable obligations .....	19	25	32
99.5 Below reporting threshold .....		2	3
99.9 Total new obligations .....	33	42	51

Personnel Summary

Identification code 13-0550-0-1-376	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	92	109	111
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	123	155	155

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

For the administration of grants authorized by section 392 of the Communications Act of 1934, as amended, \$2,538,000, to remain available until expended as authorized by section 391: Provided, That notwithstanding section 391, the prior year unobligated balances may be used for grants for projects for which applications have been submitted and approved during any fiscal year.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 13-0551-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants .....	46	47	
00.02 Program management .....	2	3	3
10.00 Total new obligations .....	48	50	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	7	
22.00 New budget authority (gross) .....	52	44	3
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	54	51	3
23.95 Total new obligations .....	-48	-50	-3
24.40 Unobligated balance carried forward, end of year .....	7		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	44	44	3
40.00 Emergency Supplemental .....	8		
43.00 Appropriation (total discretionary) .....	52	44	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	68	87	81
73.10 Total new obligations .....	48	50	3
73.20 Total outlays (gross) .....	-27	-56	-47
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	87	81	37
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	7	5	
86.93 Outlays from discretionary balances .....	20	51	47
87.00 Total outlays (gross) .....	27	56	47
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	52	44	3
90.00 Outlays .....	27	56	47

Public Telecommunications Facilities, Planning and Construction grant awards are being suspended for FY 2004. Funds for FY 2004 are requested for monitoring existing grants and administrative costs. The Administration proposes that a portion of the Corporation for Public Broadcasting's already-enacted FY 2004 funding be directed to the purchase of digital transmission equipment by public broadcasting stations.

*Performance measures.*—Activities under this account support the Commerce strategic goal to provide infrastructure for innovation to enhance American competitiveness. Funds are not requested in FY 2004 for awarding grants.

Performance Measure:	2002 actual	2003 est.	2004 est.
Digital broadcasting conversion .....	52 grants	40 grants	0

**Object Classification** (in millions of dollars)

Identification code 13-0551-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.2 Other services .....	1	1	1
41.0 Grants—Public facilities .....	45	47	.....
99.0 Direct obligations .....	47	49	2
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	48	50	3

**Personnel Summary**

Identification code 13-0551-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	12	13	13

**INFORMATION INFRASTRUCTURE GRANTS**

*For the administration of prior year grants, recoveries and unobligated balances of funds previously appropriated for grants and administrative expenses are available for the administration of all open grants until their expiration.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 13-0552-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants .....	12	.....	.....
00.02 Program management .....	3	4	.....
10.00 Total new obligations .....	15	4	.....
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	4	.....
22.00 New budget authority (gross) .....	16	.....	.....
22.10 Resources available from recoveries of prior year obligations .....	2	.....	.....
23.90 Total budgetary resources available for obligation .....	20	4	.....
23.95 Total new obligations .....	-15	-4	.....
24.40 Unobligated balance carried forward, end of year .....	4	.....	.....
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	16	.....	.....
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	71	65	31
73.10 Total new obligations .....	15	4	.....
73.20 Total outlays (gross) .....	-20	-38	-21
73.45 Recoveries of prior year obligations .....	-2	.....	.....
74.40 Obligated balance, end of year .....	65	31	10

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	.....	.....
86.93 Outlays from discretionary balances .....	18	38	21
87.00 Total outlays (gross) .....	20	38	21

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	16	.....	.....
90.00 Outlays .....	20	38	21

Technology Opportunities Program grants have demonstrated the use of advanced telecommunications technologies to enhance the delivery of social services, such as education, health care, and public safety. This program has fulfilled its mission and is proposed for termination. The use of deobligations and unobligated balances are requested for monitoring existing grants and close-out costs.

*Performance measures.*—Activities under this account support the Commerce strategic goal to provide infrastructure for innovation to enhance American competitiveness.

A detailed presentation of goals, performance measures and targets is found in the Commerce Annual Plan.

**Object Classification** (in millions of dollars)

Identification code 13-0552-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	.....	.....
25.2 Other services .....	1	.....	.....
41.0 Grants, subsidies, and contributions .....	12	.....	.....
99.0 Direct obligations .....	14	.....	.....
99.5 Below reporting threshold .....	1	4	.....
99.9 Total new obligations .....	15	4	.....

**Personnel Summary**

Identification code 13-0552-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	17	3	.....

**SPECTRUM RELOCATION FUND**

(Legislative proposal, subject to PAYGO)

The Administration will again propose legislation to streamline the current process for reimbursing Federal agencies that must relocate from Federal spectrum which has been reallocated for auction to commercial users. Under current law, winning bidders must negotiate with Federal entities upon the close of an auction and reimburse the agencies directly for their relocation costs. The Administration proposes to streamline this process by creating a central spectrum relocation fund. Auction receipts associated with the reallocated spectrum would be paid into the fund and Federal agencies would be paid for their relocation costs out of the fund. To expedite the clearing of the auctioned spectrum, the legislation would provide agencies mandatory spending authority for the relocation payments. The estimated mandatory spending is \$2.5 billion from 2005 to 2010. The Budget includes a government-wide allowance for the estimated aggregated collections and outlays for agencies' relocation costs.

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Offsetting receipts from the public:</b>			
13-225200 Fees for maps and charts, public, NOAA .....	-6	.....	.....
13-271710 Fisheries finance, Negative subsidies .....	.....	3	1

(in millions of dollars)—Continued

	2002 actual	2003 est.	2004 est.
13-271730 Fisheries finance, Downward reestimates of subsidies .....	4	6	.....
13-275930 Emergency steel guaranteed loans downward reestimates of subsidies .....		1	.....
General Fund Offsetting receipts from the public .....	-2	10	1

## GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

SEC. 201. During the current fiscal year, applicable appropriations and funds made available to the Department of Commerce by this Act shall be available for the activities specified in the Act of October 26, 1949 (15 U.S.C. 1514), to the extent and in the manner prescribed by the Act, and, notwithstanding 31 U.S.C. 3324, may be used for advanced payments not otherwise authorized only upon the certification of officials designated by the Secretary of Commerce that such payments are in the public interest.

SEC. 202. During the current fiscal year, appropriations made available to the Department of Commerce by this Act for salaries and expenses shall be available for hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344; services as authorized by 5 U.S.C. 3109; and uniforms or allowances therefore, as authorized by law (5 U.S.C. 5901-5902).

SEC. 203. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of Commerce in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: Provided, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 204. Any costs incurred by a department or agency funded under this title resulting from personnel actions taken in response to funding reductions included in this title or from actions taken for the care and protection of loan collateral or grant property shall be absorbed within the total budgetary resources available to such department or agency: Provided, That the authority to transfer funds between appropriations accounts as may be necessary to carry out this section is provided in addition to authorities included elsewhere in this Act: Provided further, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 205. The Secretary of Commerce may award contracts for hydrographic, geodetic, and photogrammetric surveying and mapping services in accordance with title IX of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 541 et seq.).

SEC. 206. The Secretary of Commerce may use the Commerce franchise fund for expenses and equipment necessary for the maintenance and operation of such administrative services as the Secretary determines may be performed more advantageously as central services, pursuant to section 403 of Public Law 103-356: Provided, That any inventories, equipment, and other assets pertaining to the services to be provided by such fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made for the purpose of providing capital shall be used to capitalize such fund: Provided further, That such fund shall be paid in advance from funds available to the Department and other Federal agencies for which such centralized services are performed, at rates which will return in full all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of automated data processing (ADP) software and systems (either acquired or donated), and an amount necessary to maintain a reasonable operating reserve, as determined by the Secretary: Provided further, That such fund shall provide services on a competitive basis: Provided further, That an amount not to exceed 4 percent of the total annual income to such fund may be retained in the fund for fiscal year 2004 and each fiscal year thereafter, to remain available until expended, to be used for the acquisition of capital equipment, and for the improvement and implementation of department financial management, ADP, and other support systems: Provided further, That such amounts retained in the fund for fiscal year 2004 and each fiscal year thereafter

shall be available for obligation and expenditure only in accordance with section 605 of this Act: Provided further, That no later than 30 days after the end of each fiscal year, amounts in excess of this reserve limitation shall be deposited as miscellaneous receipts in the Treasury: Provided further, That such franchise fund pilot program shall terminate pursuant to section 403(f) of Public Law 103-356.

SEC. 207. (1) Payment for costs incurred for the provision of health-care items and services for members of crews of vessels of the National Oceanic and Atmospheric Administration shall not exceed the lesser of the amount that would be paid for the provision of similar health-care items and services under-

(A) the Medicare program under title XVIII of the Social Security Act; or

(B) the Medicare program under title XIX of such Act of the State in which the services were provided.

(2) Full and final payment.—Any payment for a health-care item or service made pursuant to this subsection shall be deemed to be full and final payment.

## TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 602. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 603. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 604. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of each provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

SEC. 605. (a) None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 2004, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions or activities presently performed by Federal employees; unless the Appropriations Committees of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(b) None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 2004, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of \$1,000,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Appropriations Committees of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

SEC. 606. None of the funds made available in this Act may be used for the construction, repair (other than emergency repair), overhaul, conversion, or modernization of vessels for the National Oceanic and Atmospheric Administration in shipyards located outside of the United States.

SEC. 607. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—*In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.*

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—*If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a “Made in America” inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.*

SEC. 608. *None of the funds made available in this Act may be used to implement, administer, or enforce any guidelines of the Equal Employment Opportunity Commission covering harassment based on religion, when it is made known to the Federal entity or official to which such funds are made available that such guidelines do not differ in any respect from the proposed guidelines published by the Commission on October 1, 1993 (58 Fed. Reg. 51266).*

SEC. 609. *Any costs incurred by a department or agency funded under this Act resulting from personnel actions taken in response to funding reductions included in this Act shall be absorbed within the total budgetary resources available to such department or agency: Provided, That the authority to transfer funds between appropriations accounts as may be necessary to carry out this section is provided in addition to authorities included elsewhere in this Act: Provided further, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.*

SEC. 610. *None of the funds provided by this Act shall be available to promote the sale or export of tobacco or tobacco products, or to seek the reduction or removal by any foreign country of restrictions on the marketing of tobacco or tobacco products, except for restrictions which are not applied equally to all tobacco or tobacco products of the same type.*

SEC. 611. (a) *None of the funds appropriated or otherwise made available by this Act shall be expended for any purpose for which appropriations are prohibited by section 616 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999, as amended.*

(b) *The requirements in subsections (b) and (c) of section 616 of that Act shall continue to apply during fiscal year 2004.*

SEC. 612. *None of the funds appropriated pursuant to this Act or any other provision of law may be used for: (1) the implementation of any tax or fee in connection with the implementation of 18 U.S.C. 922(t); and (2) any system to implement 18 U.S.C. 922(t) that does not require and result in the destruction of any identifying information submitted by or on behalf of any person who has been determined not to be prohibited from owning a firearm.*

SEC. 613. *Notwithstanding any other provision of law, amounts deposited or available in the Fund established under 42 U.S.C. 10601 in any fiscal year in excess of \$625,000,000 shall not be available for obligation until the following fiscal year: Provided, That up to \$50,000,000 of this amount may be for the Antiterrorism Emergency Reserve authorized by Public Law 107–56.*

SEC. 614. *None of the funds made available to the Department of Justice in this Act may be used to discriminate against or denigrate the religious or moral beliefs of students who participate in programs for which financial assistance is provided from those funds, or of the parents or legal guardians of such students.*

SEC. 615. *None of the funds made available to the Department of Justice in this Act may be used for the purpose of transporting an individual who is a prisoner pursuant to conviction for crime under State or Federal law and is classified as a maximum or high security prisoner, other than to a prison or other facility certified by the Federal Bureau of Prisons as appropriately secure for housing such a prisoner.*

SEC. 616. *No funds appropriated by this Act may be used by Federal prisons to purchase cable television services, to rent or purchase videocassettes, videocassette recorders, or other audiovisual or electronic equipment used primarily for recreational purposes. The preceding sentence does not preclude the renting, maintenance, or purchase of audiovisual or electronic equipment for inmate training, religious, or educational programs.*



# DEPARTMENT OF DEFENSE—MILITARY

## MILITARY PERSONNEL

### ACTIVE AND RESERVE FORCES

These appropriations finance the personnel costs of the active, reserve, and guard forces of the Army, Navy, Air Force, and Marine Corps. They include pay and allowances of officers, enlisted personnel, cadets and midshipmen, permanent change of station travel, inactive duty and active duty training, accruing retirement and health benefits, enlistment, reenlistment and affiliation bonuses, special and incentive pays, and other personnel costs. Over the past two years, significant pay increases, coupled with new requirements to accrue funds for future health benefits, have significantly increased the requirements of these appropriations. In addition, funding previously shown separately in Guard and Reserve accounts is now included in the accounts previously used only for active duty forces.

The request includes funding for a series of military pay increases, from 2.0% to 6.3%, depending on rank and length of service. It does not include approximately \$23.1 million in funding for personnel related legislative initiatives, identified as legislative proposals and shown in separate schedules below. With the increase, base military salaries will average more than \$37,000 for enlisted personnel and more than \$75,000 for officers, exceeding the average salaries of their civilian counterparts with similar education levels.

Also displayed in these accounts are the amounts which would be required to finance the health care costs of non-medicare eligible military retirees. No funding is requested for this purpose. More information about this proposal can be found in the Defense health section.

### ACTIVE FORCES

	YEAR-END NUMBER		
	2002 actual	2003 est.	2004 est.
Defense total	1,411,634	1,389,700	1,388,100
Officers .....	222,954	217,950	217,920
Enlisted .....	1,176,161	1,159,650	1,158,080
Academy cadets and midshipmen .....	12,519	12,100	12,100
Army	486,542	480,000	480,000
Officers .....	78,158	76,496	76,724
Enlisted .....	404,304	399,404	399,176
Military Academy cadets .....	4,080	4,100	4,100
Navy	383,108	375,700	373,800
Officers .....	54,476	53,866	53,608
Enlisted .....	324,351	317,834	316,192
Naval Academy midshipmen .....	4,281	4,000	4,000
Marine Corps	173,733	175,000	175,000
Officers .....	18,288	18,088	18,088
Enlisted .....	155,445	156,912	156,912
Air Force	368,251	359,000	359,300
Officers .....	72,032	69,500	69,500
Enlisted .....	292,061	285,500	285,800
Air Force Academy cadets .....	4,158	4,000	4,000

## RESERVE FORCES

The number of National Guard and Reserve personnel estimated to participate in the Selected Reserve training programs and the number of full-time active duty military personnel provided for are summarized in the following table.

	YEAR-END NUMBER		
	2002 actual	2003 est.	2004 est.
Defense total	874,330	864,702	863,100
Trained inactive duty .....	750,951	742,362	739,487
Training pipeline .....	56,996	53,380	53,408
Full-time active duty .....	66,383	68,960	70,205
Army Reserve	206,682	205,000	205,000
Trained inactive duty .....	177,786	176,981	176,662
Training pipeline .....	15,490	13,949	13,964
Full-time active duty .....	13,406	14,070	14,374
Navy Reserve	87,958	87,944	85,900
Trained inactive duty .....	73,140	73,142	71,426
Training pipeline .....	2	60	90
Full-time active duty .....	14,816	14,742	14,384
Marine Corps Reserve	39,905	39,558	39,600
Trained inactive duty .....	34,524	34,280	34,322
Training pipeline .....	3,087	3,017	3,017
Full-time active duty .....	2,294	2,261	2,261
Air Force Reserve	76,632	75,600	75,800
Trained inactive duty .....	72,510	72,645	72,673
Training pipeline .....	2,674	1,457	1,467
Full-time active duty .....	1,448	1,498	1,660
Army National Guard	351,078	350,000	350,000
Trained inactive duty .....	296,248	293,734	292,645
Training pipeline .....	31,491	31,604	31,969
Full-time active duty .....	23,339	24,662	25,386
Air National Guard	112,075	106,600	107,000
Trained inactive duty .....	96,743	91,580	91,959
Training pipeline .....	4,252	3,293	2,901
Full-time active duty .....	11,080	11,727	12,140

The Reserve Officers' Training Corps program provides training for reserve and regular officer candidates who have enrolled in the course while attending a college at which an ROTC unit has been established. College graduates who satisfactorily complete the advanced course of the program are commissioned and may be ordered to active duty for a minimum of 3 years.

The Reserve Officers' Training Corps Vitalization Act of 1964, as amended, authorizes a limited number of scholarships for ROTC students on a competitive basis. Successful candidates for the scholarships generally serve a minimum period of 4 years on active duty upon graduation and appointment as a commissioned officer. A number of scholarship recipients will fulfill their entire obligation in the Reserve components.

The Armed Forces health professions scholarship program provides a source of active duty commissioned officers for the various health professions.

The numbers of commissioned officers graduated from these programs are summarized below:

	2002 actual	2003 est.	2004 est.
<b>ROTC:</b>			
Army .....	2,287	2,265	2,680
Navy .....	1,050	1,050	1,050
Air Force .....	2,440	2,200	2,500
Total .....	5,777	5,515	6,230
<b>Marine Corps officer candidates</b>			
Total .....	175	175	175
<b>Health Professions scholarship:</b>			
Army .....	399	391	401
Navy .....	453	398	284
Air Force .....	319	410	335
Total .....	1,171	1,199	1,020

**Federal Funds**

**General and special funds:**

**MILITARY PERSONNEL, ARMY**

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, travel and related expenses, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty, [(except members of reserve components provided for elsewhere)] *personnel of the Army National Guard and Army Reserve on active duty under 10 U.S.C. 10211, 10302, 12402 and 3038 or 32 U.S.C. 708, or while serving on active duty under 10 U.S.C. 12301(d) or 32 U.S.C. 502(f), in connection with performing duty specified in 10 U.S.C. 12310(a), or while undergoing training, or while performing drills or equivalent duty or other duty, cadets, [and] aviation cadets, and members of the Reserve Officers' Training Corps; for expenses authorized by 10 U.S.C. 16131; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, [\$26,855,017,000], \$37,386,380,000 (10 U.S.C. 701-04, 744, 956, 1035, 1037, 1047-49, 1212, 1475-80, 2389, 2421, 2634, 3687, 4561, 4562, 4741; chapters 3, 5, 7, and 9 of title 37, United States Code; Department of Defense Appropriations Act, 2003.)*

**Program and Financing (in millions of dollars)**

Identification code 21-2010-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Pay and allowances of officers .....	7,042	7,120	7,547
00.02 Pay and allowances of enlisted personnel .....	15,526	16,983	18,150
00.03 Pay and allowances of cadets .....	43	47	50
00.04 Subsistence of enlisted personnel .....	1,394	1,422	1,374
00.05 Permanent change of station travel .....	1,189	1,141	1,061
00.06 Other military personnel costs .....	189	120	107
00.07 Reserve personnel .....			3,586
00.08 National guard personnel .....			5,512
09.01 Reimbursable program .....	203	696	411
10.00 Total new obligations .....	25,586	27,531	37,798
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	25,472	27,531	37,798
22.22 Unobligated balance transferred from other accounts .....	113		
23.90 Total budgetary resources available for obligation .....	25,585	27,531	37,798
23.95 Total new obligations .....	-25,586	-27,531	-37,798
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	23,708	26,755	37,227
42.00 Transferred from other accounts .....	1,556	59	
43.00 Appropriation (total discretionary) .....	25,264	26,814	37,227
<b>Mandatory:</b>			
60.00 Appropriation .....	5	20	160
<b>Spending authority from offsetting collections:</b>			
<b>Discretionary:</b>			
68.00 Offsetting collections (cash) .....	119	696	411

68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	84		
68.90	Spending authority from offsetting collections (total discretionary) .....	203	696	411
70.00	Total new budget authority (gross) .....	25,472	27,531	37,798
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	2,092	1,633	2,042
73.10	Total new obligations .....	25,586	27,531	37,798
73.20	Total outlays (gross) .....	-25,708	-27,122	-37,134
73.40	Adjustments in expired accounts (net) .....	-450		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-84		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	198		
74.40	Obligated balance, end of year .....	1,633	2,042	2,708
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	24,264	26,142	35,739
86.93	Outlays from discretionary balances .....	1,440	960	1,242
86.97	Outlays from new mandatory authority .....	4	19	152
86.98	Outlays from mandatory balances .....			1
87.00	Total outlays (gross) .....	25,708	27,122	37,134
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-43	-664	-377
88.40	Offsetting collections, Non-Federal sources, Other .....	-76	-32	-34
88.90	Total, offsetting collections (cash) .....	-119	-696	-411
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-84		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	25,269	26,834	37,387
90.00	Outlays .....	25,589	26,425	36,723
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....			2,091
99.01	Outlays .....			2,091
<b>Summary of Budget Authority and Outlays</b>				
(in millions of dollars)				
<b>Enacted/requested:</b>				
	Budget Authority .....	25,269	26,834	37,387
	Outlays .....	25,589	26,425	36,723
<b>Legislative proposal, not subject to PAYGO:</b>				
	Budget Authority .....			2
	Outlays .....			2
<b>Total:</b>				
	Budget Authority .....	25,269	26,834	37,389
	Outlays .....	25,589	26,425	36,725
<b>Object Classification (in millions of dollars)</b>				
Identification code 21-2010-0-1-051				
<b>Direct obligations:</b>				
11.7	Personnel compensation: Military personnel .....	17,632	17,527	23,529
Military personnel benefits:				
12.2	Accrued retirement benefits .....	4,075	3,672	4,675
12.2	Other personnel benefits .....	2,423	2,286	3,771
12.2	Military personnel benefits .....		2,302	3,490
13.0	Benefits for former personnel .....	126	59	62
21.0	Travel and transportation of persons .....	258	331	774
22.0	Transportation of things .....	698	525	611
25.2	Other services .....			1
25.3	Other purchases of goods and services from Government accounts .....			1
25.7	Operation and maintenance of equipment .....	55	27	30
25.8	Subsistence and support of persons .....			103
26.0	Supplies and materials .....	108	102	338
42.0	Insurance claims and indemnities .....	8	3	4
99.0	Direct obligations .....	25,383	26,834	37,389
99.0	Reimbursable obligations .....	203	697	409
99.9	Total new obligations .....	25,586	27,531	37,798

MILITARY PERSONNEL, ARMY  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 21—2010—2—1—051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.07 Direct program activity			2
10.00 Total new obligations (object class 11.7)			2
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			2
23.95 Total new obligations			-2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation			2
<b>Change in obligated balances:</b>			
73.10 Total new obligations			2
73.20 Total outlays (gross)			-2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority			2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			2
90.00 Outlays			2

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, travel and related expenses, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty, [(except members of the Reserve provided for elsewhere)] *personnel of the Navy Reserve on active duty under 10 U.S.C. 10211, or while serving on active duty under 10 U.S.C. 12301(d), in connection with performing duty specified in 10 U.S.C. 12310(a), or while undergoing reserve training, or while performing drills or equivalent duty, midshipmen, [and] aviation cadets, and members of the Reserve Officers' Training Corps; for expenses authorized by 10 U.S.C. 16131; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, [\$21,927,628,000] \$25,282,454,000 (10 U.S.C. 600, 683-4, 701-4, 744, 956, 1035, 1037, 1047-49, 1212, 1475-80, 2421, 2634, 5413-14, 5441-42, 5444, 5446, 5450-51, 5454, 5501, 5503, 6081-86, 6221, 6911-12, 6960, 6969; 26 U.S.C. 3121; chapters 3, 5, 7, 9, and 10 of title 37, United States Code; Department of Defense Appropriations Act, 2003.)*

Program and Financing (in millions of dollars)

Identification code 17—1453—0—1—051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Pay and allowances of officers	5,232	5,291	5,594
00.02 Pay and allowances of enlisted personnel	13,355	14,881	15,903
00.03 Pay and allowances of cadets	50	51	53
00.04 Subsistence of enlisted personnel	906	914	932
00.05 Permanent change of station travel	659	712	698
00.06 Other military personnel costs	79	56	73
00.07 Reserve personnel			2,028
09.01 Reimbursable program	244	399	369
10.00 Total new obligations	20,525	22,304	25,650
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	20,480	22,304	25,650
22.22 Unobligated balance transferred from other accounts	56		
23.90 Total budgetary resources available for obligation	20,536	22,304	25,650
23.95 Total new obligations	-20,525	-22,304	-25,650
23.98 Unobligated balance expiring or withdrawn	-11		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	19,545	21,911	25,212

41.00 Transferred to other accounts	-24	-16	
42.00 Transfer from other accounts	709		
43.00 Appropriation (total discretionary)	20,230	21,895	25,212
<b>Mandatory:</b>			
60.00 Appropriation	6	10	69
<b>Spending authority from offsetting collections:</b>			
Discretionary:			
68.00 Offsetting collections (cash)	92	399	369
68.10 Change in uncollected customer payments from Federal sources (unexpired)	152		
68.90 Spending authority from offsetting collections (total discretionary)	244	399	369
70.00 Total new budget authority (gross)	20,480	22,304	25,650
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	1,029	803	1,063
73.10 Total new obligations	20,525	22,304	25,650
73.20 Total outlays (gross)	-20,658	-22,045	-25,489
73.40 Adjustments in expired accounts (net)	-48		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-152		
74.10 Change in uncollected customer payments from Federal sources (expired)	107		
74.40 Obligated balance, end of year	803	1,063	1,224
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	19,921	21,703	24,900
86.93 Outlays from discretionary balances	731	332	522
86.97 Outlays from new mandatory authority	6	10	67
87.00 Total outlays (gross)	20,658	22,045	25,489

Offsets:

<b>Against gross budget authority and outlays:</b>			
Offsetting collections (cash) from:			
88.00 Federal sources	-26	-229	-196
88.40 Offsetting collections, Non-Federal sources, Other	-171	-170	-173
88.90 Total, offsetting collections (cash)	-197	-399	-369
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-152		
88.96 Portion of offsetting collections (cash) credited to expired accounts	105		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	20,236	21,905	25,281
90.00 Outlays	20,460	21,646	25,120
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority			1,498
99.01 Outlays			1,498

Summary of Budget Authority and Outlays

	(in millions of dollars)		
Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority	20,236	21,905	25,281
Outlays	20,460	21,646	25,120
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority			10
Outlays			10
<b>Total:</b>			
Budget Authority	20,236	21,905	25,291
Outlays	20,460	21,646	25,130

Object Classification (in millions of dollars)

Identification code 17—1453—0—1—051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.7 Personnel compensation: Military personnel	14,407	14,555	16,800
<b>Military personnel benefits:</b>			
12.2 Accrued retirement benefits	3,034	2,757	3,095
12.2 Other personnel benefits	2,141	2,250	2,465
12.2 Military personnel benefits		1,639	1,938
13.0 Benefits for former personnel	55	54	61
21.0 Travel and transportation of persons	181	194	367
22.0 Transportation of things	382	435	415
25.7 Operation and maintenance of equipment	11	12	12
25.8 Subsistence and support of persons			17

**General and special funds—Continued**

**MILITARY PERSONNEL, NAVY—Continued**

**Object Classification (in millions of dollars)—Continued**

Identification code 17-1453-0-1-051	2002 actual	2003 est.	2004 est.
26.0 Supplies and materials .....	70	9	108
42.0 Insurance claims and indemnities .....			3
99.0 Direct obligations .....	20,281	21,905	25,281
99.0 Reimbursable obligations .....	244	399	369
99.9 Total new obligations .....	20,525	22,304	25,650

**MILITARY PERSONNEL, NAVY**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 17-1453-2-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Pay and allowances of enlisted personnel .....			10
10.00 Total new obligations (object class 11.7) .....			10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			10
23.95 Total new obligations .....			-10
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			10
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			10
73.20 Total outlays (gross) .....			-10
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			10
90.00 Outlays .....			9

**MILITARY PERSONNEL, MARINE CORPS**

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, *travel and related expenses*, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty, [(except members of the Reserve provided for elsewhere;)] *personnel of the Marine Corps Reserve on active duty under 10 U.S.C. 10211, or while serving on active duty under 10 U.S.C. 12301(d), in connection with performing duty specified in 10 U.S.C. 12310(a), or while undergoing reserve training, or while performing drills or equivalent duty, and members of the Marine Corps platoon leaders class, and for expenses authorized by 10 U.S.C. 16131; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, [\$8,501,087,000] \$9,559,441,000 (10 U.S.C. 956, 1035, 1047-49, 1212, 1475-80, 2634, 5413-14, 5441, 5443, 5446, 5451, 5454, 5456, 5458, 5502-03, 6032, 6081-86, 6148, 6222; 12 U.S.C. 1715m; chapters 3, 5, 7, and 9 of title 37, United States Code; 41 U.S.C. 1594d; Department of Defense Appropriations Act, 2003.)*

**Program and Financing (in millions of dollars)**

Identification code 17-1105-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Pay and allowances of officers .....	1,627	1,684	1,770
00.02 Pay and allowances of enlisted personnel .....	5,235	6,035	6,425
00.04 Subsistence of enlisted personnel .....	427	442	441
00.05 Permanent change of station travel .....	264	289	288
00.06 Other military personnel costs .....	51	42	49
00.07 Reserve personnel .....			587
09.01 Reimbursable program .....	31	32	35

10.00 Total new obligations .....	7,635	8,524	9,595
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	7,620	8,524	9,595
22.22 Unobligated balance transferred from other accounts .....	14		
23.90 Total budgetary resources available for obligation .....	7,634	8,524	9,595
23.95 Total new obligations .....	-7,635	-8,524	-9,595

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	7,334	8,487	9,541
42.00 Transferred from other accounts .....	253	2	
43.00 Appropriation (total discretionary) .....	7,587	8,489	9,541
Mandatory:			
60.00 Appropriation .....	2	3	19
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	16	32	35
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	15		
68.90 Spending authority from offsetting collections (total discretionary) .....	31	32	35
70.00 Total new budget authority (gross) .....	7,620	8,524	9,595

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	441	371	521
73.10 Total new obligations .....	7,635	8,524	9,595
73.20 Total outlays (gross) .....	-7,642	-8,375	-9,551
73.40 Adjustments in expired accounts (net) .....	-56		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-15		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	10		
74.40 Obligated balance, end of year .....	371	521	566

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	7,356	8,207	9,223
86.93 Outlays from discretionary balances .....	284	165	310
86.97 Outlays from new mandatory authority .....	2	3	18
87.00 Total outlays (gross) .....	7,642	8,375	9,551

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-18	-28	-27
88.40 Offsetting collections, Non-Federal sources, Other .....	-4	-4	-8
88.90 Total, offsetting collections (cash) .....	-22	-32	-35
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-15		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	6		

**Net budget authority and outlays:**

89.00 Budget authority .....	7,589	8,492	9,560
90.00 Outlays .....	7,619	8,343	9,516

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....			681
99.01 Outlays .....			681

**Object Classification (in millions of dollars)**

Identification code 17-1105-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.7 Personnel compensation: Military personnel .....	4,502	5,557	6,352
Military personnel benefits:			
12.2 Accrued retirement benefits .....	1,240	1,155	1,250
12.2 Other personnel benefits .....	1,427	614	641
12.2 Military personnel benefits .....		756	879
13.0 Benefits for former personnel .....	34	30	37
21.0 Travel and transportation of persons .....	71	81	83
22.0 Transportation of things .....	150	150	161
25.6 Medical care .....	176		
25.8 Subsistence and support of persons .....	4	107	109
26.0 Supplies and materials .....	-1	41	47
42.0 Insurance claims and indemnities .....	1	1	1
99.0 Direct obligations .....	7,604	8,492	9,560

99.0	Reimbursable obligations .....	31	32	35
99.9	Total new obligations .....	7,634	8,524	9,595

**MILITARY PERSONNEL, AIR FORCE**

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, travel and related expenses, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty, [(except members of reserve components provided for elsewhere)] personnel of the Air National Guard and Air Force Reserve on active duty under 10 U.S.C. 10211, 10305, 12402 and 8038 or 32 U.S.C. 708, or while serving on active duty under 10 U.S.C. 12301(d) or 32 U.S.C. 502(f), in connection with performing duty specified in 10 U.S.C. 12310(a), or while undergoing training, or while performing drills or equivalent duty or other duty, cadets, [and] aviation cadets, and members of the Reserve Officers' Training Corps; for expenses authorized by 10 U.S.C. 16131; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, [\$21,981,277,000] \$26,715,990. (10 U.S.C. 503, 504-09, 518-19, 600, 683-84, 687, 701-04, 744, 956, 1035-37, 1047-49, 1211-12, 1331, 1475-80, 2632, 2634, 8033, 8036, 8066, 8201-15, 8281, 8284-89, 8293-8303, 8305-10, 8312-13, 8441-49, 8451-52, 8491, 8494-8504, 8531, 8687, 8722, 9306, 9331-37, 9341-55, 9441, 9561-63, 9741-43; 12 U.S.C. 1715m; 33 U.S.C. 855, 858; chapters 3, 5, 7, 9, 10, and 11 of title 37, United States Code; 49 U.S.C. 1657; Department of Defense Appropriations Act, 2003.)

**Program and Financing** (in millions of dollars)

Identification code 57-3500-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Pay and allowances of officers .....	6,991	6,840	7,204
00.02	Pay and allowances of enlisted personnel .....	13,081	13,194	14,029
00.03	Pay and allowances of cadets .....	49	50	50
00.04	Subsistence of enlisted personnel .....	963	821	836
00.05	Permanent change of station travel .....	925	975	976
00.06	Other military personnel costs .....	71	66	64
00.07	Reserve personnel .....			1,332
00.08	National Guard personnel .....			2,223
09.01	Reimbursable program .....	190	444	415
10.00	Total new obligations .....	22,270	22,389	27,131
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	22,162	22,389	27,131
22.22	Unobligated balance transferred from other accounts .....	107		
23.90	Total budgetary resources available for obligation .....	22,269	22,389	27,131
23.95	Total new obligations .....	-22,270	-22,389	-27,131
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	19,896	21,932	26,585
41.00	Transferred to other accounts .....	-17	-7	
42.00	Transfer from other accounts .....	2,079		
43.00	Appropriation (total discretionary) .....	21,958	21,925	26,585
Mandatory:				
60.00	Appropriation .....	14	20	131
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash) .....	209	444	415
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-19		
68.90	Spending authority from offsetting collections (total discretionary) .....	190	444	415
70.00	Total new budget authority (gross) .....	22,162	22,389	27,131
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1,609	2,099	2,085
73.10	Total new obligations .....	22,270	22,389	27,131
73.20	Total outlays (gross) .....	-21,723	-22,403	-26,768
73.40	Adjustments in expired accounts (net) .....	-79		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	19		

74.10	Change in uncollected customer payments from Federal sources (expired) .....	5		
74.40	Obligated balance, end of year .....	2,099	2,085	2,449

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	20,595	20,900	25,219
86.93	Outlays from discretionary balances .....	1,114	1,484	1,426
86.97	Outlays from new mandatory authority .....	14	19	122
86.98	Outlays from mandatory balances .....			1
87.00	Total outlays (gross) .....	21,723	22,403	26,768

**Offsets:**

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-190	-422	-387
88.40	Offsetting collections, Non-Federal sources, Other .....	-24	-22	-28
88.90	Total, offsetting collections (cash) .....	-214	-444	-415
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	19		
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	5		

**Net budget authority and outlays:**

89.00	Budget authority .....	21,972	21,945	26,716
90.00	Outlays .....	21,511	21,959	26,353

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....			1,455
99.01	Outlays .....			1,455

**Object Classification** (in millions of dollars)

Identification code 57-3500-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
11.7	Personnel compensation: Military personnel .....	15,559	14,209	17,817
Military personnel benefits:				
12.2	Accrued retirement benefits .....	3,510	2,981	3,447
12.2	Other personnel benefits .....	2,156	2,191	2,187
12.2	Military personnel benefits .....		1,656	2,019
13.0	Benefits for former personnel .....	38	29	33
21.0	Travel and transportation of persons .....	251	220	378
22.0	Transportation of things .....	500	588	755
25.7	Operation and maintenance of equipment .....	21	24	25
26.0	Supplies and materials .....	42	44	46
41.0	Grants, subsidies, and contributions .....			6
42.0	Insurance claims and indemnities .....	2	2	2
43.0	Interest and dividends .....	1	1	1
99.0	Direct obligations .....	22,080	21,945	26,716
99.0	Reimbursable obligations .....	190	444	415
99.9	Total new obligations .....	22,270	22,389	27,131

**Federal Funds**

**General and special funds:**

**RESERVE PERSONNEL, ARMY**

[For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$3,374,355,000.] (10 U.S.C. 683, 1475-80, 2101-11, 3722; 37 U.S.C. 204, 206, 209, 301, 305, 402-04, 414-18, 1002; Department of Defense Appropriations Act, 2003.)

## General and special funds—Continued

## RESERVE PERSONNEL, ARMY—Continued

## Program and Financing (in millions of dollars)

Identification code 21-2070-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Unit and individual training .....	1,241	1,704	.....
00.02 Other training and support .....	1,441	1,670	.....
09.01 Reimbursable program .....	24	35	.....
10.00 Total new obligations .....	2,706	3,409	.....
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	2,707	3,409	.....
23.95 Total new obligations .....	-2,706	-3,409	.....
23.98 Unobligated balance expiring or withdrawn .....	-1	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2,675	3,374	.....
42.00 Transferred from other accounts .....	8	.....	.....
43.00 Appropriation (total discretionary) .....	2,683	3,374	.....
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	15	35	.....
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	9	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	24	35	.....
70.00 Total new budget authority (gross) .....	2,707	3,409	.....
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	300	274	331
73.10 Total new obligations .....	2,706	3,409	.....
73.20 Total outlays (gross) .....	-2,684	-3,352	-264
73.40 Adjustments in expired accounts (net) .....	-43	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-9	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired) .....	3	.....	.....
74.40 Obligated balance, end of year .....	274	331	67
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2,494	3,167	.....
86.93 Outlays from discretionary balances .....	190	185	264
87.00 Total outlays (gross) .....	2,684	3,352	264
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-16	-35	.....
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-9	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	1	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2,683	3,374	.....
90.00 Outlays .....	2,667	3,317	264

## Object Classification (in millions of dollars)

Identification code 21-2070-0-1-051	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.7 Personnel compensation: Military personnel .....	1,504	1,715	.....
Military personnel benefits:			
12.2 Accrued retirement benefits .....	306	323	.....
12.2 Other personnel benefits .....	612	633	.....
12.2 Military personnel benefits .....	.....	367	.....
21.0 Travel and transportation of persons .....	166	174	.....
22.0 Transportation of things .....	16	21	.....
25.8 Subsistence and support of persons .....	31	47	.....
26.0 Supplies and materials .....	47	95	.....
99.0 Direct obligations .....	2,682	3,375	.....
99.0 Reimbursable obligations .....	24	34	.....
99.9 Total new obligations .....	2,706	3,409	.....

## RESERVE PERSONNEL, NAVY

[For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$1,907,552,000.] (10 U.S.C. 600, 683-4, 1475-80, 2031, 2101-11, 5456-57, 6081-86, 6148; 26 U.S.C. 3121; 37 U.S.C. 204, 206, 301, 305, 402-4, 415-18, 427, 1002; 38 U.S.C. 701-12; Department of Defense Appropriations Act, 2003.)

## Program and Financing (in millions of dollars)

Identification code 17-1405-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Unit and individual training .....	672	819	.....
00.02 Other training and support .....	989	1,089	.....
09.01 Reimbursable program .....	18	30	.....
10.00 Total new obligations .....	1,679	1,938	.....
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1,689	1,938	.....
23.95 Total new obligations .....	-1,679	-1,938	.....
23.98 Unobligated balance expiring or withdrawn .....	-11	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,655	1,908	.....
42.00 Transferred from other accounts .....	17	.....	.....
43.00 Appropriation (total discretionary) .....	1,672	1,908	.....
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	16	30	.....
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	17	30	.....
70.00 Total new budget authority (gross) .....	1,689	1,938	.....
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	464	496	539
73.10 Total new obligations .....	1,679	1,938	.....
73.20 Total outlays (gross) .....	-1,612	-1,894	-176
73.40 Adjustments in expired accounts (net) .....	-34	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired) .....	2	.....	.....
74.40 Obligated balance, end of year .....	496	539	363
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,485	1,720	.....
86.93 Outlays from discretionary balances .....	127	174	176
87.00 Total outlays (gross) .....	1,612	1,894	176
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-17	-30	.....
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	1	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,672	1,908	.....
90.00 Outlays .....	1,596	1,864	176

## Object Classification (in millions of dollars)

Identification code 17-1405-0-1-051	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.7 Personnel compensation: Military personnel .....	979	1,160	.....

Military personnel benefits:			
12.2	Accrued retirement benefits .....	327	191 .....
12.2	Other personnel benefits .....	120	131 .....
12.2	Military personnel benefits .....		196 .....
21.0	Travel and transportation of persons .....	176	171 .....
22.0	Transportation of things .....	15	16 .....
25.8	Subsistence and support of persons .....	17	9 .....
26.0	Supplies and materials .....	25	31 .....
42.0	Insurance claims and indemnities .....	3	3 .....
99.0	Direct obligations .....	1,662	1,908 .....
99.0	Reimbursable obligations .....	17	30 .....
99.9	Total new obligations .....	1,679	1,938 .....

<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources .....	4	.....
88.40	Non-Federal sources .....	-4	-4 .....
88.90	Total, offsetting collections (cash) .....		-4 .....
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-3	.....
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	468	553 .....
90.00	Outlays .....	447	553 54 .....

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$553,983,000. (10 U.S.C. 600, 683, 1475-80, 2031, 2101-11, 5456, 5458, 6081-86, 6148; 37 U.S.C. 206, 301, 305, 402-04, 415-18, 1002; Department of Defense Appropriations Act, 2003.)

Program and Financing (in millions of dollars)

Identification code 17-1108-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Unit and individual training .....	250	325 .....
00.02	Other training and support .....	217	229 .....
09.01	Reimbursable program .....	4	4 .....
10.00	Total new obligations .....	471	557 .....
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	471	557 .....
23.95	Total new obligations .....	-471	-557 .....
23.98	Unobligated balance expiring or withdrawn .....	-1	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	471	554 .....
40.73	Reduction pursuant to P.L. 107-206 .....	-3	.....
41.00	Transferred to other accounts .....	-3	.....
42.00	Transferred from other accounts .....	3	.....
43.00	Appropriation (total discretionary) .....	468	554 .....
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash) .....		4 .....
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	3	.....
68.90	Spending authority from offsetting collections (total discretionary) .....	3	4 .....
70.00	Total new budget authority (gross) .....	471	557 .....
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	56	68 70 .....
73.10	Total new obligations .....	471	557 .....
73.20	Total outlays (gross) .....	-448	-557 -54 .....
73.40	Adjustments in expired accounts (net) .....	-7	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-3	.....
74.10	Change in uncollected customer payments from Federal sources (expired) .....	-1	.....
74.40	Obligated balance, end of year .....	68	70 16 .....
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	428	518 .....
86.93	Outlays from discretionary balances .....	20	39 54 .....
87.00	Total outlays (gross) .....	448	557 54 .....

Object Classification (in millions of dollars)

Identification code 17-1108-0-1-051	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.7	Personnel compensation: Military personnel .....	395	371 .....
Military personnel benefits:			
12.2	Accrued retirement benefits .....	49	50 .....
12.2	Other personnel benefits .....	15	15 .....
12.2	Military personnel benefits .....		77 .....
21.0	Travel and transportation of persons .....		31 .....
22.0	Transportation of things .....	3	3 .....
26.0	Supplies and materials .....	5	6 .....
99.0	Direct obligations .....	467	553 .....
99.0	Reimbursable obligations .....	4	4 .....
99.9	Total new obligations .....	471	557 .....

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$1,236,904,000. (10 U.S.C. 261-80, 591-95, 597-600, 651, 671-85, 687, 715, 1475-80, 2031, 2101-11, 2120-27, 2131-33, 2511, 8062, 8076, 8221-23, 8259-60, 8351-54, 8356-63, 8365-68, 8371-81, 8392-95, 8491, 8687, 8722, 9301, 9411-14, 9561-63, 9741, 9743; 37 U.S.C. 204, 206, 209, 301, 309, 402-11, 415-18, 1002; Department of Defense Appropriations Act, 2003.)

Program and Financing (in millions of dollars)

Identification code 57-3700-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Unit and individual training .....	541	764 .....
00.02	Other training and support .....	451	473 .....
09.01	Reimbursable program .....	5	7 .....
10.00	Total new obligations .....	997	1,243 .....
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	1,009	1,243 .....
23.95	Total new obligations .....	-997	-1,243 .....
23.98	Unobligated balance expiring or withdrawn .....	-12	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	1,061	1,237 .....
40.73	Reduction pursuant to P.L. 107-206 .....	-1	.....
41.00	Transferred to other accounts .....	-60	.....
42.00	Transferred from other accounts .....	4	.....
43.00	Appropriation (total discretionary) .....	1,004	1,237 .....
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash) .....	4	7 .....
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	1	.....

**General and special funds—Continued**

**RESERVE PERSONNEL, AIR FORCE—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 57-3700-0-1-051	2002 actual	2003 est.	2004 est.
68.90 Spending authority from offsetting collections (total discretionary) .....	5	7	
70.00 Total new budget authority (gross) .....	1,009	1,243	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	78	100	78
73.10 Total new obligations .....	997	1,243	
73.20 Total outlays (gross) .....	-958	-1,265	-71
73.40 Adjustments in expired accounts (net) .....	-15		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	100	78	7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	908	1,162	
86.93 Outlays from discretionary balances .....	50	103	72
87.00 Total outlays (gross) .....	958	1,265	71
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-4	-7	
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,004	1,237	
90.00 Outlays .....	955	1,259	71

**Object Classification (in millions of dollars)**

Identification code 57-3700-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.7 Personnel compensation: Military personnel .....	701	760	
<b>Military personnel benefits:</b>			
12.2 Accrued retirement benefits .....	85	105	
12.2 Other personnel benefits .....	75	65	
12.2 Military personnel benefits .....		132	
21.0 Travel and transportation of persons .....	20	36	
22.0 Transportation of things .....	107	131	
26.0 Supplies and materials .....	1	2	
41.0 Grants, subsidies, and contributions .....	3	5	
99.0 Direct obligations .....	992	1,236	
99.0 Reimbursable obligations .....	5	7	
99.9 Total new obligations .....	997	1,243	

**NATIONAL GUARD PERSONNEL, ARMY**

【For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$5,114,588,000.】 (10 U.S.C. 683, 1475-80, 3722; 37 U.S.C. 301, 305, 402-04, 418, 1002; Department of Defense Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 21-2060-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Unit and individual training .....	1,965	2,610	
00.02 Other training and support .....	2,336	2,505	
09.01 Reimbursable program .....	78	85	

10.00 Total new obligations .....	4,379	5,200	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	4,367	5,200	
22.22 Unobligated balance transferred from other accounts .....	14		
23.90 Total budgetary resources available for obligation .....	4,381	5,200	
23.95 Total new obligations .....	-4,379	-5,200	
23.98 Unobligated balance expiring or withdrawn .....	-3		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	4,044	5,115	
42.00 Transferred from other accounts .....	245		
43.00 Appropriation (total discretionary) .....	4,289	5,115	
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	3	85	
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	75		
68.90 Spending authority from offsetting collections (total discretionary) .....	78	85	
70.00 Total new budget authority (gross) .....	4,367	5,200	

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	287	306	288
73.10 Total new obligations .....	4,379	5,200	
73.20 Total outlays (gross) .....	-4,281	-5,218	-307
73.40 Adjustments in expired accounts (net) .....	-12		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-75		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	8		
74.40 Obligated balance, end of year .....	306	288	-18

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	4,046	4,883	
86.93 Outlays from discretionary balances .....	235	335	307
87.00 Total outlays (gross) .....	4,281	5,218	307

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-2	-84	
88.40 Offsetting collections, Non-Federal sources, Other .....	-3	-1	
88.90 Total, offsetting collections (cash) .....	-5	-85	
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-75		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	2		

**Net budget authority and outlays:**

89.00 Budget authority .....	4,289	5,115	
90.00 Outlays .....	4,277	5,133	307

**Object Classification (in millions of dollars)**

Identification code 21-2060-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.7 Personnel compensation: Military personnel .....	2,919	3,007	
<b>Military personnel benefits:</b>			
12.2 Accrued retirement benefits .....	523	506	
12.2 Other personnel benefits .....	516	584	
12.2 Military personnel benefits .....		651	
13.0 Benefits for former personnel .....	4	5	
21.0 Travel and transportation of persons .....	190	192	
22.0 Transportation of things .....	7	7	
25.2 Other services .....		1	
25.3 Other purchases of goods and services from Government accounts .....		1	
25.8 Subsistence and support of persons .....	58	36	
26.0 Supplies and materials .....	84	125	
99.0 Direct obligations .....	4,301	5,115	
99.0 Reimbursable obligations .....	78	85	
99.9 Total new obligations .....	4,379	5,200	

NATIONAL GUARD PERSONNEL, AIR FORCE

[For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$2,125,161,000.] (10 U.S.C. 261-812, 510, 591-95, 597-600, 651, 671-85, 2132-33, 2511, 3015, 8062, 8077-78, 8080, 8224-25, 8261, 8351-54, 8356, 8358-63, 8365-68, 8371-81, 8392-95, 8491, 8722, 9301, 9561-63, 9741, 18233a; 32 U.S.C. 101-11, 301-05, 307-08, 312-33, 501-07, 701, 37 U.S.C. 201, 203-06, 301, 309, 402-11, 414-18, 501-02, 1002; Department of Defense Appropriations Act, 2003.)

Program and Financing (in millions of dollars)

Identification code 57-3850-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Unit and individual training .....	686	968	
00.02 Other training and support .....	1,011	1,157	
09.01 Reimbursable program .....	15	26	
10.00 Total new obligations .....	1,712	2,151	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1,789	2,151	
23.95 Total new obligations .....	-1,712	-2,151	
23.98 Unobligated balance expiring or withdrawn .....	-78		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,787	2,125	
40.73 Reduction pursuant to P.L. 107-206 .....	-35		
41.00 Transferred to other accounts .....	-27		
42.00 Transferred from other accounts .....	49		
43.00 Appropriation (total discretionary) .....	1,774	2,125	
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	10	26	
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	5		
68.90 Spending authority from offsetting collections (total discretionary) .....	15	26	
70.00 Total new budget authority (gross) .....	1,789	2,151	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	61	82	19
73.10 Total new obligations .....	1,712	2,151	
73.20 Total outlays (gross) .....	-1,691	-2,214	-74
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-5		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	4		
74.40 Obligated balance, end of year .....	82	19	-56
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,632	2,067	
86.93 Outlays from discretionary balances .....	59	148	75
87.00 Total outlays (gross) .....	1,691	2,214	74
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-10	-24	
88.40 Offsetting collections, Non-Federal sources, Other .....	-2	-2	
88.90 Total, offsetting collections (cash) .....	-12	-26	
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-5		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,774	2,125	

90.00 Outlays .....	1,679	2,188	74
<b>Object Classification (in millions of dollars)</b>			
Identification code 57-3850-0-1-051			
2002 actual 2003 est. 2004 est.			
Direct obligations:			
11.7 Personnel compensation: Military personnel .....	1,322	1,325	
Military personnel benefits:			
12.2 Accrued retirement benefits .....	205	221	
12.2 Other personnel benefits .....	71	258	
12.2 Military personnel benefits .....		214	
21.0 Travel and transportation of persons .....	95	103	
22.0 Transportation of things .....	4	5	
99.0 Direct obligations .....	1,697	2,126	
99.0 Reimbursable obligations .....	15	25	
99.9 Total new obligations .....	1,712	2,151	

OPERATION AND MAINTENANCE

These appropriations finance the cost of operating and maintaining the Armed Forces, including the Reserve components and related support activities of the Department of Defense, except military personnel pay, allowances and travel costs. Included are amounts for training and operation costs, pay of civilians, contract services for maintenance of equipment and facilities, fuel, supplies, and repair parts for weapons and equipment. Financial requirements are influenced by many factors, including the number of aircraft squadrons, Army and Marine Corps divisions, installations, military strength and deployments, rates of operational activity, and the quantity and complexity of major equipment (aircraft, ships, missiles, tanks, et cetera) in operation.

The Administration is once again proposing to fully fund civilian health and retirement on an accrual basis. The amounts necessary to fund this benefit are presented as memo entries but are not included in DoD's funding request.

Federal Funds

General and special funds:

OPERATION AND MAINTENANCE, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed [\$10,818,000] \$11,034,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, [\$23,992,082,000: Provided, That of the funds appropriated in this paragraph, not less than \$355,000,000 shall be made available only for conventional ammunition care and maintenance: Provided further, That of the funds made available under this heading, \$2,500,000 shall be available for Fort Baker, in accordance with the terms and conditions as provided under the heading "Operation and Maintenance, Army", in Public Law 107-117] \$24,958,842,000, to remain available until September 30, 2005. (Department of Defense Appropriations Act, 2003.)

Program and Financing (in millions of dollars)

Identification code 21-2020-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operating forces .....	13,218	12,219	12,617
00.02 Mobilization .....	599	500	539
00.03 Training and recruiting .....	4,236	4,157	4,385
00.04 Administration and servicewide activities .....	7,615	6,950	7,419
09.01 Reimbursable program .....	7,036	6,467	6,668
10.00 Total new obligations .....	32,704	30,293	31,628
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	12	76	

**General and special funds—Continued**

**OPERATION AND MAINTENANCE, ARMY—Continued  
(INCLUDING TRANSFER OF FUNDS)—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 21–2020–0–1–051	2002 actual	2003 est.	2004 est.
22.00 New budget authority (gross)	32,585	30,217	31,628
22.10 Resources available from recoveries of prior year obligations	12		
22.22 Unobligated balance transferred from other accounts	185		
23.90 Total budgetary resources available for obligation	32,794	30,293	31,628
23.95 Total new obligations	–32,704	–30,293	–31,628
23.98 Unobligated balance expiring or withdrawn	–14		
24.40 Unobligated balance carried forward, end of year	76		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	22,363	23,778	24,960
40.35 Appropriation rescinded	–102		
40.72 Reduction pursuant to P.L. 107–117	–169		
40.75 Reduction pursuant to P.L. 107–248		–135	
41.00 Transferred to other accounts	–10	–46	
42.00 Transferred from other accounts	3,470	153	
43.00 Appropriation (total discretionary)	25,552	23,751	24,960
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	4,752	6,467	6,668
68.10 Change in uncollected customer payments from Federal sources (unexpired)	2,281		
68.90 Spending authority from offsetting collections (total discretionary)	7,033	6,467	6,668
70.00 Total new budget authority (gross)	32,585	30,217	31,628
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	10,035	10,803	10,278
73.10 Total new obligations	32,704	30,293	31,628
73.20 Total outlays (gross)	–31,404	–30,818	–31,372
73.40 Adjustments in expired accounts (net)	–2		
73.45 Recoveries of prior year obligations	–12		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	–2,281		
74.10 Change in uncollected customer payments from Federal sources (expired)	1,762		
74.40 Obligated balance, end of year	10,803	10,278	10,536
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	24,677	22,807	23,841
86.93 Outlays from discretionary balances	6,727	8,011	7,531
87.00 Total outlays (gross)	31,404	30,818	31,372
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	–5,693	–5,950	–6,136
88.40 Offsetting collections, Non-Federal sources, Other	–1,012	–517	–532
88.90 Total, offsetting collections (cash)	–6,705	–6,467	–6,668
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	–2,281		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1,953		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	25,552	23,751	24,960
90.00 Outlays	24,699	24,351	24,704
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority		612	636
99.01 Outlays		612	636

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority	25,552	23,751	24,960
Outlays	24,699	24,351	24,704

Legislative proposal, not subject to PAYGO:

Budget Authority			7
Outlays			5
<b>Total:</b>			
Budget Authority	25,552	23,751	24,967
Outlays	24,699	24,351	24,709

**Object Classification (in millions of dollars)**

Identification code 21–2020–0–1–051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent	3,278	3,544	3,390
11.3 Other than full-time permanent	641	386	369
11.5 Other personnel compensation	221	218	202
11.9 Total personnel compensation	4,140	4,148	3,961
12.1 Civilian personnel benefits	1,184	1,191	1,168
13.0 Benefits for former personnel	53	43	38
21.0 Travel and transportation of persons	1,101	820	835
22.0 Transportation of things	1,801	1,256	1,262
23.1 Rental payments to GSA	164	143	162
23.2 Rental payments to others	172	189	209
23.3 Communications, utilities, and miscellaneous charges	718	709	717
24.0 Printing and reproduction	77	72	69
25.1 Advisory and assistance services	396	224	228
25.2 Other services	1,348	960	1,002
Other purchases of goods and services from Government accounts:			
25.3 Purchases of goods and services from other Federal accounts	2,073	1,808	2,086
25.3 Payments to foreign national indirect hire personnel	328	304	298
25.3 Purchases from revolving funds	1,476	1,630	2,040
25.4 Operation and maintenance of facilities	1,938	2,364	2,338
25.5 Research and development contracts			1
25.6 Medical care	2		
25.7 Operation and maintenance of equipment	1,481	1,716	2,106
25.8 Subsistence and support of persons	94	16	17
26.0 Supplies and materials	5,182	4,653	4,718
31.0 Equipment	1,444	1,030	1,151
32.0 Land and structures	452	461	466
41.0 Grants, subsidies, and contributions	16	25	25
42.0 Insurance claims and indemnities	30	64	64
99.0 Direct obligations	25,670	23,826	24,961
99.0 Reimbursable obligations	7,034	6,467	6,667
99.9 Total new obligations	32,704	30,293	31,628

**Personnel Summary**

Identification code 21–2020–0–1–051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment	80,912	78,217	77,537
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment	43,099	42,488	42,749

**OPERATION AND MAINTENANCE, ARMY  
(Legislative proposal, not subject to PAYGO)**

**Program and Financing (in millions of dollars)**

Identification code 21–2020–2–1–051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.04 Administration and servicewide activities			7
10.00 Total new obligations (object class 26.0)			7
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			7
23.95 Total new obligations			–7
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation			7
<b>Change in obligated balances:</b>			
73.10 Total new obligations			7

73.20	Total outlays (gross)	—	5
74.40	Obligated balance, end of year		2
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority		5
<b>Net budget authority and outlays:</b>			
89.00	Budget authority		7
90.00	Outlays		5

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed **[\$4,415,000] \$4,463,000** can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes, **[\$29,331,526,000] \$28,287,690,000**, to remain available until September 30, 2005. (*Department of Defense Appropriations Act, 2003.*)

Program and Financing (in millions of dollars)

Identification code 17-1804-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Operating forces	20,495	20,877	20,035
00.02	Mobilization	804	760	727
00.03	Training and recruiting	2,173	2,412	2,472
00.04	Administration and servicewide activities	4,812	5,056	5,054
09.01	Reimbursable program	4,219	4,888	5,472
10.00	Total new obligations	32,503	33,993	33,760
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	53	63	
22.00	New budget authority (gross)	32,585	33,930	33,760
22.10	Resources available from recoveries of prior year obligations		1	
22.21	Unobligated balance transferred to other accounts	-1		
22.22	Unobligated balance transferred from other accounts	43		
23.90	Total budgetary resources available for obligation	32,681	33,993	33,760
23.95	Total new obligations	-32,503	-33,993	-33,760
23.98	Unobligated balance expiring or withdrawn	-114		
24.40	Unobligated balance carried forward, end of year	63		
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	26,867	29,092	28,288
40.35	Appropriation rescinded	-12		
40.72	Reduction pursuant to P.L. 107-117	-146		
40.75	Reduction pursuant to P.L. 107-248		-165	
41.00	Transferred to other accounts	-17	-19	
42.00	Transferred from other accounts	1,674	134	
43.00	Appropriation (total discretionary)	28,366	29,042	28,288
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	2,953	4,888	5,472
68.10	Change in uncollected customer payments from Federal sources (unexpired)	1,266		
68.90	Spending authority from offsetting collections (total discretionary)	4,219	4,888	5,472
70.00	Total new budget authority (gross)	32,585	33,930	33,760
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	6,656	7,774	8,124
73.10	Total new obligations	32,503	33,993	33,760
73.20	Total outlays (gross)	-31,270	-33,644	-33,589
73.40	Adjustments in expired accounts (net)	-173		
73.45	Recoveries of prior year obligations	-1		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-1,266		
74.10	Change in uncollected customer payments from Federal sources (expired)	1,326		
74.40	Obligated balance, end of year	7,774	8,124	8,294
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	26,413	27,832	27,819
86.93	Outlays from discretionary balances	4,857	5,812	5,770

87.00	Total outlays (gross)	31,270	33,644	33,589
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-3,901	-4,728	-5,312
88.40	Offsetting collections, Non-Federal sources, Other	-164	-160	-160
88.90	Total, offsetting collections (cash)	-4,065	-4,888	-5,472
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-1,266		
88.96	Portion of offsetting collections (cash) credited to expired accounts	1,112		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	28,366	29,042	28,288
90.00	Outlays	27,205	28,756	28,117
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority		322	325
99.01	Outlays		322	325

Object Classification (in millions of dollars)

Identification code 17-1804-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent	3,078	2,953	3,018
11.3	Other than full-time permanent	139	123	130
11.5	Other personnel compensation	191	160	184
11.9	Total personnel compensation	3,408	3,236	3,332
12.1	Civilian personnel benefits	714	912	1,218
13.0	Benefits for former personnel	39	50	29
21.0	Travel and transportation of persons	663	496	514
22.0	Transportation of things	288	289	288
23.1	Rental payments to GSA	33	31	32
23.2	Rental payments to others	67	72	75
23.3	Communications, utilities, and miscellaneous charges	756	1,375	1,146
24.0	Printing and reproduction	94	101	99
25.1	Advisory and assistance services	257	241	220
25.2	Contracts with the private sector	2,325	2,475	2,696
Other purchases of goods and services from Government accounts:				
25.3	Other purchases of goods and services from Government accounts	1,507	1,147	1,190
25.3	Payments to foreign national indirect hire personnel	53	53	65
25.3	Purchases from revolving funds	6,642	6,815	6,737
25.4	Operation and maintenance of facilities	933	1,534	1,064
25.7	Operation and maintenance of equipment	3,382	4,116	3,693
25.8	Subsistence and support of persons	107	114	124
26.0	Supplies and materials	3,935	3,032	2,869
31.0	Equipment	2,830	2,976	2,865
32.0	Land and structures	251	40	32
99.0	Direct obligations	28,284	29,105	28,288
99.0	Reimbursable obligations	4,219	4,888	5,472
99.9	Total new obligations	32,503	33,993	33,760

Personnel Summary

Identification code 17-1804-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment	56,788	55,459	57,481
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment	20,963	19,129	22,935

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law, **[\$3,585,759,000] \$3,406,656,000**, to remain available until September 30, 2005. (*Department of Defense Appropriations Act, 2003.*)

General and special funds—Continued

OPERATION AND MAINTENANCE, MARINE CORPS—Continued

Program and Financing (in millions of dollars)

Identification code 17-1106-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operating forces .....	2,198	2,706	2,502
00.03 Training and recruiting .....	484	525	577
00.04 Administration and servicewide activities .....	282	290	327
09.01 Reimbursable program .....	517	412	412
10.00 Total new obligations .....	3,481	3,933	3,818
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	2	
22.00 New budget authority (gross) .....	3,479	3,931	3,819
22.20 Unobligated balance transferred from other accounts .....	3		
23.90 Total budgetary resources available for obligation .....	3,485	3,933	3,819
23.95 Total new obligations .....	-3,481	-3,933	-3,818
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	2		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2,916	3,562	3,407
40.72 Reduction pursuant to P.L. 107-117 .....	-15		
40.75 Reduction pursuant to P.L. 107-248 .....		-20	
41.00 Transferred to other accounts .....	-32	-25	
42.00 Transferred from other accounts .....	93	2	
43.00 Appropriation (total discretionary) .....	2,962	3,519	3,407
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	373	412	412
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	144		
68.90 Spending authority from offsetting collections (total discretionary) .....	517	412	412
70.00 Total new budget authority (gross) .....	3,479	3,931	3,819
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,182	1,179	1,298
73.10 Total new obligations .....	3,481	3,933	3,818
73.20 Total outlays (gross) .....	-3,437	-3,814	-3,779
73.40 Adjustments in expired accounts (net) .....	-40		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-144		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	136		
74.40 Obligated balance, end of year .....	1,179	1,298	1,337
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2,447	2,787	2,711
86.93 Outlays from discretionary balances .....	990	1,027	1,068
87.00 Total outlays (gross) .....	3,437	3,814	3,779
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-483	-392	-392
88.40 Offsetting collections, Non-Federal sources, Other .....	-21	-20	-20
88.90 Total, offsetting collections (cash) .....	-504	-412	-412
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-144		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	131		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2,962	3,519	3,407
90.00 Outlays .....	2,932	3,402	3,367
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	47		48
99.01 Outlays .....		47	48

Object Classification (in millions of dollars)

Identification code 17-1106-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	462	455	493
11.3 Other than full-time permanent .....	51	24	37
11.5 Other personnel compensation .....	41	15	32
11.9 Total personnel compensation .....	554	494	562
12.1 Civilian personnel benefits .....	122	190	186
21.0 Travel and transportation of persons .....	127	149	150
22.0 Transportation of things .....	78	94	92
23.2 Rental payments to others .....	47	48	50
23.3 Communications, utilities, and miscellaneous charges .....	145	359	312
24.0 Printing and reproduction .....	21	29	28
25.1 Advisory and assistance services .....	42	37	40
25.2 Other services .....	179	166	241
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts .....	89	90	106
25.3 Payments to foreign national indirect hire personnel .....	6	3	
25.3 Purchases from revolving funds .....	307	332	411
25.4 Operation and maintenance of facilities .....	261	349	439
25.7 Operation and maintenance of equipment .....	97	108	114
25.8 Subsistence and support of persons .....	10	10	10
26.0 Supplies and materials .....	649	816	490
31.0 Equipment .....	146	163	91
32.0 Land and structures .....	84	84	84
99.0 Direct obligations .....	2,964	3,521	3,406
99.0 Reimbursable obligations .....	517	412	412
99.9 Total new obligations .....	3,481	3,933	3,818

Personnel Summary

Identification code 17-1106-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	10,671	10,571	10,287
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1,383	1,192	1,188

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed **[\$7,902,000] \$7,801,000** can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes, **[\$27,339,533,000: Provided,** That notwithstanding any other provision of law, that of the funds available under this heading, \$750,000 shall only be available to the Secretary of the Air Force for a grant to Florida Memorial College for the purpose of funding minority aviation training: *Provided further,* That of the amount provided under this heading, \$2,000,000 may be obligated for the deployment of Air Force active and Reserve aircrews that perform combat search and rescue operations to operate and evaluate the United Kingdom's Royal Air Force EH-101 helicopter, to receive training using that helicopter, and to exchange operational techniques and procedures regarding that helicopter] **\$27,793,931,000, to remain available until September 30, 2005.** (Department of Defense Appropriations Act, 2003.)

Program and Financing (in millions of dollars)

Identification code 57-3400-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operating forces .....	14,961	15,009	15,652
00.02 Mobilization .....	4,499	3,806	3,453
00.03 Training and recruiting .....	2,574	2,584	2,698
00.04 Administration and servicewide activities .....	6,326	5,679	5,992
09.01 Reimbursable program .....	3,014	2,370	2,699

10.00	Total new obligations .....	31,374	29,448	30,494
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....		38	
22.00	New budget authority (gross) .....	31,420	29,409	30,493
22.22	Unobligated balance transferred from other accounts .....	68		
23.90	Total budgetary resources available for obligation .....	31,488	29,447	30,493
23.95	Total new obligations .....	-31,374	-29,448	-30,494
23.98	Unobligated balance expiring or withdrawn .....	-77		
24.40	Unobligated balance carried forward, end of year .....	38		

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	25,843	27,160	27,794
40.35	Appropriation rescinded .....	-25		
40.72	Reduction pursuant to P.L. 107-117 .....	-195		
40.75	Reduction pursuant to P.L. 107-248 .....		-157	
41.00	Transferred to other accounts .....	-2	-4	
42.00	Transferred from other accounts .....	2,786	40	
43.00	Appropriation (total discretionary) .....	28,407	27,039	27,794
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	2,271	2,370	2,699
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	742		
68.90	Spending authority from offsetting collections (total discretionary) .....	3,013	2,370	2,699
70.00	Total new budget authority (gross) .....	31,420	29,409	30,493

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	8,111	10,639	9,677
73.10	Total new obligations .....	31,374	29,448	30,494
73.20	Total outlays (gross) .....	-28,547	-30,409	-30,172
73.40	Adjustments in expired accounts (net) .....	-249		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-742		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	691		
74.40	Obligated balance, end of year .....	10,639	9,677	9,998

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	22,774	21,973	22,849
86.93	Outlays from discretionary balances .....	5,773	8,436	7,323
87.00	Total outlays (gross) .....	28,547	30,409	30,172

<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-2,725	-2,280	-2,586
88.40	Offsetting collections, Non-Federal sources, Other .....	-233	-90	-113
88.90	Total, offsetting collections (cash) .....	-2,958	-2,370	-2,699
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-742		
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	687		

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	28,407	27,039	27,794
90.00	Outlays .....	25,587	28,039	27,473

**Object Classification (in millions of dollars)**

Identification code 57-3400-0-1-051				
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent .....	2,925	2,986	3,128
11.3	Other than full-time permanent .....	362	365	382
11.5	Other personnel compensation .....	213	291	224
11.9	Total personnel compensation .....	3,500	3,642	3,734
12.1	Civilian personnel benefits .....	868	938	976
13.0	Benefits for former personnel .....	34	72	75
21.0	Travel and transportation of persons .....	1,084	703	764
22.0	Transportation of things .....	476	418	436
23.1	Rental payments to GSA .....	15	21	24
23.2	Rental payments to others .....	87	46	148
23.3	Communications, utilities, and miscellaneous charges .....	849	763	766

24.0	Printing and reproduction .....	22	38	33
25.1	Advisory and assistance services .....	396	389	375
25.2	Contracts with the private sector .....	337	2,008	1,497
Other purchases of goods and services from Government accounts:				
25.3	Other purchases of goods and services from Government accounts .....	406	821	573
25.3	Payments to foreign national indirect hire personnel .....	69	75	85
25.3	Purchases from revolving funds .....	4,196	3,673	3,772
25.4	Operation and maintenance of facilities .....	3,291	2,318	2,537
25.6	Medical care .....		7	3
25.7	Operation and maintenance of equipment .....	5,607	4,451	5,689
26.0	Supplies and materials .....	6,422	6,115	5,739
31.0	Equipment .....	590	446	424
41.0	Grants, subsidies, and contributions .....	8	1	1
42.0	Insurance claims and indemnities .....	97	132	142
43.0	Interest and dividends .....	6	1	1
99.0	Direct obligations .....	28,360	27,078	27,794
99.0	Reimbursable obligations .....	3,014	2,370	2,700
99.9	Total new obligations .....	31,374	29,448	30,494

**Personnel Summary**

Identification code 57-3400-0-1-051		2002 actual	2003 est.	2004 est.
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	69,902	69,777	69,448
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	12,137	10,260	11,043

**OPERATION AND MAINTENANCE, DEFENSE-WIDE  
(INCLUDING TRANSFER OF FUNDS)**

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law, **[\$14,773,506,000]**, including not to exceed 3 passenger motor vehicles for replacement only for the Defense Security Service; **\$16,570,847,000**, to remain available until September 30, 2005, of which not to exceed **[\$25,000,000]** **\$40,000,000**, may be available for the CINC initiative fund account; and of which not to exceed **[\$34,500,000]** **\$70,000,000**, can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: *Provided*, [That notwithstanding any other provision of law, of the funds provided in this Act for Civil Military programs under this heading, \$750,000 shall be available for a grant for Outdoor Odyssey, Roaring Run, Pennsylvania, to support the Youth Development and Leadership program and Department of Defense STARBASE program: *Provided further*, That none of the funds appropriated or otherwise made available by this Act may be used to plan or implement the consolidation of a budget or appropriations liaison office of the Office of the Secretary of Defense, the office of the Secretary of a military department, or the service headquarters of one of the Armed Forces into a legislative affairs or legislative liaison office: *Provided further*,] That **[\$4,675,000]** **\$2,700,000**, to remain available until expended, is available only for expenses relating to certain classified activities, and may be transferred as necessary by the Secretary to operation and maintenance appropriations or research, development, test and evaluation appropriations, to be merged with and to be available for the same time period as the appropriations to which transferred: *Provided further*, That any ceiling on the investment item unit cost of items that may be purchased with operation and maintenance funds shall not apply to the funds described in the preceding proviso: *Provided further*, That the transfer authority provided under this heading is in addition to any other transfer authority provided elsewhere in this Act. (*Department of Defense Appropriations Act, 2003.*)

**Program and Financing (in millions of dollars)**

Identification code 97-0100-0-1-051				
Obligations by program activity:				
00.01	Operating Forces .....	2,374	1,886	2,272

**General and special funds—Continued**

**OPERATION AND MAINTENANCE, DEFENSE-WIDE—Continued  
(INCLUDING TRANSFER OF FUNDS)—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 97-0100-0-1-051	2002 actual	2003 est.	2004 est.
00.02 Mobilization .....	44	40	50
00.03 Training and recruiting .....	231	243	264
00.04 Administration and servicewide activities .....	10,813	12,648	13,985
09.01 Reimbursable program .....	675	785	860
10.00 Total new obligations .....	14,137	15,602	17,431
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	64	419	
22.00 New budget authority (gross) .....	14,510	15,182	17,431
22.10 Resources available from recoveries of prior year obligations .....	5		
22.21 Unobligated balance transferred to other accounts .....	-11		
22.22 Unobligated balance transferred from other accounts .....	27		
23.90 Total budgetary resources available for obligation .....	14,595	15,601	17,431
23.95 Total new obligations .....	-14,137	-15,602	-17,431
23.98 Unobligated balance expiring or withdrawn .....	-39		
24.40 Unobligated balance carried forward, end of year .....	419		
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	13,424	14,439	16,571
40.72 Reduction pursuant to P.L. 107-117 .....	-96		
40.73 Reduction pursuant to P.L. 107-206 .....	-3		
40.75 Reduction pursuant to P.L. 107-248 .....		-83	
41.00 Transferred to other accounts .....	-210	-40	
42.00 Transferred from other accounts .....	720	81	
43.00 Appropriation (total discretionary) .....	13,835	14,397	16,571
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	348	785	860
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	327		
68.90 Spending authority from offsetting collections (total discretionary) .....	675	785	860
70.00 Total new budget authority (gross) .....	14,510	15,182	17,431
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3,800	3,946	4,585
73.10 Total new obligations .....	14,137	15,602	17,431
73.20 Total outlays (gross) .....	-14,164	-14,963	-16,859
73.40 Adjustments in expired accounts (net) .....	-360		
73.45 Recoveries of prior year obligations .....	-5		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-327		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	865		
74.40 Obligated balance, end of year .....	3,946	4,585	5,158
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	10,722	11,554	13,256
86.93 Outlays from discretionary balances .....	3,442	3,409	3,603
87.00 Total outlays (gross) .....	14,164	14,963	16,859
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-1,042	-754	-845
88.40 Offsetting collections, Non-Federal sources, Other .....	-50	-31	-15
88.90 Total, offsetting collections (cash) .....	-1,092	-785	-860
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-327		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	744		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	13,835	14,397	16,571
90.00 Outlays .....	13,072	14,178	15,999
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	322	343	353

99.01 Outlays .....	322	343	353
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**Object Classification (in millions of dollars)**

Identification code 97-0100-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	2,754	2,838	3,049
11.3 Other than full-time permanent .....	57	103	105
11.5 Other personnel compensation .....	72	74	76
11.9 Total personnel compensation .....	2,883	3,015	3,230
12.1 Civilian personnel benefits .....	783	840	970
13.0 Benefits for former personnel .....	21	61	17
21.0 Travel and transportation of persons .....	459	513	581
22.0 Transportation of things .....	533	520	562
23.1 Rental payments to GSA .....	122	123	164
23.2 Rental payments to others .....	107	182	272
23.3 Communications, utilities, and miscellaneous charges .....	489	426	790
24.0 Printing and reproduction .....	16	19	25
25.1 Advisory and assistance services .....	703	772	918
25.2 Other services .....	1,892	2,217	2,608
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Other purchases of goods and services from Government accounts .....	2,303	2,527	2,535
25.3 Payments to foreign national indirect hire personnel .....	16	83	32
25.3 Purchases from revolving funds .....	77	94	126
25.4 Operation and maintenance of facilities .....	169	233	247
25.5 Research and development contracts .....	1		
25.7 Operation and maintenance of equipment .....	1,132	1,173	1,405
26.0 Supplies and materials .....	1,377	1,497	1,487
31.0 Equipment .....	325	411	549
32.0 Land and structures .....	13	5	7
41.0 Grants, subsidies, and contributions .....	28	88	29
43.0 Interest and dividends .....	1	1	1
91.0 Unvouchered .....	12	17	17
99.0 Direct obligations .....	13,462	14,817	16,572
99.0 Reimbursable obligations .....	675	785	859
99.9 Total new obligations .....	14,137	15,602	17,431

**Personnel Summary**

Identification code 97-0100-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	45,207	45,408	47,056
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	2,308	2,503	2,404

**OFFICE OF THE INSPECTOR GENERAL**

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, **[\$157,165,000] \$162,449,000, to remain available until September 30, 2005, of which [\$155,165,000] \$160,049,000** shall be for Operation and maintenance, of which not to exceed \$700,000, is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on the Inspector General's certificate of necessity for confidential military purposes and of which **\$300,000 shall be for Research, Development, Test and Evaluation; and of which [\$2,000,000] \$2,100,000, to remain available until September 30, [2005] 2006, shall be for Procurement. (Department of Defense Appropriations Act, 2003.)**

**Program and Financing (in millions of dollars)**

Identification code 97-0107-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operation and Maintenance .....	149	155	160
00.02 RDT&E .....		5	2
00.03 Procurement .....	1		
09.01 Reimbursable program .....			1

10.00	Total new obligations .....	150	160	163
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	2	3	.....
22.00	New budget authority (gross) .....	151	157	163
23.90	Total budgetary resources available for obligation .....	153	160	163
23.95	Total new obligations .....	-150	-160	-163
24.40	Unobligated balance carried forward, end of year .....	3	.....	.....

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	152	157	162
40.72	Reduction pursuant to P.L. 107-117 .....	-1	.....	.....
43.00	Appropriation (total discretionary) .....	151	157	162
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	.....	.....	1
70.00	Total new budget authority (gross) .....	151	157	163

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	18	17	24
73.10	Total new obligations .....	150	160	163
73.20	Total outlays (gross) .....	-153	-153	-162
73.40	Adjustments in expired accounts (net) .....	-1	.....	.....
74.10	Change in uncollected customer payments from Federal sources (expired) .....	2	.....	.....
74.40	Obligated balance, end of year .....	17	24	26

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	136	140	146
86.93	Outlays from discretionary balances .....	17	13	16
87.00	Total outlays (gross) .....	153	153	162

<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-2	.....	-1
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	2	.....	.....

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	151	157	162
90.00	Outlays .....	151	153	161

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	.....	8	8
99.01	Outlays .....	.....	8	8

**Object Classification (in millions of dollars)**

Identification code 97-0107-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	85	85	88
11.5	Other personnel compensation .....	7	7	7
11.9	Total personnel compensation .....	92	92	95
12.1	Civilian personnel benefits .....	24	25	26
21.0	Travel and transportation of persons .....	6	6	6
23.1	Rental payments to GSA .....	11	11	12
23.3	Communications, utilities, and miscellaneous charges .....	2	3	3
25.2	Other services .....	1	1	1
Other purchases of goods and services from Government accounts:				
25.3	Purchases of goods and services from other Federal agencies .....	2	2	2
25.3	Purchases from revolving funds .....	1	1	1
25.4	Operation and maintenance of facilities .....	.....	1	1
25.7	Operation and maintenance of equipment .....	4	5	5
26.0	Supplies and materials .....	2	2	2
31.0	Equipment .....	5	10	8
91.0	Unvouchered .....	.....	1	1
99.9	Total new obligations .....	150	160	163

**Personnel Summary**

Identification code 97-0107-0-1-051	2002 actual	2003 est.	2004 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	1,215	1,201	1,214

Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	1	2	2

**OPERATION AND MAINTENANCE, ARMY RESERVE**

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, **[\$1,970,180,000] \$1,952,009,000, to remain available until September 30, 2005. (10 U.S.C. 1481-88, 3013-14, 3062, 4302, 4411-14, 4741; 37 U.S.C. 404; Department of Defense Appropriations Act, 2003.)**

**Program and Financing (in millions of dollars)**

Identification code 21-2080-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Operating forces .....	1,556	1,728	1,738
00.04	Administration and servicewide activities .....	211	215	214
09.01	Reimbursable program .....	52	72	72
10.00	Total new obligations .....	1,819	2,016	2,024

<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	1,819	2,016	2,024
23.95	Total new obligations .....	-1,819	-2,016	-2,024

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	1,764	1,964	1,952
40.72	Reduction pursuant to P.L. 107-117 .....	-12	.....	.....
40.73	Reduction pursuant to P.L. 107-206 .....	-3	.....	.....
40.75	Reduction pursuant to P.L. 107-248 .....	.....	-11	.....
41.00	Transferred to other accounts .....	.....	-10	.....
42.00	Transferred from other accounts .....	18	.....	.....
43.00	Appropriation (total discretionary) .....	1,767	1,944	1,952
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	35	72	72
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	17	.....	.....
68.90	Spending authority from offsetting collections (total discretionary) .....	52	72	72
70.00	Total new budget authority (gross) .....	1,819	2,016	2,024

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	551	679	689
73.10	Total new obligations .....	1,819	2,016	2,024
73.20	Total outlays (gross) .....	-1,661	-2,005	-1,998
73.40	Adjustments in expired accounts (net) .....	-17	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-17	.....	.....
74.10	Change in uncollected customer payments from Federal sources (expired) .....	2	.....	.....
74.40	Obligated balance, end of year .....	679	689	716

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	1,237	1,462	1,468
86.93	Outlays from discretionary balances .....	424	543	530
87.00	Total outlays (gross) .....	1,661	2,005	1,998

<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-45	-72	-72
88.40	Non-Federal sources .....	-7	.....	.....
88.90	Total, offsetting collections (cash) .....	-52	-72	-72
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-17	.....	.....
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	17	.....	.....

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	1,767	1,944	1,952

**General and special funds—Continued**

**OPERATION AND MAINTENANCE, ARMY RESERVE—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 21–2080–0–1–051	2002 actual	2003 est.	2004 est.
90.00 Outlays .....	1,609	1,933	1,926
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....		43	46
99.01 Outlays .....		43	46
<b>Object Classification (in millions of dollars)</b>			
Identification code 21–2080–0–1–051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	426	515	343
11.3 Other than full-time permanent .....	15	11	47
11.5 Other personnel compensation .....	14	18	15
11.9 Total personnel compensation .....	455	544	405
12.1 Civilian personnel benefits .....	128	132	139
13.0 Benefits for former personnel .....	4	5	6
21.0 Travel and transportation of persons .....	112	101	115
22.0 Transportation of things .....	18	25	28
23.1 Rental payments to GSA .....	7	8	8
23.2 Rental payments to others .....	9	11	11
23.3 Communications, utilities, and miscellaneous charges .....	79	79	86
24.0 Printing and reproduction .....	16	56	62
25.1 Advisory and assistance services .....	36	14	15
25.2 Other services .....	81	81	85
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Purchases of goods and services from other Federal agencies .....	258	294	303
25.3 Purchases from revolving funds .....	72	84	96
25.4 Operation and maintenance of facilities .....	152	122	168
25.7 Operation and maintenance of equipment .....	34	34	19
25.8 Subsistence and support of persons .....	7	3	3
26.0 Supplies and materials .....	194	246	277
31.0 Equipment .....	99	99	120
32.0 Land and structures .....	6	6	6
99.0 Direct obligations .....	1,767	1,944	1,952
99.0 Reimbursable obligations .....	52	72	72
99.9 Total new obligations .....	1,819	2,016	2,024

**Personnel Summary**

Identification code 21–2080–0–1–051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	10,831	10,864	10,863
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	318	269	269

**OPERATION AND MAINTENANCE, NAVY RESERVE**

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, **[\$1,236,809,000] \$1,171,921,000, to remain available until September 30, 2005. (10 U.S.C. 262, 503, 1481–88, 2110, 2202, 2631–34, 5013, 5062, 5251, 6022, 18233a; Department of Defense Appropriations Act, 2003.)**

**Program and Financing (in millions of dollars)**

Identification code 17–1806–0–1–051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operating forces .....	931	1,059	994
00.04 Administration and servicewide activities .....	82	149	178

09.01 Reimbursable program .....	44	37	38
10.00 Total new obligations .....	1,057	1,245	1,210

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	1,064	1,245	1,210
23.95 Total new obligations .....	–1,057	–1,245	–1,210
23.98 Unobligated balance expiring or withdrawn .....	–6		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	1,002	1,237	1,172
40.72 Reduction pursuant to P.L. 107–117 .....	–5		
40.75 Reduction pursuant to P.L. 107–248 .....		–7	
41.00 Transferred to other accounts .....		–22	
42.00 Transferred from other accounts .....	22		
43.00 Appropriation (total discretionary) .....	1,019	1,208	1,172
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	28	37	38
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	17		
68.90 Spending authority from offsetting collections (total discretionary) .....	44	37	38
70.00 Total new budget authority (gross) .....	1,064	1,245	1,210

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	381	380	406
73.10 Total new obligations .....	1,057	1,245	1,210
73.20 Total outlays (gross) .....	–1,045	–1,220	–1,212
73.40 Adjustments in expired accounts (net) .....	–15		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	–17		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	17		
74.40 Obligated balance, end of year .....	380	406	403

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	766	886	862
86.93 Outlays from discretionary balances .....	279	335	352
87.00 Total outlays (gross) .....	1,045	1,220	1,212

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	–42	–35	–36
88.40 Offsetting collections, Non-Federal sources, Other .....	–2	–2	–2
88.90 Total, offsetting collections (cash) .....	–46	–37	–38
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	–17		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	16		

**Net budget authority and outlays:**

89.00 Budget authority .....	1,019	1,208	1,172
90.00 Outlays .....	999	1,183	1,174

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....		6	6
99.01 Outlays .....		6	6

**Object Classification (in millions of dollars)**

Identification code 17–1806–0–1–051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	62	61	66
11.3 Other than full-time permanent .....	2	2	1
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	66	65	69
12.1 Civilian personnel benefits .....	18	24	26
13.0 Benefits for former personnel .....		1	
21.0 Travel and transportation of persons .....	33	32	34
22.0 Transportation of things .....	1	1	1
23.2 Rental payments to others .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	48	147	167
24.0 Printing and reproduction .....	1	1	1

25.1	Advisory and assistance services .....	1	1	1
25.2	Other services .....	44	55	48
	Other purchases of goods and services from Government accounts:			
25.3	Other purchases of goods and services from Government accounts .....	35	30	34
25.3	Purchases from revolving funds .....	84	94	107
25.4	Operation and maintenance of facilities .....	53	54	52
25.6	Medical care .....	2	2	2
25.7	Operation and maintenance of equipment .....	195	216	209
25.8	Subsistence and support of persons .....	10	13	10
26.0	Supplies and materials .....	245	259	182
31.0	Equipment .....	165	202	216
32.0	Land and structures .....	10	10	11
99.0	Direct obligations .....	1,013	1,209	1,172
99.0	Reimbursable obligations .....	44	36	38
99.9	Total new obligations .....	1,057	1,245	1,210

**Personnel Summary**

Identification code 17-1806-0-1-051	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,488	1,563	1,486
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	36	25	24

**OPERATION AND MAINTENANCE, MARINE CORPS RESERVE**

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, **[\$187,532,000] \$173,952,000, to remain available until September 30, 2005. (10 U.S.C. 503, 1481-88, 2110, 2202, 2631-34, 5013, 5062, 5252, 6022, 18233a; Department of Defense Appropriations Act, 2003.)**

**Program and Financing (in millions of dollars)**

Identification code 17-1107-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operating forces .....	107	143	140
00.04 Administration and servicewide activities .....	32	35	34
09.01 Reimbursable program .....	17	2	2
10.00 Total new obligations .....	156	180	175
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	156	180	175
23.95 Total new obligations .....	-156	-180	-175

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	144	187	174
40.72 Reduction pursuant to P.L. 107-117 .....	-1		
40.75 Reduction pursuant to P.L. 107-248 .....		-1	
41.00 Transferred to other accounts .....	-6	-7	
42.00 Transferred from other accounts .....	2		
43.00 Appropriation (total discretionary) .....	139	179	174
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	9	2	2
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	8		
68.90 Spending authority from offsetting collections (total discretionary) .....	17	2	2
70.00 Total new budget authority (gross) .....	156	180	175

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	74	58	75
73.10 Total new obligations .....	156	180	175
73.20 Total outlays (gross) .....	-161	-164	-176
73.40 Adjustments in expired accounts (net) .....	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-8		

74.40 Obligated balance, end of year .....	58	75	74
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	105	116	112
86.93 Outlays from discretionary balances .....	56	49	64
87.00 Total outlays (gross) .....	161	164	176
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-9	-2	-2
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-8		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	139	179	174
90.00 Outlays .....	152	162	174

**Object Classification (in millions of dollars)**

Identification code 17-1107-0-1-051	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	7	6	8
12.1 Civilian personnel benefits .....	1	2	1
21.0 Travel and transportation of persons .....	15	15	17
22.0 Transportation of things .....	5	4	6
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	16	51	45
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	4	4	6
25.2 Other services .....	4	6	7
25.3 Purchases from revolving funds .....	23	26	30
25.4 Operation and maintenance of facilities .....	15	15	13
25.7 Operation and maintenance of equipment .....	13	15	13
26.0 Supplies and materials .....	29	24	18
31.0 Equipment .....	4	7	7
99.0 Direct obligations .....	139	178	174
99.0 Reimbursable obligations .....	17	2	1
99.9 Total new obligations .....	156	180	175

**Personnel Summary**

Identification code 17-1107-0-1-051	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	150	153	152
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	2	3	3

**OPERATION AND MAINTENANCE, AIR FORCE RESERVE**

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, **[\$2,163,104,000] \$2,179,188,000, to remain available until September 30, 2005. (10 U.S.C. 264, 510-11, 1124, 1481-88, 2232-37, 8013, 8541-42, 8721-23, 9301-04, 9315, 9411-14, 9531, 9536, 9561-63, 9593, 9741, 9743, 18233a; 37 U.S.C. 404-11; Department of Defense Appropriations Act, 2003.)**

**Program and Financing (in millions of dollars)**

Identification code 57-3740-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operating forces .....	1,891	2,043	2,074
00.04 Administration and servicewide activities .....	108	107	105
09.01 Reimbursable program .....	283	64	66
10.00 Total new obligations .....	2,282	2,214	2,245
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	2,287	2,214	2,245

**General and special funds—Continued**

**OPERATION AND MAINTENANCE, AIR FORCE RESERVE—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 57-3740-0-1-051	2002 actual	2003 est.	2004 est.
23.95 Total new obligations .....	-2,282	-2,214	-2,245
23.98 Unobligated balance expiring or withdrawn .....	-7		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2,020	2,162	2,179
40.72 Reduction pursuant to P.L. 107-117 .....	-14		
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
40.75 Reduction pursuant to P.L. 107-248 .....		-12	
42.00 Transferred from other accounts .....	1		
43.00 Appropriation (total discretionary) .....	2,006	2,150	2,179
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	241	64	66
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	40		
68.90 Spending authority from offsetting collections (total discretionary) .....	281	64	66
70.00 Total new budget authority (gross) .....	2,287	2,214	2,245
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	401	601	492
73.10 Total new obligations .....	2,282	2,214	2,245
73.20 Total outlays (gross) .....	-2,046	-2,324	-2,225
73.40 Adjustments in expired accounts (net) .....	4		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-40		
74.40 Obligated balance, end of year .....	601	492	512
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,746	1,802	1,827
86.93 Outlays from discretionary balances .....	300	523	398
87.00 Total outlays (gross) .....	2,046	2,324	2,225
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-256	-63	-65
88.40 Offsetting collections, Non-Federal sources, Other .....	-2	-1	-1
88.90 Total, offsetting collections (cash) .....	-258	-64	-66
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-40		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	17		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2,006	2,150	2,179
90.00 Outlays .....	1,789	2,260	2,159
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....		55	57
99.01 Outlays .....		55	57

**Object Classification (in millions of dollars)**

Identification code 57-3740-0-1-051	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	798	892	929
21.0 Travel and transportation of persons .....	22	18	21
22.0 Transportation of things .....	2	3	3
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	30	30	29
24.0 Printing and reproduction .....	2	2	3
25.1 Advisory and assistance services .....	3	7	7
25.2 Other services .....	139	110	101
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts .....		2	2
25.3 Purchases from revolving funds .....	481	487	508

25.4 Operation and maintenance of facilities .....	120	69	71
25.7 Operation and maintenance of equipment .....	26	31	29
26.0 Supplies and materials .....	296	475	441
31.0 Equipment .....	72	17	27
42.0 Insurance claims and indemnities .....	8	7	7
99.0 Direct obligations .....	2,000	2,151	2,179
99.0 Reimbursable obligations .....	282	63	66
99.9 Total new obligations .....	2,282	2,214	2,245

**Personnel Summary**

Identification code 57-3740-0-1-051	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	12,848	13,861	13,813
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	147	299	299

**OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD**

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft), **[\$4,261,707,000] \$4,211,331,000**, to remain available until September 30, 2005. (10 U.S.C. 261-80, 2231-38, 2511, 4651; 32 U.S.C. 701-02, 709, 18233a; Department of Defense Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 21-2065-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operating forces .....	3,500	3,971	3,947
00.04 Administration and servicewide activities .....	247	268	264
09.01 Reimbursable program .....	150	160	160
10.00 Total new obligations .....	3,897	4,399	4,371
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	3	
22.00 New budget authority (gross) .....	3,904	4,397	4,371
23.90 Total budgetary resources available for obligation .....	3,905	4,399	4,371
23.95 Total new obligations .....	-3,897	-4,399	-4,371
23.98 Unobligated balance expiring or withdrawn .....	-5		
24.40 Unobligated balance carried forward, end of year .....	3		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3,759	4,261	4,211
40.72 Reduction pursuant to P.L. 107-117 .....	-26		
40.73 Reduction pursuant to P.L. 107-206 .....	-6		
40.75 Reduction pursuant to P.L. 107-248 .....		-24	
42.00 Transferred to other DoD accounts .....	27		
43.00 Appropriation (total discretionary) .....	3,754	4,237	4,211
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	139	160	160
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	11		
68.90 Spending authority from offsetting collections (total discretionary) .....	150	160	160
70.00 Total new budget authority (gross) .....	3,904	4,397	4,371
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,156	1,246	1,385
73.10 Total new obligations .....	3,897	4,399	4,371

73.20	Total outlays (gross)	-3,745	-4,261	-4,332
73.40	Adjustments in expired accounts (net)	-68		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-11		
74.10	Change in uncollected customer payments from Federal sources (expired)	18		
74.40	Obligated balance, end of year	1,246	1,385	1,422
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	2,823	3,189	3,171
86.93	Outlays from discretionary balances	922	1,072	1,161
87.00	Total outlays (gross)	3,745	4,261	4,332
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-142	-158	-158
88.40	Offsetting collections, Non-Federal sources, Other	-11	-2	-2
88.90	Total, offsetting collections (cash)	-153	-160	-160
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-11		
88.96	Portion of offsetting collections (cash) credited to expired accounts	14		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	3,754	4,237	4,211
90.00	Outlays	3,592	4,101	4,172
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority		87	93
99.01	Outlays		87	93

**Object Classification (in millions of dollars)**

Identification code 21-2065-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent	960	1,002	1,041
11.3	Other than full-time permanent	107	111	115
11.5	Other personnel compensation	13	12	12
11.9	Total personnel compensation	1,080	1,124	1,167
12.1	Civilian personnel benefits	319	342	356
13.0	Benefits for former personnel	1	1	1
21.0	Travel and transportation of persons	87	73	73
22.0	Transportation of things	46	45	46
23.1	Rental payments to GSA	8	26	17
23.2	Rental payments to others	15	11	8
23.3	Communications, utilities, and miscellaneous charges	142	200	168
24.0	Printing and reproduction	24	3	3
25.1	Advisory and assistance services	54	17	48
25.2	Other services	76	99	101
Other purchases of goods and services from Government accounts:				
25.3	Other purchases of goods and services from Government accounts	102	116	116
25.3	Purchases from revolving funds	45	177	198
25.4	Operation and maintenance of facilities	466	502	461
25.6	Medical care	36	59	51
25.7	Operation and maintenance of equipment	190	132	60
25.8	Subsistence and support of persons	4	11	7
26.0	Supplies and materials	898	1,016	1,128
31.0	Equipment	105	125	81
32.0	Land and structures	51	160	121
99.0	Direct obligations	3,749	4,240	4,212
99.0	Reimbursable obligations	148	159	159
99.9	Total new obligations	3,897	4,399	4,371

**Personnel Summary**

Identification code 21-2065-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment	25,580	25,698	25,938
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment			

**OPERATION AND MAINTENANCE, AIR NATIONAL GUARD**

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things, hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau, [ \$4,117,585,000 ] \$4,402,646,000, to remain available until September 30, 2005. (10 U.S.C. 261-80, 2232-38, 2511, 8012, 8721-22, 9741, 9743; 32 U.S.C. 106, 107, 320, 701-03, 709, 18233a; 37 U.S.C. 404-11; Department of Defense Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 57-3840-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Operating forces	3,917	4,058	4,366
00.04	Administration and servicewide activities	18	33	36
09.01	Reimbursable program	848	251	265
10.00	Total new obligations	4,783	4,343	4,668
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross)	4,799	4,343	4,668
23.95	Total new obligations	-4,783	-4,343	-4,668
23.98	Unobligated balance expiring or withdrawn	-16		
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	3,980	4,115	4,403
40.72	Reduction pursuant to P.L. 107-117	-28		
40.73	Reduction pursuant to P.L. 107-206	-3		
40.75	Reduction pursuant to P.L. 107-248		-23	
41.00	Transferred to other DoD Accounts	-4		
42.00	Transferred from other DoD Accounts	6		
43.00	Appropriation (total discretionary)	3,951	4,092	4,403
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	611	251	265
68.10	Change in uncollected customer payments from Federal sources (unexpired)	237		
68.90	Spending authority from offsetting collections (total discretionary)	848	251	265
70.00	Total new budget authority (gross)	4,799	4,343	4,668
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	766	1,017	829
73.10	Total new obligations	4,783	4,343	4,668
73.20	Total outlays (gross)	-4,315	-4,530	-4,584
73.40	Adjustments in expired accounts (net)	-42		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-237		
74.10	Change in uncollected customer payments from Federal sources (expired)	62		
74.40	Obligated balance, end of year	1,017	829	913
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	3,648	3,606	3,876
86.93	Outlays from discretionary balances	667	924	708
87.00	Total outlays (gross)	4,315	4,530	4,584
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-673	-248	-262
88.40	Offsetting collections, Non-Federal sources, Other	-2	-3	-3
88.90	Total, offsetting collections (cash)	-675	-251	-265

**General and special funds—Continued**

**OPERATION AND MAINTENANCE, AIR NATIONAL GUARD—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 57-3840-0-1-051	2002 actual	2003 est.	2004 est.
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-237		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	64		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,951	4,092	4,403
90.00 Outlays .....	3,640	4,279	4,319
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....		88	94
99.01 Outlays .....		88	94

**Object Classification (in millions of dollars)**

Identification code 57-3840-0-1-051	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	906	1,029	1,072
11.3 Other than full-time permanent .....	64	73	76
11.5 Other personnel compensation .....	30	34	35
11.9 Total personnel compensation .....	1,000	1,136	1,183
12.1 Civilian personnel benefits .....	290	338	353
13.0 Benefits for former personnel .....	2	4	4
21.0 Travel and transportation of persons .....	49	43	45
22.0 Transportation of things .....	19	10	12
23.2 Rental payments to others .....	4	2	2
23.3 Communications, utilities, and miscellaneous charges .....	61	65	64
24.0 Printing and reproduction .....	1	2	2
25.1 Advisory and assistance services .....	16	6	6
25.2 Other services .....	50	43	49
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts .....	3	10	7
25.3 Purchases from revolving funds .....	710	564	621
25.4 Operation and maintenance of facilities .....	387	396	356
25.6 Medical care .....	1	2	3
25.7 Operation and maintenance of equipment .....	115	124	250
26.0 Supplies and materials .....	1,067	1,275	1,381
31.0 Equipment .....	145	59	54
42.0 Insurance claims and indemnities .....	14	13	13
99.0 Direct obligations .....	3,934	4,092	4,405
99.0 Reimbursable obligations .....	849	251	263
99.9 Total new obligations .....	4,783	4,343	4,668

**Personnel Summary**

Identification code 57-3840-0-1-051	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	20,864	23,290	23,533
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	676	869	842

**QUALITY OF LIFE ENHANCEMENTS, DEFENSE**

**Program and Financing (in millions of dollars)**

Identification code 97-0839-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Quality of life enhancements .....	46		
10.00 Total new obligations (object class 26.0) .....	46		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	45		

22.10 Resources available from recoveries of prior year obligations .....	9		
23.90 Total budgetary resources available for obligation .....	54		
23.95 Total new obligations .....	-46		
23.98 Unobligated balance expiring or withdrawn .....	-8		

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	320	134	49
73.10 Total new obligations .....	46		
73.20 Total outlays (gross) .....	-225	-85	-27
73.40 Adjustments in expired accounts (net) .....	1		
73.45 Recoveries of prior year obligations .....	-9		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	1		
74.40 Obligated balance, end of year .....	134	49	21

**Outlays (gross), detail:**

86.93 Outlays from discretionary balances .....	225	85	27
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**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1		
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	1		

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....	224	85	27

**OVERSEAS CONTINGENCY OPERATIONS TRANSFER ACCOUNT**

(INCLUDING TRANSFER OF FUNDS)

For expenses directly relating to Overseas Contingency Operations by United States military forces, **[\$5,000,000] \$50,000,000**, to remain available until expended: *Provided*, That the Secretary of Defense may transfer these funds only to military personnel accounts; operation and maintenance accounts within this title; the Defense Health Program appropriation; procurement accounts; research, development, test and evaluation accounts; and to working capital funds: *Provided further*, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority contained elsewhere in this Act. (*Department of Defense Appropriations Act, 2003.*)

**Program and Financing (in millions of dollars)**

Identification code 97-0118-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Overseas Contingency Operations Transfer Fund .....		37	50
10.00 Total new obligations (object class 26.0) .....		37	50
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	129	32	
22.00 New budget authority (gross) .....	13	5	50
22.21 Unobligated balance transferred to other accounts .....	-109		
23.90 Total budgetary resources available for obligation .....	32	37	50
23.95 Total new obligations .....		-37	-50
24.40 Unobligated balance carried forward, end of year .....	32		

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	50	5	50
41.00 Transferred to other accounts .....	-37		
43.00 Appropriation (total discretionary) .....	13	5	50

**Change in obligated balances:**

72.40 Obligated balance, start of year .....			1
73.10 Total new obligations .....		37	50
73.20 Total outlays (gross) .....		-36	-38
74.40 Obligated balance, end of year .....		1	13

<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	4	37
86.93	Outlays from discretionary balances .....	32	1
87.00	Total outlays (gross) .....	36	38
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	13	50
90.00	Outlays .....	36	38

<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	9	10
90.00	Outlays .....	8	13
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00	Budget authority .....		
99.01	Outlays .....		

OPLAN 34A-35 P.O.W. PAYMENTS

Program and Financing (in millions of dollars)

Identification code 97-0840-0-1-051	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	5	1
22.00	New budget authority (gross) .....	-4	
23.90	Total budgetary resources available for obligation	1	1
24.40	Unobligated balance carried forward, end of year .....	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....		
40.73	Reduction pursuant to P.L. 107-206 .....	-4	
43.00	Appropriation (total discretionary) .....	-4	
<b>Change in obligated balances:</b>			
73.20	Total outlays (gross) .....		
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	-4	
90.00	Outlays .....		

This account provides funding for payments to certain individuals, who served time in prisoner of war camps, and their families. The payments are required by section 657 of Public Law 104-201 as amended by section 658 of Public Law 105-261.

UNITED STATES COURTS OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces, **[\$9,614,000]** \$10,333,000 of which not to exceed \$2,500 can be used for official representation purposes. (10 U.S.C. 867; Department of Defense Appropriations Act, 2003.)

Program and Financing (in millions of dollars)

Identification code 97-0104-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.04	Admin and Assoc Act .....	9	10
10.00	Total new obligations .....	9	10
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	9	10
23.95	Total new obligations .....	-9	-10
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	9	10
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	4	5
73.10	Total new obligations .....	9	10
73.20	Total outlays (gross) .....	-8	-13
73.40	Adjustments in expired accounts (net) .....	-1	
74.40	Obligated balance, end of year .....	5	2
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	8	9
86.93	Outlays from discretionary balances .....		1
87.00	Total outlays (gross) .....	8	13

Object Classification (in millions of dollars)

Identification code 97-0104-0-1-051	2002 actual	2003 est.	2004 est.
11.1	Personnel compensation: Full-time permanent .....	6	5
12.1	Civilian personnel benefits .....		1
23.1	Rental payments to GSA .....	1	1
25.2	Other services .....	2	3
99.9	Total new obligations .....	9	10

Personnel Summary

Identification code 97-0104-0-1-051	2002 actual	2003 est.	2004 est.
Direct:			
1001	Total compensable workyears: Civilian full-time equivalent employment .....	52	59
Reimbursable:			
2001	Total compensable workyears: Civilian full-time equivalent employment .....		

COUNTER-TERRORISM AND OPERATIONAL RESPONSE TRANSFER FUND  
(INCLUDING TRANSFER OF FUNDS)

Program and Financing (in millions of dollars)

Identification code 97-0099-0-1-051	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	478	
40.72	Reduction pursuant to P.L. 107-117 .....	-3	
41.00	Transferred to other accounts .....	-475	
43.00	Appropriation (total discretionary) .....		
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....		

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE  
(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation, **[\$881,907,000]** \$817,371,000, to remain available until September 30, 2005: *Provided*, That the **[The]** funds appropriated under this heading shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the transfer authority provided under this heading is in addition to any other transfer authority contained elsewhere in this Act. (Department of Defense Appropriations Act, 2003.)

Program and Financing (in millions of dollars)

Identification code 97-0105-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Drug interdiction and counter-drug activities .....	872	817
10.00	Total new obligations .....	872	817

**General and special funds—Continued**

**DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE—  
Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

**Program and Financing (in millions of dollars)—Continued**

Identification code 97-0105-0-1-051	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	11		
22.00 New budget authority (gross)		872	817
22.21 Unobligated balance transferred to other accounts	-11		
23.90 Total budgetary resources available for obligation		872	817
23.95 Total new obligations		-872	-817
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	843	872	817
40.72 Reduction pursuant to P.L. 107-117	-6		
41.00 Transferred to other DoD accounts	-842		
42.00 Transferred from the Executive Office of the President	5		
43.00 Appropriation (total discretionary)		872	817
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year			222
73.10 Total new obligations		872	817
73.20 Total outlays (gross)		-650	-782
74.40 Obligated balance, end of year		222	257
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority		650	609
86.93 Outlays from discretionary balances			174
87.00 Total outlays (gross)		650	782
<b>Net budget authority and outlays:</b>			
89.00 Budget authority		872	817
90.00 Outlays		650	782

**Object Classification (in millions of dollars)**

Identification code 97-0105-0-1-051	2002 actual	2003 est.	2004 est.
21.0 Travel and transportation of persons		70	82
22.0 Transportation of things		23	26
23.2 Rental payments to others		6	4
23.3 Communications, utilities, and miscellaneous charges		19	14
25.1 Advisory and assistance services		24	54
25.2 Other services		100	109
25.3 Other purchases of goods and services from Government accounts		167	241
25.4 Operation and maintenance of facilities		13	13
25.7 Operation and maintenance of equipment		58	61
26.0 Supplies and materials		377	194
31.0 Equipment		15	19
99.9 Total new obligations		872	817

22.00 New budget authority (gross)	16	19	
23.90 Total budgetary resources available for obligation	26	29	10
23.95 Total new obligations	-16	-19	
24.40 Unobligated balance carried forward, end of year	10	10	10

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation	16	19	

**Change in obligated balances:**

72.40 Obligated balance, start of year	2	1	2
73.10 Total new obligations	16	19	
73.20 Total outlays (gross)	-16	-18	-8
74.40 Obligated balance, end of year	1	2	-6

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	16	10	
86.93 Outlays from discretionary balances		8	8
87.00 Total outlays (gross)	16	18	8

**Net budget authority and outlays:**

89.00 Budget authority	16	19	
90.00 Outlays	17	18	8

**FOREIGN CURRENCY FLUCTUATIONS, DEFENSE**

**Program and Financing (in millions of dollars)**

Identification code 97-0801-0-1-051	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	988	921	921
22.21 Unobligated balance transferred to other accounts	-615		
22.22 Unobligated balance transferred from other accounts	559		
23.90 Total budgetary resources available for obligation	932	921	921
23.98 Unobligated balance expiring or withdrawn	-11		
24.40 Unobligated balance carried forward, end of year	921	921	921
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays			

This account transfers funds, to operation and maintenance and military personnel appropriations, available for Defense activities in foreign countries to finance upward adjustment of recorded obligations due to foreign currency fluctuations above the budget rate. Transfers are made as needed to meet disbursement requirements in excess of funds otherwise available for obligation adjustment. Net gains resulting from favorable exchange rates are returned to this appropriation and are available for subsequent transfer when needed.

**DISASTER RELIEF**

**Program and Financing (in millions of dollars)**

Identification code 97-0132-0-1-051	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2		
22.00 New budget authority (gross)	-2		
23.90 Total budgetary resources available for obligation			
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.73 Reduction pursuant to P.L. 107-206	-2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	-2		
90.00 Outlays			

**[SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS, DEFENSE]**

[For logistical and security support for international sporting competitions (including pay and non-travel related allowances only for members of the Reserve Components of the Armed Forces of the United States called or ordered to active duty in connection with providing such support), \$19,000,000, to remain available until expended.] (*Department of Defense Appropriations Act, 2003.*)

**Program and Financing (in millions of dollars)**

Identification code 97-0838-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Support for international sporting competitions	16	19	
10.00 Total new obligations (object class 26.0)	16	19	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	10	10	10

DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law, **[\$14,843,542,000]** \$15,270,509,000, of which **[\$14,100,386,000]** \$14,876,887,000 shall be for Operation and maintenance, of which not to exceed 2 percent shall to remain available until September 30, **[2004]** 2005; of which **[\$284,242,000]** \$327,826,000, to remain available for obligation until September 30, **[2005]** 2006, shall be for Procurement; of which **[\$458,914,000]** \$65,796,000, to remain available for obligation until September 30, **[2004]** 2005, shall be for Research, development, test and evaluation, and of which not less than \$7,000,000 shall be available for HIV prevention educational activities undertaken in connection with U.S. military training, exercises, and humanitarian assistance activities conducted primarily in African nations. (Department of Defense Appropriations Act, 2003.)

Program and Financing (in millions of dollars)

Identification code 97-0130-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operation and Maintenance .....	16,823	14,531	14,877
00.02 Procurement .....	284	389	351
00.03 Research, Development, Test and Evaluation .....	481	864	105
09.01 Reimbursable program .....	835	5,049	5,705
10.00 Total new obligations .....	18,423	20,833	21,038
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1,002	1,098	107
22.00 New budget authority (gross) .....	18,457	19,842	20,976
22.10 Resources available from recoveries of prior year obligations .....	69		
22.21 Unobligated balance transferred to other accounts .....	-14		
22.22 Unobligated balance transferred from other accounts .....	26		
23.90 Total budgetary resources available for obligation .....	19,540	20,940	21,083
23.95 Total new obligations .....	-18,423	-20,833	-21,038
23.98 Unobligated balance expiring or withdrawn .....	-19		
24.40 Unobligated balance carried forward, end of year .....	1,098	107	45
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	18,388	14,845	15,271
40.72 Reduction pursuant to P.L. 107-117 .....	-128		
40.75 Reduction pursuant to P.L. 107-248 .....	-44		
41.00 Transferred to other accounts .....	-1,203	-8	
42.00 Transferred from other accounts .....	552		
43.00 Appropriation (total discretionary) .....	17,609	14,793	15,271
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	606	604	940
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	242		
68.90 Spending authority from offsetting collections (total discretionary) .....	848	604	940
Mandatory:			
69.00 Offsetting collections (cash) .....		4,445	4,765
70.00 Total new budget authority (gross) .....	18,457	19,842	20,976
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3,940	5,727	5,372
73.10 Total new obligations .....	18,423	20,833	21,038
73.20 Total outlays (gross) .....	-15,936	-21,187	-21,131
73.40 Adjustments in expired accounts (net) .....	-389		
73.45 Recoveries of prior year obligations .....	-69		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-242		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	-1		
74.40 Obligated balance, end of year .....	5,727	5,372	5,278
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	13,295	11,915	12,708
86.93 Outlays from discretionary balances .....	2,641	4,827	3,658
86.97 Outlays from new mandatory authority .....		4,445	4,765
87.00 Total outlays (gross) .....	15,936	21,187	21,131

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Federal sources .....	-365	-505	-845
88.00	Federal sources .....		-4,445	-4,765
88.40	Offsetting collections, Non-Federal sources, Other .....	-241	-99	-95
88.90	Total, offsetting collections (cash) .....	-606	-5,049	-5,705
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-242		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	17,609	14,793	15,271
90.00	Outlays .....	15,330	16,138	15,426
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....		126	-4,000
99.01	Outlays .....		126	-4,000

The Defense Health Program provides care to present and retired members of the Armed Forces, their dependents, and other eligible beneficiaries. Beneficiaries may obtain care from Army, Navy, and Air Force facilities or through the civilian health care network under the TRICARE program.

Accrual accounting for Medicare-eligible beneficiaries began in 2003, and health care for these beneficiaries is funded from the Uniformed Services Retiree Health Care Fund. The budget includes a proposal to extend accrual financing to non-medicare eligible retiree healthcare.

The Defense Health Program also manages Research and Development funds appropriated by Congress. These funds primarily support medical information management systems development.

The estimates in the following table support the President's Budget proposal to extend accrual financing for health care provided to non-medicare eligible uniformed services retirees.

Uniformed Services Non-Medicare Eligible Retiree Health Care Accrual Proposal Effects on Defense Accounts in 2004

	(Dollars in millions)	
	Mandatory	Discretionary
Uniformed Services Retiree Health Care Fund Spendout to the Defense Health Account for Non-Medicare Eligible Retiree Health Care in Mandatory Offsetting Collections, Outlays, and Spending Authority for:		
Defense .....	4,133	
Coast Guard .....	117	
Public Health Service .....	54	
National Oceanic and Atmospheric Administration .....	2	
Total Increase in Defense Health Mandatory Offsetting Collections .....	4,306	
Adjustments to Defense Discretionary Appropriation Payments to the Uniformed Services Retiree Health Care Fund Defense Military Personnel Accounts .....		5,725
Adjustments to Defense Health Account .....		-4,133
Change to Defense Discretionary Appropriation .....		1,592

Medical care is provided in military facilities as follows:

	2002	2003	2004
Hospitals/Medical Centers .....	75	75	75
Clinics .....	461	461	461

These hospitals, medical centers, and clinics are staffed by:

	Staff in thousands		
	2002	2003	2004
Civilian work years .....	41	40	40
Military personnel .....	92	92	92
Percent of all active duty military personnel .....	6.6	6.6	6.9

The number of beneficiaries using the Defense Health Program is estimated as follows:

Eligible Beneficiary Category	FY02	FY03	FY04
	Active Duty Personnel .....	1,608,804	1,652,701

General and special funds—Continued

DEFENSE HEALTH PROGRAM—Continued

	FY02	FY03	FY04
(Medicare Eligible Active Duty .....	(116)	(99)	(102)
Active Duty Family Members .....	2,219,010	2,285,578	2,233,932
(Medicare Eligible Active Duty Family Members) .....	(3,661)	(3,637)	(3,659)
Retirees .....	1,946,716	1,945,508	1,957,930
(Medicare Eligible Retirees) .....	(800,562)	(807,630)	(820,522)
Retiree Family Members and Survivors .....	2,747,956	2,765,296	2,782,790
(Medicare Eligible Retiree Family Members and Survivors) .....	(741,372)	(774,331)	(802,721)
Total .....	8,522,486	8,649,083	8,595,702
(Medicare Eligible Total) .....	(1,545,711)	(1,585,697)	(1,627,003)

Budget Plan (in millions of dollars)

Identification code 97-0130-0-1-051	2002 actual	2003 est.	2004 est.
Direct:			
0701 Operation and Maintenance .....		14,053	14,877
0702 Procurement .....		457	66
0703 Research, Development, Test and Evaluation .....		283	328
0791 Total direct program .....		14,794	15,271
0801 Reimbursable program .....		5,049	5,705
0893 Total budget plan .....		19,843	20,975

Object Classification (in millions of dollars)

Identification code 97-0130-0-1-051	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	23	24	24
11.3 Other than full-time permanent .....			1
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	24	25	26
12.1 Civilian personnel benefits .....	5	5	5
21.0 Travel and transportation of persons .....	177	175	178
22.0 Transportation of things .....	7	7	7
23.1 Rental payments to GSA .....	12	13	13
23.2 Rental payments to others .....	29	35	36
23.3 Communications, utilities, and miscellaneous charges .....	149	172	174
24.0 Printing and reproduction .....	16	13	13
25.1 Advisory and assistance services .....	106	107	110
25.2 Other services .....	212	224	236
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts .....	2,040	2,036	2,083
25.3 Payments to foreign national indirect hire personnel .....	33	43	44
25.4 Operation and maintenance of facilities .....	384	276	307
25.5 Research and development contracts .....	461	79	61
25.6 Medical care .....	9,912	8,809	9,072
25.7 Operation and maintenance of equipment .....	114	96	98
26.0 Supplies and materials .....	3,173	2,960	2,158
31.0 Equipment .....	712	687	690
41.0 Grants, subsidies, and contributions .....	22	22	22
99.0 Direct obligations .....	17,588	15,784	15,333
99.0 Reimbursable obligations .....	835	5,049	5,705
99.9 Total new obligations .....	18,423	20,833	21,038

Personnel Summary

Identification code 97-0130-0-1-051	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	288	297	297
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....			

THE DEPARTMENT OF DEFENSE ENVIRONMENTAL RESTORATION ACCOUNTS

ENVIRONMENTAL RESTORATION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, **[\$395,900,000]** \$396,018,000, to remain available until transferred: *Provided*, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Army, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation. (*Department of Defense Appropriations Act, 2003.*)

ENVIRONMENTAL RESTORATION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Navy, **[\$256,948,000]** \$256,153,000, to remain available until transferred: *Provided*, That the Secretary of the Navy shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Navy, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Navy, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation. (*Department of Defense Appropriations Act, 2003.*)

ENVIRONMENTAL RESTORATION, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Air Force, **[\$389,773,000]** \$384,307,000, to remain available until transferred: *Provided*, That the Secretary of the Air Force shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Air Force, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Air Force, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation. (*Department of Defense Appropriations Act, 2003.*)

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense, **[\$23,498,000]** \$24,081,000, to remain available until transferred: *Provided*, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation. (*Department of Defense Appropriations Act, 2003.*)

ENVIRONMENTAL RESTORATION, DEFENSE

Program and Financing (in millions of dollars)

Identification code 97-0810-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Department of Army .....		394	396
00.02 Department of Navy .....		256	256
00.03 Department of Air Force .....		387	384
00.04 Defense-wide .....		24	24
10.00 Total new obligations (object class 32.0) .....		1,061	1,060
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		1	
22.00 New budget authority (gross) .....		1,060	1,061
22.10 Resources available from recoveries of prior year obligations .....		1	
23.90 Total budgetary resources available for obligation .....	1	1,061	1,061
23.95 Total new obligations .....		-1,061	-1,060
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,056	1,066	1,061
40.72 Reduction pursuant to P.L. 107-117 .....	-8		
40.75 Reduction pursuant to P.L. 107-248 .....		-6	
41.00 Transfer to other DoD accounts .....	-1,048		
43.00 Appropriation (total discretionary) .....		1,060	1,061
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			828
73.10 Total new obligations .....		1,061	1,060
73.20 Total outlays (gross) .....		-233	-710
73.45 Recoveries of prior year obligations .....		-1	
74.40 Obligated balance, end of year .....		828	1,178
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		233	233
86.93 Outlays from discretionary balances .....		-1	477
87.00 Total outlays (gross) .....		-1	710
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		1,060	1,061
90.00 Outlays .....		-1	710

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES  
(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, **[\$246,102,000] \$212,619,000**, to remain available until transferred: *Provided*, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris at sites formerly used by the Department of Defense, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation. (*Department of Defense Appropriations Act, 2003.*)

Program and Financing (in millions of dollars)

Identification code 97-0811-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Environmental restoration, formerly used Defense sites .....		247	213
10.00 Total new obligations (object class 32.0) .....		247	213
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		2	
22.00 New budget authority (gross) .....		245	213
22.10 Resources available from recoveries of prior year obligations .....		2	
23.90 Total budgetary resources available for obligation .....	2	247	213

23.95 Total new obligations .....		-247	-213
24.40 Unobligated balance carried forward, end of year .....	2		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation .....	222	246	213
40.72 Reduction pursuant to P.L. 107-117 .....	-1		
40.75 Reduction pursuant to P.L. 107-248 .....		-1	
41.00 Transfer to other DoD accounts .....	-221		
43.00 Appropriation (total discretionary) .....		245	213

Change in obligated balances:

72.40 Obligated balance, start of year .....			193
73.10 Total new obligations .....		247	213
73.20 Total outlays (gross) .....	2	-54	-157
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....		193	249

Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....		54	47
86.93 Outlays from discretionary balances .....		-2	110
87.00 Total outlays (gross) .....		-2	157

Net budget authority and outlays:

89.00 Budget authority .....		245	213
90.00 Outlays .....		-2	54

The defense environmental restoration program provides for the identification, investigation, and cleanup of contamination resulting from past DoD activities. The Department has 19,564 sites requiring no further action, leaving 6,741 active sites at 1,733 military installations along with 2,233 projects at formerly used Defense properties. For these remaining sites and projects DoD is engaged in either a study to determine the extent of the contamination or the actual clean-up.

The Department's environmental restoration program is funded by five separate environmental restoration accounts, one for each military department, one for defense agencies and one for formerly used defense sites. This year, the first four accounts, Army, Navy, Air Force and Defense-wide environmental restoration accounts, which cover funding for active installations, are shown separately from the Formerly Used Defense Sites Environmental Restoration account, which funds environmental cleanup on properties no longer owned and/or used by the Defense Department. These five decentralized accounts include restoration activities from preliminary assessment and site planning to studies, then clean-up and finally closeout of a site, functions formerly funded in the defense environmental restoration account.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid programs of the Department of Defense (consisting of the programs provided under sections 401, 402, 404, 2547, and **[2551] 2561** of title 10, United States Code), **[\$58,400,000] \$59,000,000**, to remain available until September 30, **[2004] 2005**. (*Department of Defense Appropriations Act, 2003.*)

Program and Financing (in millions of dollars)

Identification code 97-0819-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Overseas humanitarian, disaster and civic aid .....	66	46	59
10.00 Total new obligations .....	66	46	59
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	19	8	20
22.00 New budget authority (gross) .....	49	58	59
22.10 Resources available from recoveries of prior year obligations .....	6		
23.90 Total budgetary resources available for obligation .....	75	66	79
23.95 Total new obligations .....	-66	-46	-59

## General and special funds—Continued

## OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 97-0819-0-1-051	2002 actual	2003 est.	2004 est.
24.40 Unobligated balance carried forward, end of year .....	8	20	21
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	49	58	59
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	1		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
68.90 Spending authority from offsetting collections (total discretionary) .....			
70.00 Total new budget authority (gross) .....	49	58	59
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	39	39	26
73.10 Total new obligations .....	66	46	59
73.20 Total outlays (gross) .....	-58	-58	-52
73.40 Adjustments in expired accounts (net) .....	-3		
73.45 Recoveries of prior year obligations .....	-6		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
74.40 Obligated balance, end of year .....	39	26	33
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	17	13	13
86.93 Outlays from discretionary balances .....	40	45	39
87.00 Total outlays (gross) .....	58	58	52
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-1		
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	49	58	59
90.00 Outlays .....	57	58	52

## Budget Plan (in millions of dollars)

Identification code 97-0819-0-1-051	2002 actual	2003 est.	2004 est.
0701 Overseas humanitarian, disaster and civic aid .....	49	58	59
0893 Total budget plan .....	49	58	59

## Object Classification (in millions of dollars)

Identification code 97-0819-0-1-051	2002 actual	2003 est.	2004 est.
26.0 Direct obligations: Supplies and materials .....	65	46	59
99.0 Reimbursable obligations: Reimbursable obligations .....	1		
99.9 Total new obligations .....	66	46	59

## DEFENSE REINVESTMENT FOR ECONOMIC GROWTH

## Program and Financing (in millions of dollars)

Identification code 97-0828-0-1-051	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	48	46	46
73.20 Total outlays (gross) .....	-2		
74.40 Obligated balance, end of year .....	46	46	46
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			

90.00 Outlays .....	2		
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## FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons; for establishing programs to prevent the proliferation of weapons, weapons components, and weapon-related technology and expertise; for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise, and for defense and military contacts, **[\$416,700,000] \$450,800,000**, to remain available until September 30, **[2005: Provided, That of the amounts provided under this heading, \$10,000,000 shall be available only to support the dismantling and disposal of nuclear submarines and submarine reactor components in the Russian Far East] 2006. (Department of Defense Appropriations Act, 2003.)**

## Program and Financing (in millions of dollars)

Identification code 97-0134-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 FSU Threat Reduction .....	376	537	439
10.00 Total new obligations .....	376	537	439
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	678	666	543
22.00 New budget authority (gross) .....	359	414	451
22.10 Resources available from recoveries of prior year obligations .....	37		
22.21 Unobligated balance transferred to other accounts .....	-30		
23.90 Total budgetary resources available for obligation .....	1,044	1,080	994
23.95 Total new obligations .....	-376	-537	-439
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	666	543	555
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	403	417	451
40.36 Unobligated balance rescinded .....	-32		
40.72 Reduction pursuant to P.L. 107-117 .....	-3		
40.73 Reduction pursuant to P.L. 107-206 .....	-10		
40.75 Reduction pursuant to P.L. 107-248 .....		-2	
43.00 Appropriation (total discretionary) .....	358	414	451
68.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired) .....	1		
70.00 Total new budget authority (gross) .....	359	414	451
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	590	553	354
73.10 Total new obligations .....	376	537	439
73.20 Total outlays (gross) .....	-379	-736	-477
73.40 Adjustments in expired accounts (net) .....	4		
73.45 Recoveries of prior year obligations .....	-37		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	553	354	316
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		83	90
86.93 Outlays from discretionary balances .....	379	653	387
87.00 Total outlays (gross) .....	379	736	477
<b>Offsets:</b>			
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	358	414	451
90.00 Outlays .....	380	736	477

**Budget Plan** (in millions of dollars)

Identification code 97-0134-0-1-051	2002 actual	2003 est.	2004 est.
0701 Threat reduction activities .....	400	414	451
0893 Total budget plan .....	400	414	451

**Object Classification** (in millions of dollars)

Identification code 97-0134-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons .....	3	1	3
23.2 Rental payments to others .....	1		
25.1 Advisory and assistance services .....	1	1	1
25.2 Other services .....	303	323	348
25.3 Other purchases of goods and services from Government accounts .....	34	63	57
26.0 Supplies and materials .....	33	123	
31.0 Equipment .....		26	30
99.0 Direct obligations .....	375	537	439
99.0 Reimbursable obligations .....	1		
99.9 Total new obligations .....	376	537	439

**[PAYMENT TO KAHŌ'OLAWE ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND]**

**[For payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund, as authorized by law, \$75,000,000, to remain available until expended.] (Department of Defense Appropriations Act, 2003.)**

**Program and Financing** (in millions of dollars)

Identification code 17-1236-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	76	75	
10.00 Total new obligations (object class 32.0) .....	76	75	

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	9	13	13
22.00 New budget authority (gross)	67	75	
22.10 Resources available from recoveries of prior year obligations	14		
23.90 Total budgetary resources available for obligation	90	88	13
23.95 Total new obligations	-76	-75	
24.40 Unobligated balance carried forward, end of year	13	13	13

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	68	75	
40.72 Reduction pursuant to P.L. 107-117 .....	-1		
43.00 Appropriation (total discretionary) .....	67	75	

**Change in obligated balances:**

72.40 Obligated balance, start of year	38	29	29
73.10 Total new obligations	76	75	
73.20 Total outlays (gross)	-71	-75	
73.45 Recoveries of prior year obligations	-14		
74.40 Obligated balance, end of year	29	29	29

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	67	75	
86.93 Outlays from discretionary balances	4		
87.00 Total outlays (gross)	71	75	

**Net budget authority and outlays:**

89.00 Budget authority	67	75	
90.00 Outlays	71	75	

**DEFENSE EMERGENCY RESPONSE FUND**

**Program and Financing** (in millions of dollars)

Identification code 97-0833-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Increased Situational Awareness .....	1,268	408	
00.02 Enhanced Force Protection .....	3,249	117	
00.03 Improved Command & Control .....	1,055	54	
00.04 Increased Worldwide Posture .....	4,591	186	
00.05 Offensive Counter-terrorism .....	1,732	108	
00.07 Initial Crisis Response .....	410	57	
00.08 Pentagon Repair/Upgrade .....	533	305	
00.09 Other Requirements .....	75	41	
00.10 Airport Security .....	219	6	
00.15 Other Emergency .....		130	
10.00 Total new obligations (object class 26.0) .....	13,132	1,412	

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	2,857	1,107	
22.00 New budget authority (gross)	2,581		
22.21 Unobligated balance transferred to other accounts	-266		
22.22 Unobligated balance transferred from other accounts	9,067	305	
23.90 Total budgetary resources available for obligation	14,239	1,412	
23.95 Total new obligations	-13,132	-1,412	
24.40 Unobligated balance carried forward, end of year	1,107		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	15,298		
40.35 Appropriation rescinded .....	-602		
40.36 Unobligated balance rescinded .....	-224		
41.00 Transferred to other DoD accounts .....	-11,891		
43.00 Appropriation (total discretionary) .....	2,581		

**Change in obligated balances:**

72.40 Obligated balance, start of year	352	5,639	2,059
73.10 Total new obligations	13,132	1,412	
73.20 Total outlays (gross)	-7,845	-4,992	-1,349
74.40 Obligated balance, end of year	5,639	2,059	710

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	1,500		
86.93 Outlays from discretionary balances	6,345	4,992	1,349
87.00 Total outlays (gross)	7,845	4,992	1,349

**Net budget authority and outlays:**

89.00 Budget authority	2,581		
90.00 Outlays	7,845	4,992	1,349

The funds in this account were used to support the efforts by the Department of Defense (DOD) to respond to, or protect against, acts or threatened acts of terrorism against the United States. The funding in this account was transferred to various DOD appropriation accounts. The funding for continuing these activities is now requested in DOD's regular appropriation accounts in fiscal year 2004.

**EMERGENCY RESPONSE**

**Program and Financing** (in millions of dollars)

Identification code 97-4965-0-1-051	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	16	17	17
24.40 Unobligated balance carried forward, end of year	17	17	17
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	5	4	4
74.40 Obligated balance, end of year	4	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays			

**General and special funds—Continued**

**ALLIED CONTRIBUTIONS AND COOPERATION ACCOUNT**

**Unavailable Collections (in millions of dollars)**

Identification code 97-9927-0-2-051	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....		12	24
Receipts:			
02.20 Contributions for burdensharing and other cooperative activities from Kuwait .....	164	210	210
02.21 Contributions for burdensharing and other cooperative activities .....	343		
02.60 Defense cooperation, Department of Defense-Military .....	12	12	12
02.99 Total receipts and collections .....	519	222	222
04.00 Total: Balances and collections .....	519	234	246
Appropriations:			
05.00 Allied contributions and cooperation account .....	-507	-210	-210
07.99 Balance, end of year .....	12	24	36

**Program and Financing (in millions of dollars)**

Identification code 97-9927-0-2-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Allied contributions and cooperation account .....	507	210	210
10.00 Total new obligations (object class 26.0) .....	507	210	210
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	507	210	210
23.95 Total new obligations .....	-507	-210	-210
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	507	210	210
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	82	79	79
73.10 Total new obligations .....	507	210	210
73.20 Total outlays (gross) .....	-510	-210	-210
74.40 Obligated balance, end of year .....	79	79	79
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	507	210	210
86.98 Outlays from mandatory balances .....	3		
87.00 Total outlays (gross) .....	510	210	210
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	507	210	210
90.00 Outlays .....	510	210	210
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	1	13	13
92.02 Total investments, end of year: Federal securities: Par value .....	13	13	13

Cash contributions from allied countries and individuals are deposited into this account for reallocation to other DoD appropriations. Contributions are used to offset costs of DoD's overseas presence.

**MISCELLANEOUS SPECIAL FUNDS**

**Unavailable Collections (in millions of dollars)**

Identification code 97-9922-0-2-051	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	45	47	45
Receipts:			
02.20 Lease and Disposal of DoD Real Property .....	21	29	30
02.21 Transfer Commissary Facilities and National Science Center .....	11		
02.40 Kaho'olawe Island Restoration Fund .....	67	75	
02.60 Restoration of Rocky Mountain Arsenal .....	3	6	10
02.99 Total receipts and collections .....	102	110	40

04.00 Total: Balances and collections .....	147	157	85
Appropriations:			
05.00 Discretionary and Mandatory Appropriations .....	-100	-112	-32
05.99 Total appropriations .....	-100	-112	-32
07.99 Balance, end of year .....	47	45	53

**Program and Financing (in millions of dollars)**

Identification code 97-9922-0-2-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Restoration of Rocky Mountain Arsenal .....	25	3	17
00.02 Disposal of DoD Real Property .....	21	51	7
00.03 Lease of DoD real property .....	18	49	15
00.04 Kaho'olawe Island Restoration Fund .....	69	75	
10.00 Total new obligations .....	133	178	39
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	121	117	51
22.00 New budget authority (gross) .....	100	112	32
22.10 Resources available from recoveries of prior year obligations .....	30		
23.90 Total budgetary resources available for obligation .....	251	229	83
23.95 Total new obligations .....	-133	-178	-39
24.40 Unobligated balance carried forward, end of year .....	117	51	44
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) .....	98	106	22
40.72 Reduction pursuant to P.L. 107-117 .....	-1		
43.00 Appropriation (total discretionary) .....	97	106	22
Mandatory:			
60.20 Appropriation (special fund) .....	3	6	10
70.00 Total new budget authority (gross) .....	100	112	32
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	69	39	44
73.10 Total new obligations .....	133	178	39
73.20 Total outlays (gross) .....	-133	-173	-53
73.45 Recoveries of prior year obligations .....	-30		
74.40 Obligated balance, end of year .....	39	44	30
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	96	77	9
86.93 Outlays from discretionary balances .....	14	90	34
86.97 Outlays from new mandatory authority .....	6	6	10
86.98 Outlays from mandatory balances .....	23		
87.00 Total outlays (gross) .....	133	173	53
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	100	112	32
90.00 Outlays .....	133	173	53

These special funds include: receipts from the disposal and lease of DoD real property which are applied to real property maintenance and environmental efforts at DoD installations; receipts used to operate the National Science Center; and, funds for the restoration of Kaho'olawe Island and Rocky Mountain Arsenal.

**Object Classification (in millions of dollars)**

Identification code 97-9922-0-2-051	2002 actual	2003 est.	2004 est.
25.4 Operation and maintenance of facilities .....	64	103	39
32.0 Land and structures .....	69	75	
99.9 Total new obligations .....	133	178	39

**OVERSEAS MILITARY FACILITY INVESTMENT RECOVERY**

**Unavailable Collections (in millions of dollars)**

Identification code 97-5193-0-2-051	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			

Receipts:			
02.20 Overseas military facility, investment and recovery	1	1	1
Appropriations:			
05.00 Overseas military facility, investment and recovery	-1	-1	-1
07.99 Balance, end of year			

**Program and Financing** (in millions of dollars)

Identification code 97-5193-0-2-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.10 Direct program activity	5	5	1
10.00 Total new obligations (object class 25.4)	5	5	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	5	9	5
22.00 New budget authority (gross)	1	1	1
22.10 Resources available from recoveries of prior year obligations	8		
23.90 Total budgetary resources available for obligation	14	10	6
23.95 Total new obligations	-5	-5	-1
24.40 Unobligated balance carried forward, end of year	9	5	5
<b>Net budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund)	1	1	1
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	18	12	4
73.10 Total new obligations	5	5	1
73.20 Total outlays (gross)	-3	-13	-6
73.45 Recoveries of prior year obligations	-8		
74.40 Obligated balance, end of year	12	4	

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	1		
86.93 Outlays from discretionary balances	2	13	6
87.00 Total outlays (gross)	3	13	6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	2	1	1
90.00 Outlays	3	13	6

**DEFENSE EXPORT LOAN GUARANTEE FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 97-4168-0-3-051	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	4	4
24.40 Unobligated balance carried forward, end of year	4	4	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	1	1	1
74.40 Obligated balance, end of year	1	1	1

<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority			
90.00 Financing disbursements			

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 97-4168-0-3-051	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2121 Limitation available from carry-forward	14,980	14,980	14,980
2143 Uncommitted limitation carried forward	-14,980	-14,980	-14,980
2150 Total guaranteed loan commitments			
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	8	4	
2231 Disbursements of new guaranteed loans			
2251 Repayments and prepayments	-4	-4	

2290 Outstanding, end of year	4		
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	3		

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 97-4168-0-3-051	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury				
	4	4	4	4
1999 Total assets	4	4	4	4
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees				
	4	4	4	4
2999 Total liabilities	4	4	4	4
<b>NET POSITION:</b>				
3300 Cumulative results of operations				
3999 Total net position				
4999 Total liabilities and net position	4	4	4	4

**DEFENSE VESSEL TRANSFER PROGRAM ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 97-0842-0-1-051	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	4	4
24.40 Unobligated balance carried forward, end of year	4	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays			

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**PROCUREMENT**

Appropriations in this title support the acquisition of aircraft, ships, combat vehicles, satellites and their launch vehicles, weapons and all capital equipment. Major systems in production typically are budgeted annually to maintain production continuity through the life of the acquisition program and in several instances multi-year contracts are used to ensure stability of production and economies of scale. Initial spares and support as well as the modification of existing equipment are also funded. Resources presented under the Procurement title contribute primarily to achieving the Department's annual goals of assuring readiness and sustainability, transforming the force for new missions, and reforming processes and organizations. Performance targets in support of these goals contribute to the Department's efforts to mitigate force management and operational risk, future challenges risk, and institutional risk, as directed in the 2001 Quadrennial Defense Review.

Procurement in support of the ground forces encompasses wheeled and track vehicles, rotary wing aircraft, ammunition and equipment procured to meet inventory requirements dictated by the force size and anticipated attrition requirements. Similarly, procurement in support of naval forces includes ships, equipment for the ships, aircraft, munitions, the Marine Corps ground element, and other equipment to sustain future naval operations. The Air Force programs support the broad range of missions and include aircraft, tactical missiles, ballistic missile weapons and associated surveillance and space assets keyed to the strategic deterrence mission, munitions and other mission support equipment.

**Federal Funds**

**General and special funds:**

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, **[\$2,285,574,000] \$2,128,485,000**, to remain available for obligation until September 30, **[2005: Provided, That of the funds made available under this heading, \$39,100,000 shall be available only to support a restructured CH-47F helicopter upgrade program for the full fleet to facilitate increases in the planned production rate to an economically optimal rate by fiscal year 2005: Provided further, That funds in the immediately preceding proviso shall not be made available until the Secretary of the Army has certified to the congressional defense committees that the Army intends to budget for the upgrade of the entire CH-47 fleet required for the Objective Force at economically optimal production rates in order to complete this program within ten years after it is initiated] 2006, of which \$72,629,000 shall be for the Army National Guard and Army Reserve. (10 U.S.C. 3013, 4532; Department of Defense Appropriations Act, 2003.)**

**Program and Financing (in millions of dollars)**

Identification code 21-2031-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Aircraft	286	291	192
00.02 Modification of aircraft	1,547	1,646	1,663
00.03 Spares and repair parts	6	9	11
00.04 Support equipment and facilities	159	160	250
09.01 Reimbursable program	7	40	29
10.00 Total new obligations	2,005	2,146	2,145
<b>Budgetary resources available for obligation:</b>			
21.40 For completion of prior year budget plans	301	246	381
22.00 New budget authority (gross)	1,917	2,280	2,157
22.10 Resources available from recoveries of prior year obligations	35		
23.90 Total budgetary resources available for obligation	2,253	2,526	2,538
23.95 Total new obligations	-2,005	-2,146	-2,145
23.98 Unobligated balance expiring or withdrawn	-2		
24.40 Available to finance subsequent year budget plans	246	381	394
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	1,984	2,282	2,128
40.36 Unobligated balance rescinded	-16		
40.72 Reduction pursuant to P.L. 107-117	-14		
40.75 Reduction pursuant to P.L. 107-248		-18	
40.76 Reduction pursuant to P.L. 107-206	-4		
41.00 Transferred to other accounts	-40	-22	
43.00 Appropriation (total discretionary)	1,910	2,242	2,128
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)		38	29

68.10 Change in uncollected customer payments from Federal sources (unexpired)	6		
68.90 Spending authority from offsetting collections (total discretionary)	7	38	29
70.00 Total new budget authority (gross)	1,917	2,280	2,157
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	1,697	2,010	2,364
73.10 Total new obligations	2,005	2,146	2,145
73.20 Total outlays (gross)	-1,634	-1,792	-2,087
73.40 Adjustments in expired accounts (net)	-17		
73.45 Recoveries of prior year obligations	-35		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-6		
74.10 Change in uncollected customer payments from Federal sources (expired)	1		
74.40 Obligated balance, end of year	2,010	2,364	2,423
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	348	442	412
86.93 Outlays from discretionary balances	1,286	1,350	1,675
87.00 Total outlays (gross)	1,634	1,792	2,087
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-38	-27
88.40 Offsetting collections, Non-Federal sources, Other			-2
88.90 Total, offsetting collections (cash)	-1	-38	-29
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-6		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	1,910	2,242	2,128
90.00 Outlays	1,633	1,754	2,058

**Budget Plan (in millions of dollars)**

Identification code 21-2031-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0701 Aircraft	276	309	167
0702 Modification of aircraft	1,472	1,769	1,686
0703 Spares and repair parts	6	8	11
0704 Support equipment and facilities	168	161	264
0791 Total direct	1,921	2,247	2,128
0801 Reimbursable	9	38	29
0893 Total budget plan	1,930	2,285	2,158

**Object Classification (in millions of dollars)**

Identification code 21-2031-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons	1	1	1
25.1 Advisory and assistance services	108	100	100
25.2 Other services	25	39	43
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Other purchases of goods and services from Government accounts	183	170	176
25.3 Purchases from revolving funds	2	8	72
25.4 Operation and maintenance of facilities		1	1
25.5 Research and development contracts	12	17	19
25.7 Operation and maintenance of equipment	28	39	49
26.0 Supplies and materials	109	106	109
31.0 Equipment	1,530	1,622	1,543
32.0 Land and structures		3	3
99.0 Direct obligations	1,998	2,106	2,116
99.0 Reimbursable obligations	7	40	29
99.9 Total new obligations	2,005	2,146	2,145

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, **[\$1,096,548,000] \$1,459,462,000**, to remain available for obligation until September 30, **[2005] 2006**, of which **\$40,214,000** shall be for the Army National Guard and Army Reserve. (10 U.S.C. 2353, 3013; Department of Defense Appropriations Act, 2003.)

Program and Financing (in millions of dollars)

Identification code 21-2032-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Other missiles .....	1,027	704	1,101
00.03 Modification of missiles .....	129	210	246
00.04 Spares and repair parts .....	23	52	51
00.05 Support equipment and facilities .....	10	11	8
09.01 Reimbursable program .....	36	132	68
10.00 Total new obligations .....	1,225	1,109	1,474
<b>Budgetary resources available for obligation:</b>			
21.40 Available to finance new budget plans .....	206	114	149
22.00 New budget authority (gross) .....	1,112	1,145	1,527
22.10 Resources available from recoveries of prior year obligations .....	22		
22.22 Unobligated balance transferred from other accounts .....	6		
23.90 Total budgetary resources available for obligation .....	1,346	1,259	1,676
23.95 Total new obligations .....	-1,225	-1,109	-1,474
23.98 Unobligated balance expiring or withdrawn .....	-7		
24.40 For completion of prior year budget plans .....	114	149	203
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,079	1,095	1,459
40.36 Unobligated balance rescinded .....		-38	
40.72 Reduction pursuant to P.L. 107-117 .....	-8		
40.75 Reduction pursuant to P.L. 107-248 .....		-8	
40.76 Reduction pursuant to P.L. 107-206 .....	-2		
41.00 Transferred to other accounts .....		-12	
43.00 Appropriation (total discretionary) .....	1,069	1,037	1,459
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	29	108	68
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	13		
68.90 Spending authority from offsetting collections (total discretionary) .....	42	108	68
70.00 Total new budget authority (gross) .....	1,112	1,145	1,527
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,035	1,936	1,656
73.10 Total new obligations .....	1,225	1,109	1,474
73.20 Total outlays (gross) .....	-1,289	-1,390	-1,195
73.40 Adjustments in expired accounts (net) .....	-9		
73.45 Recoveries of prior year obligations .....	-22		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-13		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	9		
74.40 Obligated balance, end of year .....	1,936	1,656	1,934
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	145	212	214
86.93 Outlays from discretionary balances .....	1,144	1,178	981
87.00 Total outlays (gross) .....	1,289	1,390	1,195
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-28	-103	-63

88.40	Offsetting collections, Non-Federal sources, Other .....	-5	-5	-5
88.90	Total, offsetting collections (cash) .....	-33	-108	-68
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-13		
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	4		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	1,070	1,037	1,459
90.00	Outlays .....	1,256	1,282	1,127

Budget Plan (in millions of dollars)

Identification code 21-2032-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
0702	Other Missiles .....	894	770	1,152
0703	Modification of Missiles .....	110	240	250
0704	Spares and Repair Parts .....	15	55	51
0705	Support Equipment and Facilities .....	10	12	7
0791	Total direct .....	1,029	1,077	1,459
0801	Reimbursable .....	44	108	68
0893	Total budget plan .....	1,073	1,186	1,528

Object Classification (in millions of dollars)

Identification code 21-2032-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
25.1	Advisory and assistance services .....	11	2	2
25.2	Other services .....	1	1	1
Other purchases of goods and services from Government accounts:				
25.3	Other purchases of goods and services from Government accounts .....	132	104	104
25.3	Purchases from revolving funds .....	1	1	1
26.0	Supplies and materials .....	27	33	37
31.0	Equipment .....	1,017	837	1,262
99.0	Direct obligations .....	1,189	978	1,407
99.0	Reimbursable obligations .....	36	131	67
99.9	Total new obligations .....	1,225	1,109	1,474

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, **[\$2,266,508,000] \$1,640,704,000**, to remain available for obligation until September 30, **[2005] 2006**, of which **\$9,816,000** shall be for the Army National Guard and Army Reserve. (10 U.S.C. 2353, 3013; Department of Defense Appropriations Act, 2003.)

Program and Financing (in millions of dollars)

Identification code 21-2033-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Tracked combat vehicles .....	2,117	2,065	1,644
00.02	Weapons and other combat vehicles .....	81	104	87
00.03	Spare and repair parts .....	23	32	22
09.01	Reimbursable program .....	10	75	52
10.00	Total new obligations .....	2,231	2,276	1,805
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	554	515	506
22.00	New budget authority (gross) .....	2,201	2,267	1,693

**General and special funds—Continued**

**PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES,  
ARMY—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 21–2033–0–1–051	2002 actual	2003 est.	2004 est.
22.10 Resources available from recoveries of prior year obligations	11		
22.21 Unobligated balance transferred to other accounts	–6		
23.90 Total budgetary resources available for obligation	2,760	2,782	2,199
23.95 Total new obligations	–2,231	–2,276	–1,805
23.98 Unobligated balance expiring or withdrawn	–13		
24.40 For completion of prior year budget plans	515	506	393
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation	2,194	2,263	1,641
40.36 Unobligated balance rescinded		–9	
40.72 Reduction pursuant to P.L. 107–117	–15		
40.73 Reduction pursuant to P.L. 107–206	–4		
40.75 Reduction pursuant to P.L. 107–248		–19	
40.76 Reduction pursuant to P.L. 107–206	–4		
41.00 Transferred to other accounts		–22	
43.00 Appropriation (total discretionary)	2,171	2,213	1,641
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash)	7	54	52
68.10 Change in uncollected customer payments from Federal sources (unexpired)	23		
68.90 Spending authority from offsetting collections (total discretionary)	30	54	52
70.00 Total new budget authority (gross)	2,201	2,267	1,693
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	2,460	2,609	2,506
73.10 Total new obligations	2,231	2,276	1,805
73.20 Total outlays (gross)	–2,037	–2,379	–2,179
73.40 Adjustments in expired accounts (net)	–12		
73.45 Recoveries of prior year obligations	–11		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	–23		
74.10 Change in uncollected customer payments from Federal sources (expired)	2		
74.40 Obligated balance, end of year	2,609	2,506	2,133
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	379	364	282
86.93 Outlays from discretionary balances	1,658	2,015	1,897
87.00 Total outlays (gross)	2,037	2,379	2,179
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources	–7	–42	–39
88.40 Offsetting collections, Non-Federal sources, Other	–1	–12	–13
88.90 Total, offsetting collections (cash)	–8	–54	–52
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	–23		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	2,171	2,213	1,641
90.00 Outlays	2,029	2,325	2,127

**Budget Plan (in millions of dollars)**

Identification code 21–2033–0–1–051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0701 Tracked combat vehicles	2,064	2,099	1,538
0702 Weapons and other combat vehicles	76	104	85
0703 Spare and repair parts	28	25	18
0791 Total direct	2,168	2,228	1,641
0801 Reimbursable	30	54	52

0893 Total budget plan	2,198	2,283	1,692
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**Object Classification (in millions of dollars)**

Identification code 21–2033–0–1–051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
22.0 Transportation of things	4	3	2
25.1 Advisory and assistance services	22	20	18
25.2 Other services	2	46	33
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Other purchases of goods and services from Government accounts	216	301	214
25.3 Purchases from revolving funds	47	59	120
26.0 Supplies and materials	68	87	62
31.0 Equipment	1,862	1,684	1,305
99.0 Direct obligations	2,221	2,200	1,754
99.0 Reimbursable obligations	10	76	51
99.9 Total new obligations	2,231	2,276	1,805

**PROCUREMENT OF AMMUNITION, ARMY**

For construction, procurement, production, and modification of ammunition, and accessories thereof; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, **[\$1,253,099,000] \$1,309,966,000**, to remain available for obligation until September 30, **[2005] 2006**, of which **\$173,143,000** shall be for the Army National Guard and Army Reserve. (10 U.S.C. 2353, 3013; Department of Defense Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 21–2034–0–1–051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Ammunition	1,048	932	1,163
00.02 Ammunition production base support	178	147	134
09.01 Reimbursable program	587	701	891
10.00 Total new obligations	1,813	1,780	2,188
<b>Budgetary resources available for obligation:</b>			
21.40 For completion of prior year budget plans	440	452	403
22.00 New budget authority (gross)	1,781	1,732	2,201
22.10 Resources available from recoveries of prior year obligations	34		
22.22 Unobligated balance transferred from other accounts	13		
23.90 Total budgetary resources available for obligation	2,268	2,184	2,604
23.95 Total new obligations	–1,813	–1,780	–2,188
23.98 Unobligated balance expiring or withdrawn	–3		
24.40 Unobligated balance carried forward, end of year	452	403	417
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation	1,200	1,253	1,310
40.36 Unobligated balance rescinded	–28	–23	
40.72 Reduction pursuant to P.L. 107–117	–8		
40.73 Reduction pursuant to P.L. 107–206	–17		
40.75 Reduction pursuant to P.L. 107–248		–10	
40.76 Reduction pursuant to P.L. 107–206	–2		
41.00 Transferred to other accounts		–12	
43.00 Appropriation (total discretionary)	1,145	1,208	1,310
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash)	362	524	891
68.10 Change in uncollected customer payments from Federal sources (unexpired)	274		
68.90 Spending authority from offsetting collections (total discretionary)	636	524	891
70.00 Total new budget authority (gross)	1,781	1,732	2,201

Change in obligated balances:				
72.40	Obligated balance, start of year	1,111	949	1,098
73.10	Total new obligations	1,813	1,780	2,188
73.20	Total outlays (gross)	-1,707	-1,632	-2,106
73.40	Adjustments in expired accounts (net)	-4		
73.45	Recoveries of prior year obligations	-34		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-274		
74.10	Change in uncollected customer payments from Federal sources (expired)	44		
74.40	Obligated balance, end of year	949	1,098	1,180
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	346	778	1,166
86.93	Outlays from discretionary balances	1,361	854	940
87.00	Total outlays (gross)	1,707	1,632	2,106
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-404	-510	-877
88.40	Offsetting collections, Non-Federal sources, Other	-2	-14	-14
88.90	Total, offsetting collections (cash)	-406	-524	-891
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-274		
88.96	Portion of offsetting collections (cash) credited to expired accounts	44		
Net budget authority and outlays:				
89.00	Budget authority	1,145	1,208	1,310
90.00	Outlays	1,301	1,108	1,215

**Budget Plan** (in millions of dollars)

Identification code 21-2034-0-1-051	2002 actual	2003 est.	2004 est.	
Direct:				
0701	Ammunition	979	1,110	1,171
0702	Ammunition production base support	173	124	139
0791	Total direct	1,151	1,234	1,310
0801	Reimbursable	682	524	891
0893	Total budget plan	1,833	1,758	2,201

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 21-2034-0-1-051	2002 actual	2003 est.	2004 est.	
Guaranteed loan levels supportable by subsidy budget authority:				
215001	Loan guarantee levels	39		
215901	Total loan guarantee levels	39		
Guaranteed loan subsidy (in percent):				
232001	Loan guarantee levels	3.34		
232901	Weighted average subsidy rate	3.34		
Guaranteed loan subsidy budget authority:				
233001	Loan guarantee levels	1		
233901	Total subsidy budget authority	1		
Guaranteed loan subsidy outlays:				
234001	Loan guarantee levels	1		
234901	Total subsidy outlays	1		

**Object Classification** (in millions of dollars)

Identification code 21-2034-0-1-051	2002 actual	2003 est.	2004 est.	
Direct obligations:				
22.0	Transportation of things	11	10	12
25.1	Advisory and assistance services	6		
25.2	Other services	31	28	34
Other purchases of goods and services from Government accounts:				
25.3	Other purchases of goods and services from Government accounts	169	150	182
25.3	Purchases from revolving funds	54	48	58
25.4	Operation and maintenance of facilities	107	95	115

26.0	Supplies and materials	845	746	892
31.0	Equipment	4	3	4
99.0	Direct obligations	1,227	1,080	1,297
99.0	Reimbursable obligations	586	700	891
99.9	Total new obligations	1,813	1,780	2,188

**OTHER PROCUREMENT, ARMY**

For construction, procurement, production, and modification of vehicles, including tactical, support, and non-tracked combat vehicles; the purchase of passenger motor vehicles for replacement only; *the purchase of both light armored vehicles not in excess of 12,000 pounds gross vehicle weight and the purchase of 6 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$180,000 per vehicle; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$5,874,674,000 \$4,216,854,000, to remain available for obligation until September 30, 2006, of which \$580,128,000 shall be for the Army National Guard and Army Reserve. (10 U.S.C. 2353, 3013, 4532; Department of Defense Appropriations Act, 2003.)*

**Program and Financing** (in millions of dollars)

Identification code 21-2035-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Tactical and support vehicles	1,039	1,425	841
00.02	Communications and electronics equipment	2,326	2,416	2,326
00.03	Other support equipment	1,095	1,505	1,115
00.04	Spare and repair parts	41	55	46
09.01	Reimbursable program	25	70	88
10.00	Total new obligations	4,526	5,471	4,416
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	599	490	758
22.00	New budget authority (gross)	4,233	5,739	4,305
22.10	Resources available from recoveries of prior year obligations	197		
22.21	Unobligated balance transferred to other accounts	-3		
23.90	Total budgetary resources available for obligation	5,026	6,229	5,063
23.95	Total new obligations	-4,526	-5,471	-4,416
23.98	Unobligated balance expiring or withdrawn	-10		
24.40	For completion of prior year budget plans	490	758	647

**New budget authority (gross), detail:**

Discretionary:				
40.00	Appropriation	4,263	5,804	4,217
40.36	Unobligated balance rescinded	-29	-29	
40.72	Reduction pursuant to P.L. 107-117	-29		
40.73	Reduction pursuant to P.L. 107-206	-2		
40.75	Reduction pursuant to P.L. 107-248		-45	
40.76	Reduction pursuant to P.L. 107-206	-9		
41.00	Transferred to other accounts		-55	
42.00	Transferred from other accounts	20		
43.00	Appropriation (total discretionary)	4,214	5,675	4,217
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	17	64	88
68.10	Change in uncollected customer payments from Federal sources (unexpired)	2		
68.90	Spending authority from offsetting collections (total discretionary)	19	64	88
70.00	Total new budget authority (gross)	4,233	5,739	4,305

**Change in obligated balances:**

72.40	Obligated balance, start of year	3,999	4,103	4,802
73.10	Total new obligations	4,526	5,471	4,416
73.20	Total outlays (gross)	-4,224	-4,772	-4,979
73.40	Adjustments in expired accounts (net)	-23		

**General and special funds—Continued**

**OTHER PROCUREMENT, ARMY—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 21-2035-0-1-051	2002 actual	2003 est.	2004 est.
73.45 Recoveries of prior year obligations .....	-197		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	22		
74.40 Obligated balance, end of year .....	4,103	4,802	4,239
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,286	1,767	1,353
86.93 Outlays from discretionary balances .....	2,938	3,005	3,626
87.00 Total outlays (gross) .....	4,224	4,772	4,979
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-27	-56	-74
88.40 Offsetting collections, Non-Federal sources, Other .....	-10	-8	-14
88.90 Total, offsetting collections (cash) .....	-37	-64	-88
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	20		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4,214	5,675	4,217
90.00 Outlays .....	4,187	4,708	4,891

**Budget Plan (in millions of dollars)**

Identification code 21-2035-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0701 Tactical and support vehicles .....	997	1,519	788
0702 Communications and electronics equipment .....	2,171	2,600	2,301
0703 Other support equipment .....	1,007	1,544	1,082
0704 Spare and repair parts .....	37	53	46
0791 Total direct .....	4,213	5,716	4,217
0801 Reimbursable .....	24	64	88
0893 Total budget plan .....	4,237	5,780	4,304

**Object Classification (in millions of dollars)**

Identification code 21-2035-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons .....		1	1
22.0 Transportation of things .....	19	16	14
23.3 Communications, utilities, and miscellaneous charges .....	1		
25.1 Advisory and assistance services .....	219	46	52
25.2 Other services .....	68	4	3
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts .....	573	545	479
25.3 Purchases from revolving funds .....	4	118	157
26.0 Supplies and materials .....	72	101	89
31.0 Equipment .....	3,545	4,571	3,535
99.0 Direct obligations .....	4,501	5,402	4,330
99.0 Reimbursable obligations .....	25	69	86
99.9 Total new obligations .....	4,526	5,471	4,416

**AIRCRAFT PROCUREMENT, NAVY**

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such

lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, **[\$8,812,855,000] \$8,788,148,000**, to remain available for obligation until September 30, **[2005] 2006**, of which **\$80,225,000 shall be for the Navy Reserve and the Marine Corps Reserve. (10 U.S.C. 5013, 5063, 7201, 7341; Department of Defense Appropriations Act, 2003.)**

**Program and Financing (in millions of dollars)**

Identification code 17-1506-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Combat aircraft .....	5,015	4,617	5,109
00.02 Airlift aircraft .....	51	63	75
00.03 Trainer aircraft .....	199	221	335
00.04 Other aircraft .....	155	265	106
00.05 Modification of aircraft .....	1,337	1,618	1,336
00.06 Aircraft spares and repair parts .....	1,339	1,037	1,151
00.07 Aircraft support equipment and facilities .....	479	497	530
09.01 Reimbursable program .....	1	7	7
10.00 Total new obligations .....	8,576	8,325	8,649
<b>Budgetary resources available for obligation:</b>			
21.40 For completion of prior year budget plans .....	1,913	1,297	1,607
22.00 New budget authority (gross) .....	7,987	8,634	8,795
22.10 Resources available from recoveries of prior year obligations .....	5		
23.90 Total budgetary resources available for obligation .....	9,905	9,931	10,402
23.95 Total new obligations .....	-8,576	-8,325	-8,649
23.98 Unobligated balance expiring or withdrawn .....	-32		
24.40 Unobligated balance carried forward, end of year .....	1,297	1,607	1,753

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	7,961	8,790	8,788
40.36 Unobligated balance rescinded .....	-9		
40.72 Reduction pursuant to P.L. 107-117 .....	-65		
40.73 Reduction pursuant to P.L. 107-206 .....	-19		
40.75 Reduction pursuant to P.L. 107-248 .....		-71	
40.76 Reduction pursuant to P.L. 107-206 .....	-16		
41.00 Transferred to other accounts .....		-93	
42.00 Transferred from other accounts .....	135	1	
43.00 Appropriation (total discretionary) .....	7,987	8,627	8,788
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	-5	7	7
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	5		
68.90 Spending authority from offsetting collections (total discretionary) .....		7	7
70.00 Total new budget authority (gross) .....	7,987	8,634	8,795

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	10,022	10,088	10,514
73.10 Total new obligations .....	8,576	8,325	8,649
73.20 Total outlays (gross) .....	-8,484	-7,898	-8,412
73.40 Adjustments in expired accounts (net) .....	-16		
73.45 Recoveries of prior year obligations .....	-5		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-5		
74.40 Obligated balance, end of year .....	10,088	10,514	10,750

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1,600	1,560	1,589
86.93 Outlays from discretionary balances .....	6,884	6,338	6,823
87.00 Total outlays (gross) .....	8,484	7,898	8,412

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from: Federal sources			
88.00	5	-7	-7
Against gross budget authority only:			
Change in uncollected customer payments from Federal sources (unexpired) .....			
88.95	-5		

**Net budget authority and outlays:**

89.00 Budget authority .....	7,987	8,627	8,788
90.00 Outlays .....	8,489	7,891	8,405

**Budget Plan** (in millions of dollars)

Identification code 17-1506-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0701 Combat aircraft .....	4,446	5,024	5,285
0702 Airlift aircraft .....	7	70	80
0703 Trainer aircraft .....	211	242	364
0704 Other aircraft .....	155	310	81
0705 Modification of aircraft .....	1,348	1,397	1,279
0706 Aircraft spares and repair parts .....	1,326	1,066	1,158
0707 Aircraft support equipment and facilities .....	500	539	542
0791 Total direct .....	7,993	8,649	8,788
0801 Reimbursable .....		7	7
0893 Total budget plan .....	7,993	8,656	8,795

**Object Classification** (in millions of dollars)

Identification code 17-1506-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.1 Advisory and assistance services .....	112	103	111
25.3 Purchases from other Govt acct—revolving funds .....	646	335	434
26.0 Supplies and materials .....	6	4	3
31.0 Equipment .....	7,811	7,876	8,094
99.0 Direct obligations .....	8,575	8,318	8,642
99.0 Reimbursable obligations .....	1	7	7
99.9 Total new obligations .....	8,576	8,325	8,649

**WEAPONS PROCUREMENT, NAVY**

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, **[\$1,868,517,000] \$1,991,821,000**, to remain available for obligation until September 30, **[2005] 2006**. (10 U.S.C. 5013, 5062; Department of Defense Appropriations Act, 2003.)

**Program and Financing** (in millions of dollars)

Identification code 17-1507-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Ballistic missiles .....	493	523	641
00.02 Other missiles .....	685	923	1,000
00.03 Torpedoes and related equipment .....	105	136	161
00.04 Other weapons .....	65	85	89
00.06 Spares and repair parts .....	48	57	49
09.01 Reimbursable program .....	1	10	10
10.00 Total new obligations .....	1,397	1,734	1,950
<b>Budgetary resources available for obligation:</b>			
21.40 For completion of prior year budget plans .....	278	254	360
22.00 New budget authority (gross) .....	1,391	1,840	2,002
22.10 Resources available from recoveries of prior year obligations .....	1		
22.22 Unobligated balance transferred from other accounts .....	1		
23.90 Total budgetary resources available for obligation .....	1,671	2,094	2,362
23.95 Total new obligations .....	-1,397	-1,734	-1,950
23.98 Unobligated balance expiring or withdrawn .....	-19		
24.40 Unobligated balance carried forward, end of year .....	254	360	414

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	1,430	1,864	1,992
40.36 Unobligated balance rescinded .....	-20		
40.72 Reduction pursuant to P.L. 107-117 .....	-12		
40.73 Reduction pursuant to P.L. 107-206 .....	-7		
40.75 Reduction pursuant to P.L. 107-248 .....		-14	
40.76 Reduction pursuant to P.L. 107-206 .....	-3		
41.00 Transferred to other accounts .....		-20	
42.00 Transferred from other accounts .....	2		

43.00 Appropriation (total discretionary) .....	1,390	1,829	1,992
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	2	10	10
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
68.90 Spending authority from offsetting collections (total discretionary) .....	1	10	10
70.00 Total new budget authority (gross) .....	1,391	1,840	2,002
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,021	1,853	2,057
73.10 Total new obligations .....	1,397	1,734	1,950
73.20 Total outlays (gross) .....	-1,587	-1,530	-1,724
73.40 Adjustments in expired accounts (net) .....	-21		
73.45 Recoveries of prior year obligations .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	44		
74.40 Obligated balance, end of year .....	1,853	2,057	2,281

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	387	492	533
86.93 Outlays from discretionary balances .....	1,200	1,038	1,191
87.00 Total outlays (gross) .....	1,587	1,530	1,724

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-18	-10	-10
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	16		

**Net budget authority and outlays:**

89.00 Budget authority .....	1,390	1,830	1,992
90.00 Outlays .....	1,567	1,520	1,714

**Budget Plan** (in millions of dollars)

Identification code 17-1507-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0701 Ballistic missiles .....	536	576	677
0702 Other missiles .....	639	968	1,016
0703 Torpedoes and related equipment .....	116	150	164
0704 Other weapons .....	74	85	87
0706 Spares and repair parts .....	49	54	49
0791 Total direct .....	1,413	1,833	1,992
0801 Reimbursable .....		10	10
0893 Total budget plan .....	1,413	1,843	2,002

**Object Classification** (in millions of dollars)

Identification code 17-1507-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
22.0 Transportation of things .....	7	9	10
25.1 Advisory and assistance services .....	19	15	19
25.2 Other services .....		11	28
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Other purchases of goods and services from Government accounts .....		57	7
25.3 Purchases from revolving funds .....	168	172	174
31.0 Equipment .....	1,202	1,460	1,702
99.0 Direct obligations .....	1,396	1,724	1,940
99.0 Reimbursable obligations .....	1	10	10
99.9 Total new obligations .....	1,397	1,734	1,950

**PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS**

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States

**General and special funds—Continued**

**PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS—  
Continued**

Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, **[\$1,165,730,000]** \$922,355,000, to remain available for obligation until September 30, **[2005]** 2006, of which \$25,809,000 shall be available for the Navy Reserve and Marine Corps Reserve. (Department of Defense Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 17-1508-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Ammunition, Navy .....	579	751	689
00.02 Ammunition, Marine Corps .....	158	282	229
09.01 Reimbursable program .....	8	25	25
10.00 Total new obligations .....	744	1,058	943
<b>Budgetary resources available for obligation:</b>			
21.40 For completion of prior year budget plans .....	80	73	185
22.00 New budget authority (gross) .....	727	1,170	947
22.10 Resources available from recoveries of prior year obligations .....	11		
23.90 Total budgetary resources available for obligation .....	817	1,243	1,132
23.95 Total new obligations .....	-744	-1,058	-943
24.40 For completion of prior year budget plans .....	73	185	189
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	723	1,165	922
40.72 Reduction pursuant to P.L. 107-117 .....	-4		
40.73 Reduction pursuant to P.L. 107-206 .....	-2		
40.75 Reduction pursuant to P.L. 107-248 .....		-8	
40.76 Reduction pursuant to P.L. 107-206 .....	-1		
41.00 Transferred to other accounts .....		-12	
42.00 Transferred from other accounts .....	1		
43.00 Appropriation (total discretionary) .....	717	1,144	922
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	3	25	25
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	7		
68.90 Spending authority from offsetting collections (total discretionary) .....	10	25	25
70.00 Total new budget authority (gross) .....	727	1,170	947
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	836	940	1,280
73.10 Total new obligations .....	744	1,058	943
73.20 Total outlays (gross) .....	-617	-718	-934
73.40 Adjustments in expired accounts (net) .....	-5		
73.45 Recoveries of prior year obligations .....	-11		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-7		
74.40 Obligated balance, end of year .....	940	1,280	1,289
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	97	174	145
86.93 Outlays from discretionary balances .....	522	544	789
87.00 Total outlays (gross) .....	617	718	934
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-25	-25
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-7		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	717	1,145	922
90.00 Outlays .....	615	693	909

**Budget Plan (in millions of dollars)**

Identification code 17-1508-0-1-051	2002 actual	2003 est.	2004 est.
Direct:			
0701 Ammunition, Navy .....	571	865	690
0702 Ammunition, Marine Corps .....	147	281	232
0791 Subtotal .....	718	1,146	922
0801 Reimbursable program .....		25	25
0893 Total budget plan .....	718	1,171	947

**Object Classification (in millions of dollars)**

Identification code 17-1508-0-1-051	2002 actual	2003 est.	2004 est.
Direct obligations:			
25.1 Advisory and assistance services .....		5	4
25.3 Other purchases of goods and services from Government accounts .....	72	195	163
31.0 Equipment .....	664	833	751
99.0 Direct obligations .....	736	1,033	918
99.0 Reimbursable obligations .....	8	25	25
99.9 Total new obligations .....	744	1,058	943

**SHIPBUILDING AND CONVERSION, NAVY**

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, [as follows:

- Carrier Replacement Program, \$90,000,000;
- Carrier Replacement Program (AP), \$403,703,000;
- NSSN, \$1,499,152,000;
- NSSN (AP), \$645,209,000;
- SSGN, \$404,305,000;
- SSGN (AP), \$421,000,000;
- CVN Refuelings (AP), \$221,781,000;
- Submarine Refuelings, \$435,792,000;
- Submarine Refuelings (AP), \$64,000,000;
- DDG-51 Destroyer, \$2,321,502,000;
- LPD-17, \$596,492,000;
- LHD-8, \$243,000,000;
- LCAC Landing Craft Air Cushion, \$89,638,000;
- Mine Hunter SWATH, \$7,000,000;
- Prior year shipbuilding costs, \$1,279,899,000;
- Service Craft, \$9,756,000; and

For outfitting, post delivery, conversions, and first destination transportation, \$300,608,000;

In all: **[\$9,032,837,000]** \$11,438,984,000, to remain available for obligation until September 30, **[2007]** 2008: *Provided*, That additional obligations may be incurred after September 30, **[2007]** 2008, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: *Provided further*, That none of the funds provided under this heading for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: *Provided further*, That none of the funds provided under this heading shall be used for the construction of any naval vessel in foreign shipyards. (10 U.S.C. 5013, 5062; Department of Defense Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 17-1611-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Other warships .....	8,474	8,129	8,347
00.03 Amphibious ships .....	1,078	1,202	1,359
00.05 Auxiliaries, craft, and prior-year program costs .....	325	527	808

10.00	Total new obligations .....	9,877	9,858	10,514
<b>Budgetary resources available for obligation:</b>				
21.40	For completion of prior year budget plans .....	7,406	5,591	4,782
22.00	New budget authority (gross) .....	9,180	9,050	11,439
22.10	Resources available from recoveries of prior year obligations .....	104		
22.21	Unobligated balance transferred to other accounts .....	-867		
22.22	Unobligated balance transferred from other accounts .....	103		
23.90	Total budgetary resources available for obligation .....	15,926	14,641	16,221
23.95	Total new obligations .....	-9,877	-9,858	-10,514
23.98	Unobligated balance expiring or withdrawn .....	-458		
24.40	Unobligated balance carried forward, end of year .....	5,591	4,782	5,707

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	9,490	9,017	11,439
40.72	Reduction pursuant to P.L. 107-117 .....	-66		
40.75	Reduction pursuant to P.L. 107-248 .....		-74	
40.76	Reduction pursuant to P.L. 107-206 .....	-18		
41.00	Transferred to other accounts .....	-378	-71	
42.00	Transferred from other accounts .....	152	178	
43.00	Appropriation (total discretionary) .....	9,180	9,049	11,439
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	30		
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-30		
68.90	Spending authority from offsetting collections (total discretionary) .....			
70.00	Total new budget authority (gross) .....	9,180	9,050	11,439

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	17,558	19,025	20,929
73.10	Total new obligations .....	9,877	9,858	10,514
73.20	Total outlays (gross) .....	-8,317	-7,954	-7,706
73.40	Adjustments in expired accounts (net) .....	-20		
73.45	Recoveries of prior year obligations .....	-104		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	30		
74.40	Obligated balance, end of year .....	19,025	20,929	23,738

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	1,502	871	1,062
86.93	Outlays from discretionary balances .....	6,815	7,083	6,644
87.00	Total outlays (gross) .....	8,317	7,954	7,706

<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources Against gross budget authority only: .....	-30		
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	30		

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	9,180	9,050	11,439
90.00	Outlays .....	8,286	7,954	7,706

**Budget Plan (in millions of dollars)**

Identification code 17-1611-0-1-051	2002 actual	2003 est.	2004 est.
0702 Other warships .....	8,432	7,282	8,807
0703 Amphibious ships .....	501	1,392	1,547
0705 Auxiliaries, craft, and prior-year program costs .....	345	399	1,085
0893 Total budget plan .....	9,278	9,073	11,439

**Object Classification (in millions of dollars)**

Identification code 17-1611-0-1-051	2002 actual	2003 est.	2004 est.
22.0 Transportation of things .....	3		3
25.1 Advisory and assistance services .....	73	62	56
25.2 Other services .....	712	673	804
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts .....	194	46	355
25.3 Purchases from revolving funds .....	902	814	1,443
25.5 Research and development contracts .....	1		
26.0 Supplies and materials .....	62	43	87

31.0	Equipment .....	7,930	8,220	7,766
99.9	Total new obligations .....	9,877	9,858	10,514

**OTHER PROCUREMENT, NAVY**

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of passenger motor vehicles for replacement only, *the purchase of both light armored vehicles not in excess of 12,000 pounds gross vehicle weight* and the purchase of 3 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$240,000 per unit for one unit and not to exceed \$125,000 per unit for the remaining two units; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, **[\$4,612,910,000] \$4,679,443,000**, to remain available for obligation until September 30, **[2005] 2006**, of which **\$49,527,000** shall be for the Navy Reserve. (10 U.S.C. 5013, 5063; Department of Defense Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 17-1810-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Ships support equipment .....	758	1,057	1,099
00.02	Communications and electronics equipment .....	1,507	1,739	1,968
00.03	Aviation support equipment .....	239	228	251
00.04	Ordnance support equipment .....	563	575	588
00.05	Civil engineering support equipment .....	87	158	103
00.06	Supply support equipment .....	462	169	113
00.07	Personnel and command support equipment .....	248	317	247
00.08	Spares and repair parts .....	206	206	239
09.01	Reimbursable program .....	124	47	222
10.00	Total new obligations .....	4,194	4,496	4,830

<b>Budgetary resources available for obligation:</b>				
21.40	For completion of prior year budget plans .....	480	547	612
22.00	New budget authority (gross) .....	4,270	4,561	4,899
22.10	Resources available from recoveries of prior year obligations .....	2		
23.90	Total budgetary resources available for obligation .....	4,752	5,108	5,511
23.95	Total new obligations .....	-4,194	-4,496	-4,830
23.98	Unobligated balance expiring or withdrawn .....	-13		
24.40	Unobligated balance carried forward, end of year .....	547	612	679

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	4,273	4,585	4,679
40.36	Unobligated balance rescinded .....	-23	-5	
40.72	Reduction pursuant to P.L. 107-117 .....	-37		
40.73	Reduction pursuant to P.L. 107-206 .....	-6		
40.75	Reduction pursuant to P.L. 107-248 .....		-37	
40.76	Reduction pursuant to P.L. 107-206 .....	-9		
41.00	Transferred to other accounts .....	-93	-56	
42.00	Transferred from other accounts .....	49	32	
43.00	Appropriation (total discretionary) .....	4,154	4,519	4,679

Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	179	42	220
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-63		
68.90	Spending authority from offsetting collections (total discretionary) .....	116	42	220
70.00	Total new budget authority (gross) .....	4,270	4,561	4,899

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	3,322	3,520	3,654
73.10	Total new obligations .....	4,194	4,496	4,830
73.20	Total outlays (gross) .....	-4,030	-4,363	-4,462
73.40	Adjustments in expired accounts (net) .....	-21		
73.45	Recoveries of prior year obligations .....	-2		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	63		

**General and special funds—Continued**

**OTHER PROCUREMENT, NAVY—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 17-1810-0-1-051	2002 actual	2003 est.	2004 est.
74.10 Change in uncollected customer payments from Federal sources (expired) .....	-5		
74.40 Obligated balance, end of year .....	3,520	3,654	4,024
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,538	1,691	1,928
86.93 Outlays from discretionary balances .....	2,492	2,672	2,534
87.00 Total outlays (gross) .....	4,030	4,363	4,462
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	24	-12	-12
88.40 Offsetting collections, Non-Federal sources, Other .....	-195	-30	-208
88.90 Total, offsetting collections (cash) .....	-171	-42	-220
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	63		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	-8		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4,154	4,519	4,679
90.00 Outlays .....	3,859	4,321	4,242

**Budget Plan (in millions of dollars)**

Identification code 17-1810-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0701 Ship support equipment .....	768	1,152	1,135
0702 Communications and electronics equipment .....	1,511	1,711	2,003
0703 Aviation support equipment .....	244	248	253
0704 Ordnance support equipment .....	592	592	600
0705 Civil engineering support equipment .....	97	168	95
0706 Supply support equipment .....	456	169	110
0707 Personnel and command support equipment .....	258	317	237
0708 Spares and repair parts .....	247	180	248
0791 Total direct .....	4,173	4,535	4,679
0801 Reimbursable .....	37	42	220
0893 Total budget plan .....	4,210	4,577	4,899

**Object Classification (in millions of dollars)**

Identification code 17-1810-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
22.0 Transportation of things .....	10	14	13
25.1 Advisory and assistance services .....	37	21	26
25.2 Other services .....	397	108	289
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts .....	138	190	174
25.3 Purchases from revolving funds .....	1,240	955	1,559
26.0 Supplies and materials .....	32	17	58
31.0 Equipment .....	2,216	3,144	2,489
99.0 Direct obligations .....	4,070	4,449	4,608
99.0 Reimbursable obligations .....	124	47	222
99.9 Total new obligations .....	4,194	4,496	4,830

**COASTAL DEFENSE AUGMENTATION**

**Program and Financing (in millions of dollars)**

Identification code 17-0380-0-1-051	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		1

24.40 Unobligated balance carried forward, end of year .....	1		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	56	56	56
74.40 Obligated balance, end of year .....	56	56	56

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

**PROCUREMENT, MARINE CORPS**

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of passenger motor vehicles for replacement only and the purchase of light armored vehicles not in excess of 12,000 pounds gross vehicle weight required for the physical security of personnel, notwithstanding price limitations applicable to passenger vehicles; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, **[\$1,388,583,000] \$1,070,999,000**, to remain available for obligation until September 30, **[2005] 2006**, of which **\$66,849,000** shall be for the Marine Corps Reserve. (10 U.S.C. 5013; Department of Defense Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 17-1109-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Weapons and combat vehicles .....	116	144	273
00.03 Guided missiles and equipment .....	50	54	37
00.04 Communications and electronics equipment .....	318	356	355
00.05 Support vehicles .....	447	401	174
00.06 Engineer and other equipment .....	191	220	174
00.07 Spares and repair parts .....	26	24	19
09.01 Reimbursable program .....		9	9
10.00 Total new obligations .....	1,147	1,208	1,041
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	320	119	275
22.00 New budget authority (gross) .....	939	1,365	1,080
22.10 Resources available from recoveries of prior year obligations .....	8		
23.90 Total budgetary resources available for obligation .....	1,267	1,484	1,355
23.95 Total new obligations .....	-1,147	-1,208	-1,041
24.40 Unobligated balance carried forward, end of year .....	119	275	315

<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	999	1,383	1,071
40.36 Unobligated balance rescinded .....	-1		
40.72 Reduction pursuant to P.L. 107-117 .....	-9		
40.73 Reduction pursuant to P.L. 107-206 .....	-5		
40.75 Reduction pursuant to P.L. 107-248 .....		-10	
40.76 Reduction pursuant to P.L. 107-206 .....	-2		
41.00 Transferred to other accounts .....	-46	-17	
42.00 Transferred from other accounts .....	3		
43.00 Appropriation (total discretionary) .....	939	1,355	1,071
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		9	9
70.00 Total new budget authority (gross) .....	939	1,365	1,080

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,225	959	1,096
73.10 Total new obligations .....	1,147	1,208	1,041
73.20 Total outlays (gross) .....	-1,386	-1,071	-1,128
73.40 Adjustments in expired accounts (net) .....	-19		
73.45 Recoveries of prior year obligations .....	-8		
74.40 Obligated balance, end of year .....	959	1,096	1,009

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	364	416	331
86.93 Outlays from discretionary balances .....	1,022	655	797

87.00	Total outlays (gross) .....	1,386	1,071	1,128
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....		- 9	- 9
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	939	1,356	1,071
90.00	Outlays .....	1,386	1,062	1,119

**Budget Plan (in millions of dollars)**

Identification code 17-1109-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
0702	Weapons and combat vehicles .....	132	246	297
0703	Guided missiles and equipment .....	4	46	40
0704	Communications and electronics equipment .....	200	358	387
0705	Support vehicles .....	417	474	148
0706	Engineer and other equipment .....	163	211	180
0707	Spares and repair parts .....	26	23	20
0791	Total direct .....	942	1,358	1,071
0801	Reimbursable .....		9	9
0893	Total budget plan .....	942	1,367	1,080

**Object Classification (in millions of dollars)**

Identification code 17-1109-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
25.1	Advisory and assistance services .....	10	10	18
25.3	Purchases from revolving funds .....	50	55	48
26.0	Supplies and materials .....	26	23	21
31.0	Equipment .....	1,061	1,111	945
99.0	Direct obligations .....	1,147	1,199	1,032
99.0	Reimbursable obligations .....		9	9
99.9	Total new obligations .....	1,147	1,208	1,041

**AIRCRAFT PROCUREMENT, AIR FORCE**

For construction, procurement, [lease,] and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment lay-away; and other expenses necessary for the foregoing purposes including rents and transportation of things, **[\$13,137,255,000]** \$12,079,360,000, to remain available for obligation until September 30, **[2005: Provided, That amounts provided under this heading shall be used for the advance procurement of 15 C-17 aircraft.] 2006, of which \$389,000,000 shall be available for the Air Force National Guard and Air Force Reserve. (10 U.S.C. 2271-79, 2353, 2386, 2663, 2672, 2672a, 8013, 8062, 9501-02, 9532, 9741-42; 50 U.S.C. 451, 453, 455; Department of Defense Appropriations Act, 2003.)**

**Program and Financing (in millions of dollars)**

Identification code 57-3010-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Combat aircraft .....	3,045	4,004	4,017
00.02	Airlift aircraft .....	3,739	4,124	3,788
00.03	Trainer aircraft .....	214	196	263
00.04	Other aircraft .....	485	801	741
00.05	Modification of in-service aircraft .....	1,836	1,945	1,880
00.06	Aircraft spares and repair parts .....	203	357	232
00.07	Aircraft support equipment and facilities .....	891	779	792
09.01	Reimbursable program .....	74	54	50
10.00	Total new obligations .....	10,487	12,260	11,763
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	1,400	1,500	2,105
22.00	New budget authority (gross) .....	10,559	12,865	12,129

22.10	Resources available from recoveries of prior year obligations .....	48		
22.21	Unobligated balance transferred to other accounts .....	- 7		
23.90	Total budgetary resources available for obligation .....	12,001	14,365	14,234
23.95	Total new obligations .....	- 10,487	- 12,260	- 11,763
23.98	Unobligated balance expiring or withdrawn .....	- 14		
24.40	For completion of prior year budget plans .....	1,500	2,105	2,470

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation .....	10,685	13,128	12,079
40.35	Appropriation rescinded .....	- 25		
40.36	Unobligated balance rescinded .....	- 72		
40.72	Reduction pursuant to P.L. 107-117 .....	- 73		
40.75	Reduction pursuant to P.L. 107-248 .....		- 103	
40.76	Reduction pursuant to P.L. 107-206 .....	- 22		
41.00	Transferred to other accounts .....	- 25	- 230	
42.00	Transferred from other accounts .....	33	20	
43.00	Appropriation (total discretionary) .....	10,501	12,814	12,079
<b>Spending authority from offsetting collections:</b>				
68.00	Spending authority from offsetting collections (new) .....	64	50	50
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	- 6		
68.90	Spending authority from offsetting collections (total discretionary) .....	58	50	50
70.00	Total new budget authority (gross) .....	10,559	12,865	12,129

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	11,168	11,029	12,599
73.10	Total new obligations .....	10,487	12,260	11,763
73.20	Total outlays (gross) .....	- 10,486	- 10,689	- 11,705
73.40	Adjustments in expired accounts (net) .....	- 100		
73.45	Recoveries of prior year obligations .....	- 48		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	6		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	1		
74.40	Obligated balance, end of year .....	11,029	12,599	12,657

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	2,827	3,382	3,191
86.93	Outlays from discretionary balances .....	7,658	7,307	8,514
87.00	Total outlays (gross) .....	10,486	10,689	11,705

**Offsets:**

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	- 106	- 5	- 5
88.40	Offsetting collections, Non-Federal sources, Other .....	45	- 45	- 45
88.90	Total, offsetting collections (cash) .....	- 61	- 50	- 50
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	6		
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	- 3		

**Net budget authority and outlays:**

89.00	Budget authority .....	10,501	12,815	12,079
90.00	Outlays .....	10,425	10,639	11,655

**Budget Plan (in millions of dollars)**

Identification code 57-3010-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
0701	Combat aircraft .....	3,031	4,457	4,225
0702	Airlift aircraft .....	3,811	4,509	3,905
0703	Trainer aircraft .....	223	204	281
0704	Other aircraft .....	691	727	730
0705	Modification of in-service aircraft .....	1,738	1,879	1,919
0706	Aircraft spares and repair parts .....	295	274	202
0707	Aircraft support equipment and facilities .....	756	793	818
0791	Total direct .....	10,544	12,843	12,079
0801	Reimbursable .....	78	50	50
0893	Total budget plan .....	10,622	12,893	12,129

**General and special funds—Continued**

**AIRCRAFT PROCUREMENT, AIR FORCE—Continued**

**Object Classification (in millions of dollars)**

Identification code 57-3010-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.1 Advisory and assistance services .....	38	39	37
31.0 Equipment .....	10,375	12,167	11,676
99.0 Direct obligations .....	10,413	12,206	11,713
99.0 Reimbursable obligations .....	74	54	50
99.9 Total new obligations .....	10,487	12,260	11,763

**MISSILE PROCUREMENT, AIR FORCE**

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, **[\$3,174,739,000] \$4,393,039,000**, to remain available for obligation until September 30, **[2005] 2006**. (10 U.S.C. 1905, 2271-79, 2363, 2386, 2653, 2672, 2672a, 8013, 8062, 9501-02, 9531-32, 9741-42; 50 U.S.C. 451, 453, 455; Department of Defense Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 57-3020-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Ballistic missiles .....	28	42	47
00.02 Other missiles .....	196	189	334
00.03 Modification of inservice missiles .....	534	550	578
00.04 Spares and repair parts .....	55	50	71
00.05 Other support .....	2,104	1,896	3,041
09.01 Reimbursable program .....	13	76	75
10.00 Total new obligations .....	2,930	2,803	4,146
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	475	327	613
22.00 New budget authority (gross) .....	2,774	2,981	4,468
22.10 Resources available from recoveries of prior year obligations .....	15	108	
23.90 Total budgetary resources available for obligation	3,264	3,416	5,081
23.95 Total new obligations .....	-2,930	-2,803	-4,146
23.98 Unobligated balance expiring or withdrawn .....	-7		
24.40 Unobligated balance carried forward, end of year .....	327	613	935
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	2,990	3,169	4,393
40.35 Appropriation rescinded .....	-12		
40.36 Unobligated balance rescinded .....	-58	-208	
40.72 Reduction pursuant to P.L. 107-117 .....	-21		
40.75 Reduction pursuant to P.L. 107-248 .....		-30	
40.76 Reduction pursuant to P.L. 107-206 .....	-6		
41.00 Transferred to other accounts .....	-133	-25	
43.00 Appropriation (total discretionary) .....	2,760	2,905	4,393
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	11	75	75
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	3		
68.90 Spending authority from offsetting collections (total discretionary) .....	14	75	75
70.00 Total new budget authority (gross) .....	2,774	2,981	4,468
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,487	2,631	2,549
73.10 Total new obligations .....	2,930	2,803	4,146

73.20 Total outlays (gross) .....	-2,731	-2,777	-3,466
73.40 Adjustments in expired accounts (net) .....	-38		
73.45 Recoveries of prior year obligations .....	-15	-108	
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	1		
74.40 Obligated balance, end of year .....	2,631	2,549	3,229

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1,062	1,051	1,729
86.93 Outlays from discretionary balances .....	1,669	1,726	1,737
87.00 Total outlays (gross) .....	2,731	2,777	3,466

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-12	-59	-59
88.40 Offsetting collections, Non-Federal sources, Other .....		-16	-16
88.90 Total, offsetting collections (cash) .....	-12	-75	-75
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	1		

**Net budget authority and outlays:**

89.00 Budget authority .....	2,760	2,906	4,393
90.00 Outlays .....	2,719	2,702	3,391

**Budget Plan (in millions of dollars)**

Identification code 57-3020-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0701 Ballistic missiles .....	30	48	51
0702 Other missiles .....	189	222	382
0703 Modification of inservice missiles .....	545	595	622
0704 Spares and repair parts .....	58	48	78
0705 Other support .....	1,874	2,210	3,260
0791 Total direct .....	2,695	3,121	4,393
0801 Reimbursable .....	13	75	75
0893 Total budget plan .....	2,708	3,196	4,468

**Object Classification (in millions of dollars)**

Identification code 57-3020-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.1 Advisory and assistance services .....	31	34	22
31.0 Equipment .....	2,886	2,693	4,049
99.0 Direct obligations .....	2,917	2,727	4,072
99.0 Reimbursable obligations .....	13	76	75
99.9 Total new obligations .....	2,930	2,803	4,146

**PROCUREMENT OF AMMUNITION, AIR FORCE**

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, **[\$1,288,164,000] \$1,284,725,000**, to remain available for obligation until September 30, **[2005] 2006**, of which \$166,000,000 shall be available for the Air National Guard and Air Force Reserve. (Department of Defense Appropriations Act, 2003.)

**Program and Financing** (in millions of dollars)

Identification code 57-3011-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Ammunition .....	944	1,192	1,243
00.02 Weapons .....	2	4	17
09.01 Reimbursable program .....	1	16	13
10.00 Total new obligations .....	947	1,212	1,273
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	71	91	157
22.00 New budget authority (gross) .....	968	1,277	1,298
22.10 Resources available from recoveries of prior year obligations .....	6		
23.90 Total budgetary resources available for obligation	1,045	1,368	1,455
23.95 Total new obligations .....	-947	-1,212	-1,273
23.98 Unobligated balance expiring or withdrawn .....	-7		
24.40 Unobligated balance carried forward, end of year .....	91	157	181

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	982	1,288	1,285
40.36 Unobligated balance rescinded .....	-6		
40.72 Reduction pursuant to P.L. 107-117 .....	-6		
40.75 Reduction pursuant to P.L. 107-248 .....		-10	
40.76 Reduction pursuant to P.L. 107-206 .....	-2		
41.00 Transferred to other accounts .....		-14	
43.00 Appropriation (total discretionary) .....	968	1,265	1,285
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	2	13	13
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
68.90 Spending authority from offsetting collections (total discretionary) .....		13	13
70.00 Total new budget authority (gross) .....	968	1,277	1,298

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	888	1,170	1,544
73.10 Total new obligations .....	947	1,212	1,273
73.20 Total outlays (gross) .....	-671	-838	-1,164
73.40 Adjustments in expired accounts (net) .....	15		
73.45 Recoveries of prior year obligations .....	-6		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	-5		
74.40 Obligated balance, end of year .....	1,170	1,544	1,653

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	36	108	109
86.93 Outlays from discretionary balances .....	635	730	1,055
87.00 Total outlays (gross) .....	671	838	1,164

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-2		
88.40 Offsetting collections, Non-Federal sources, Other .....		-13	-13
88.90 Total, offsetting collections (cash) .....	-2	-13	-13
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	2		

**Net budget authority and outlays:**

89.00 Budget authority .....	968	1,264	1,285
90.00 Outlays .....	668	825	1,151

**Budget Plan** (in millions of dollars)

Identification code 57-3011-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0701 Ammunition .....	969	1,263	1,266
0702 Weapons .....	2	4	19
0791 Total direct .....	971	1,267	1,285
0801 Reimbursable .....	3	13	13

0893 Total budget plan .....	974	1,280	1,298
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**Object Classification** (in millions of dollars)

Identification code 57-3011-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.1 Advisory and assistance services .....	1	1	1
31.0 Equipment .....	945	1,195	1,259
99.0 Direct obligations .....	946	1,196	1,260
99.0 Reimbursable obligations .....	1	16	13
99.9 Total new obligations .....	947	1,212	1,273

**OTHER PROCUREMENT, AIR FORCE**

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of passenger motor vehicles for replacement only, and the purchase of both light armored vehicles not in excess of 12,000 pounds gross vehicle weight and the purchase of 2 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$232,000 per vehicle; lease of passenger motor vehicles; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, **[\$10,672,712,000]** \$11,583,659,000, to remain available for obligation until September 30, **[2005]** 2006, of which \$168,000,000 shall be available for the Air National Guard and Air Force Reserve. (10 U.S.C. 2110, 2353, 2386, 8013, 9505, 9531-32; 50 U.S.C. 491-94; Department of Defense Appropriations Act, 2003.)

**Program and Financing** (in millions of dollars)

Identification code 57-3080-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Vehicular equipment .....	318	324	251
00.03 Electronics and telecommunications equipment .....	1,244	1,437	1,594
00.04 Other base maintenance and support equipment .....	8,878	7,617	9,109
00.05 Spares and repair parts .....	39	61	38
09.01 Reimbursable program .....	120	311	300
10.00 Total new obligations .....	10,599	9,750	11,292
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1,744	631	1,735
22.00 New budget authority (gross) .....	9,119	10,855	11,884
22.10 Resources available from recoveries of prior year obligations .....	16		
22.22 Unobligated balance transferred from other accounts	360		
23.90 Total budgetary resources available for obligation	11,240	11,486	13,619
23.95 Total new obligations .....	-10,599	-9,750	-11,292
23.98 Unobligated balance expiring or withdrawn .....	-10		
24.40 For completion of prior year budget plans .....	631	1,735	2,326

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	8,834	10,655	11,584
40.35 Appropriation rescinded .....	-53		
40.36 Unobligated balance rescinded .....	-43		
40.72 Reduction pursuant to P.L. 107-117 .....	-56		
40.75 Reduction pursuant to P.L. 107-248 .....		-85	
40.76 Reduction pursuant to P.L. 107-206 .....	-18		
41.00 Transferred to other accounts .....	-3	-30	
42.00 Transferred from other accounts .....	339	15	
43.00 Appropriation (total discretionary) .....	9,000	10,554	11,584
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	102	300	300
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	17		
68.90 Spending authority from offsetting collections (total discretionary) .....	119	300	300

**General and special funds—Continued****OTHER PROCUREMENT, AIR FORCE—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 57-3080-0-1-051	2002 actual	2003 est.	2004 est.
70.00 Total new budget authority (gross) .....	9,119	10,855	11,884
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3,639	3,708	3,263
73.10 Total new obligations .....	10,599	9,750	11,292
73.20 Total outlays (gross) .....	-10,395	-10,195	-11,379
73.40 Adjustments in expired accounts (net) .....	-105		
73.45 Recoveries of prior year obligations .....	-16		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-17		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	2		
74.40 Obligated balance, end of year .....	3,708	3,263	3,176
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	7,275	6,754	7,465
86.93 Outlays from discretionary balances .....	3,120	3,441	3,914
87.00 Total outlays (gross) .....	10,395	10,195	11,379
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-103	-109	-109
88.40 Offsetting collections, Non-Federal sources, Other .....		-191	-191
88.90 Total, offsetting collections (cash) .....	-103	-300	-300
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-17		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	9,000	10,555	11,584
90.00 Outlays .....	10,291	9,895	11,079

**Budget Plan (in millions of dollars)**

Identification code 57-3080-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0702 Vehicular equipment .....	294	352	247
0703 Electronics and telecommunications equipment .....	1,193	1,456	1,670
0704 Other base maintenance and support equipment .....	7,857	8,729	9,630
0705 Spares and repair parts .....	35	41	37
0791 Total direct .....	9,380	10,578	11,584
0801 Reimbursable .....	129	300	300
0893 Total budget plan .....	9,510	10,878	11,884

**Object Classification (in millions of dollars)**

Identification code 57-3080-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.1 Advisory and assistance services .....	30	38	36
31.0 Equipment .....	10,449	9,401	10,956
99.0 Direct obligations .....	10,479	9,439	10,992
99.0 Reimbursable obligations .....	120	311	300
99.9 Total new obligations .....	10,599	9,750	11,292

**PROCUREMENT, DEFENSE-WIDE**

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of passenger motor vehicles for replacement only; the purchase of both light armored vehicles not in excess of 12,000 pounds gross vehicle weight and the purchase of 4 vehicles required for physical secu-

rity of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$250,000 per vehicle; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, [2005] \$3,444,455,000 [2006] \$3,691,006,000, to remain available for obligation until September 30, [2005] 2006. (Department of Defense Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 97-0300-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Major equipment .....	1,745	2,004	1,514
00.02 Special Operations Command .....	384	777	1,660
00.03 Chemical/Biological Defense .....	447	431	466
09.01 Reimbursable program .....	181	111	242
10.00 Total new obligations .....	2,757	3,324	3,882
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	652	960	1,097
22.00 New budget authority (gross) .....	2,956	3,461	3,933
22.10 Resources available from recoveries of prior year obligations .....	138		
23.90 Total budgetary resources available for obligation .....	3,747	4,421	5,030
23.95 Total new obligations .....	-2,757	-3,324	-3,882
23.98 Unobligated balance expiring or withdrawn .....	-30		
24.40 Unobligated balance carried forward, end of year .....	960	1,097	1,147
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	2,502	3,418	3,691
40.35 Appropriation rescinded .....	-35		
40.36 Unobligated balance rescinded .....	-113		
40.72 Reduction pursuant to P.L. 107-117 .....	-17		
40.73 Reduction pursuant to P.L. 107-206 .....	-19		
40.75 Reduction pursuant to P.L. 107-248 .....		-26	
40.76 Reduction pursuant to P.L. 107-206 .....	-5		
41.00 Transferred to other accounts .....	-7	-42	
42.00 Transferred from other accounts .....	476		
43.00 Appropriation (total discretionary) .....	2,782	3,350	3,691
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	87	111	242
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	87		
68.90 Spending authority from offsetting collections (total discretionary) .....	174	111	242
70.00 Total new budget authority (gross) .....	2,956	3,461	3,933
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,053	2,211	2,394
73.10 Total new obligations .....	2,757	3,324	3,882
73.20 Total outlays (gross) .....	-2,347	-3,141	-3,504
73.40 Adjustments in expired accounts (net) .....	-32		
73.45 Recoveries of prior year obligations .....	-138		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-87		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	5		
74.40 Obligated balance, end of year .....	2,211	2,394	2,772
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	910	1,117	1,350
86.93 Outlays from discretionary balances .....	1,437	2,024	2,156
87.00 Total outlays (gross) .....	2,347	3,141	3,504
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-41	-101	-216
88.40 Offsetting collections, Non-Federal sources, Other .....	-51	-10	-26
88.90 Total, offsetting collections (cash) .....	-92	-111	-242
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-87		

88.96	Portion of offsetting collections (cash) credited to expired accounts .....	5		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	2,782	3,350	3,691
90.00	Outlays .....	2,256	3,029	3,263

**Budget Plan** (in millions of dollars)

Identification code 97-0300-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
0701	Major equipment .....	1,650	2,057	1,206
0702	Special Operations Command .....	752	862	1,978
0703	Chemical/Biological Defense .....	499	437	506
0791	Total direct .....	2,902	3,357	3,691
0801	Reimbursable .....	180	111	242
0893	Total budget plan .....	3,082	3,468	3,933

**Object Classification** (in millions of dollars)

Identification code 97-0300-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
21.0	Travel and transportation of persons .....		1	1
25.1	Advisory and assistance services .....	6	6	6
25.2	Other services .....	2	4	7
25.3	Other purchases of goods and services from Government accounts .....	13	13	23
25.4	Operation and maintenance of facilities .....	1		
25.7	Operation and maintenance of equipment .....	2		
26.0	Supplies and materials .....	4	3	4
31.0	Equipment .....	2,548	3,186	3,600
99.0	Direct obligations .....	2,576	3,213	3,641
99.0	Reimbursable obligations .....	181	111	241
99.9	Total new obligations .....	2,757	3,324	3,882

**[NATIONAL GUARD AND RESERVE EQUIPMENT]**

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces, \$100,000,000, to remain available for obligation until September 30, 2005: *Provided*, That the Chiefs of the Reserve and National Guard components shall, not later than 30 days after the enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective Reserve or National Guard component.] (*Department of Defense Appropriations Act, 2003.*)

**Program and Financing** (in millions of dollars)

Identification code 97-0350-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Reserve equipment .....	160	78	17
00.02	National Guard equipment .....	525	105	25
10.00	Total new obligations (object class 31.0) .....	685	182	42
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	96	138	51
22.00	New budget authority (gross) .....	697	96	
22.10	Resources available from recoveries of prior year obligations .....	30		
23.90	Total budgetary resources available for obligation .....	823	234	51
23.95	Total new obligations .....	-685	-182	-42
24.40	Unobligated balance carried forward, end of year .....	138	51	10
<b>New budget authority (gross), detail:</b>				
<b>Discretionary:</b>				
40.00	Appropriation .....	699	100	
40.72	Reduction pursuant to P.L. 107-117 .....	-5		
40.75	Reduction pursuant to P.L. 107-248 .....		-2	
40.76	Reduction pursuant to P.L. 107-206 .....	-1		
41.00	Transferred to other accounts .....		-1	
42.00	Transferred from other accounts .....	4		
43.00	Appropriation (total discretionary) .....	697	96	

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	324	592	522
73.10	Total new obligations .....	685	182	42
73.20	Total outlays (gross) .....	-372	-252	-299
73.40	Adjustments in expired accounts (net) .....	-16		
73.45	Recoveries of prior year obligations .....	-30		
74.40	Obligated balance, end of year .....	592	522	264

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	159	16	
86.93	Outlays from discretionary balances .....	213	236	300
87.00	Total outlays (gross) .....	372	252	299

**Net budget authority and outlays:**

89.00	Budget authority .....	697	96	
90.00	Outlays .....	372	252	299

**Budget Plan** (in millions of dollars)

Identification code 97-0350-0-1-051	2002 actual	2003 est.	2004 est.	
0601	Reserve Equipment .....	192	39	
0602	National Guard Equipment .....	503	59	
0893	Total budget plan .....	695	98	

**DEFENSE PRODUCTION ACT PURCHASES**

For activities by the Department of Defense pursuant to sections 108, 301, 302, and 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2078, 2091, 2092, and 2093), [\$73,057,000] \$67,516,000, to remain available until expended[, of which, \$5,000,000 may be used for a Processable Rigid-Rod Polymeric Material Supplier Initiative under title III of the Defense Production Act of 1950 (50 U.S.C. App. 2091 et seq.) to develop affordable production methods and a domestic supplier for military and commercial processable rigid-rod polymeric materials]. (*Department of Defense Appropriations Act, 2003.*)

**Program and Financing** (in millions of dollars)

Identification code 97-0360-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Defense Production Act Purchases .....	40	44	68
10.00	Total new obligations .....	40	44	68
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	9	12	40
22.00	New budget authority (gross) .....	40	72	68
22.10	Resources available from recoveries of prior year obligations .....	3		
23.90	Total budgetary resources available for obligation .....	52	84	108
23.95	Total new obligations .....	-40	-44	-68
24.40	Unobligated balance carried forward, end of year .....	12	40	39
<b>New budget authority (gross), detail:</b>				
<b>Discretionary:</b>				
40.00	Appropriation .....	40	73	68
41.00	Transferred to other DoD accounts .....		-1	
43.00	Appropriation (total discretionary) .....	40	72	68
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	23	50	14
73.10	Total new obligations .....	40	44	68
73.20	Total outlays (gross) .....	-9	-80	-70
73.45	Recoveries of prior year obligations .....	-3		
74.40	Obligated balance, end of year .....	50	14	13
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	9	36	34
86.93	Outlays from discretionary balances .....		44	36
87.00	Total outlays (gross) .....	9	80	70
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	40	72	68
90.00	Outlays .....	9	80	70

**General and special funds—Continued**

**DEFENSE PRODUCTION ACT PURCHASES—Continued**

**Budget Plan** (in millions of dollars)

Identification code 97-0360-0-1-051	2002 actual	2003 est.	2004 est.
0701 Defense Production Act Purchases .....	40	72	68
0893 Total budget plan .....	40	72	68

The Defense Production Act (50 U.S.C. App. 2061, *et seq.*) authorizes the use of Federal funds to correct industrial resource shortfalls and promote critical technology items which are essential to the national defense.

**Object Classification** (in millions of dollars)

Identification code 97-0360-0-1-051	2002 actual	2003 est.	2004 est.
26.0 Supplies and materials .....	40	44	11
31.0 Equipment .....			57
99.9 Total new obligations .....	40	44	68

**CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY**

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, **[\$1,490,199,000]** \$1,650,076,000, of which **[\$974,238,000]** \$1,199,168,000 shall be for Operation and maintenance to remain available until September 30, **[2004, \$213,278,000]** 2005; \$79,212,000 shall be for Procurement to remain available until September 30, **[2005, and \$302,683,000]** 2006; \$251,881,000 shall be for Research, development, test and evaluation to remain available until September 30, **[2004]** 2005; \$119,815,000 shall be for military construction to remain available until September 30, 2008; and no more than \$132,677,000 may be for the Chemical Stockpile Emergency Preparedness Program, of which \$44,168,000 shall be for activities on military installations and \$88,509,000 shall be to assist state and local governments. (Department of Defense Appropriations Act, 2003.)

**Program and Financing** (in millions of dollars)

Identification code 21-0390-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operation and maintenance .....	746	956	1,199
00.02 Research, development, test and evaluation .....	219	292	249
00.03 Procurement .....	185	161	115
00.04 Construction .....			100
09.01 Reimbursable program .....	4	5	5
10.00 Total new obligations .....	1,154	1,414	1,668

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	21	18	58
22.00 New budget authority (gross) .....	1,118	1,454	1,655
22.10 Resources available from recoveries of prior year obligations .....	34		
23.90 Total budgetary resources available for obligation	1,173	1,472	1,713
23.95 Total new obligations .....	-1,154	-1,414	-1,668
24.40 For completion of prior year budget plans .....	18	58	45

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	1,181	1,470	1,650
40.35 Appropriation rescinded .....	-75		
40.72 Reduction pursuant to P.L. 107-117 .....	-8		
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
41.00 Transferred to other DOD accounts .....		-21	
42.00 Transferred from other DoD accounts .....	17		
43.00 Appropriation (total discretionary) .....	1,114	1,449	1,650
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	6	5	5

68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
68.90 Spending authority from offsetting collections (total discretionary) .....	4	5	5
70.00 Total new budget authority (gross) .....	1,118	1,454	1,655

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	511	462	692
73.10 Total new obligations .....	1,154	1,414	1,668
73.20 Total outlays (gross) .....	-1,167	-1,184	-1,485
73.40 Adjustments in expired accounts (net) .....	-5		
73.45 Recoveries of prior year obligations .....	-34		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	1		
74.40 Obligated balance, end of year .....	462	692	875

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	709	870	926
86.93 Outlays from discretionary balances .....	458	314	559
87.00 Total outlays (gross) .....	1,167	1,184	1,485

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources	-5	-5	-5
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	-1		

**Net budget authority and outlays:**

89.00 Budget authority .....	1,114	1,449	1,650
90.00 Outlays .....	1,161	1,179	1,480

**Budget Plan** (in millions of dollars)

Identification code 21-0390-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0701 Operation and maintenance .....	748	947	1,199
0702 Research, development, test and evaluation .....	202	294	252
0703 Procurement .....	164	207	79
0704 Construction .....			120
0791 Total direct .....	1,115	1,449	1,650
0801 Reimbursable .....		5	5
0893 Total budget plan .....	1,115	1,454	1,655

P.L. 99-145 authorized an appropriation to the Chemical Agents and Munitions Destruction account to destroy the U.S. inventory of lethal chemical agents and munitions and related (non-stockpile) materiel thus avoiding future risks and costs associated with the continued storage of chemical warfare materiel. The program supports the Chemical Weapons Convention initiatives to rid the world of chemical weapons.

**Object Classification** (in millions of dollars)

Identification code 21-0390-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons .....	2	2	2
24.0 Printing and reproduction .....		1	1
25.1 Advisory and assistance services .....	130	117	124
25.2 Other services .....	27	18	18
25.3 Other purchases of goods and services from Government accounts .....	256	226	226
25.4 Operation and maintenance of facilities .....	510	499	499
25.5 Research and development contracts .....	64	231	231
26.0 Supplies and materials .....	2	42	391
31.0 Equipment .....	156	270	168
41.0 Grants, subsidies, and contributions .....	4	3	3
99.0 Direct obligations .....	1,151	1,409	1,663
99.0 Reimbursable obligations .....	3	5	5
99.9 Total new obligations .....	1,154	1,414	1,668

ARMS INITIATIVE GUARANTEED LOAN FINANCING ACCOUNT

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Program and Financing (in millions of dollars)

Identification code 21-4275-0-3-051	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	2
22.00 New financing authority (gross)		1	
23.90 Total budgetary resources available for obligation	1	2	2
24.40 Unobligated balance carried forward, end of year	1	2	2
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)		1	
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-1	
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority			
90.00 Financing disbursements		-1	

Status of Guaranteed Loans (in millions of dollars)

Identification code 21-4275-0-3-051	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders		45	
2150 Total guaranteed loan commitments		45	
2199 Guaranteed amount of guaranteed loan commitments		39	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	28	27	71
2231 Disbursements of new guaranteed loans		45	
2251 Repayments and prepayments	-1	-1	-2
2290 Outstanding, end of year	27	71	69
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	23	60	59

This program, first authorized in PL 102-484 (the 1992 Authorization Act), is to encourage commercial firms to use idle government owned, contractor-operated Army ammunition manufacturing facilities to ensure a viable industrial base for the manufacture of ammunition.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 21-4275-0-3-051	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury	1	1	1	2
1999 Total assets	1	1	1	2
<b>LIABILITIES:</b>				
2105 Federal liabilities: Other	1	1	1	2
2999 Total liabilities	1	1	1	2
4999 Total liabilities and net position	1	1	1	2

Appropriations in this title support modernization through basic and applied research, fabrication of technology-demonstration devices, and development and testing of prototypes and full-scale preproduction hardware. This work is performed by contractors, government laboratories and facilities, universities and nonprofit organizations. Research and development programs are funded to cover annual needs. Resources presented under the RDT&E title contribute primarily to achieving the Department's annual goals of transforming the force for new missions and reforming processes and organizations. Performance targets in support of these goals contribute to the Department's efforts to mitigate future challenges risk and institutional risk, as directed in the 2001 Quadrennial Defense Review.

The budget plan for each appropriation is shown as a separate table immediately following the program and financing schedules for that appropriation. Funds for each fiscal year are available for obligation for a two-year period beginning on the first day of that fiscal year.

The 2004 budget provides for major technology and development efforts. These include science and technology programs, development of weapons systems and supporting systems, including missile defense and support of test and evaluation programs and necessary infrastructure. The Department continues to emphasize technology efforts that ensure that the Nation will maintain a technological advantage over potential adversaries.

Federal Funds

General and special funds:

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, **[\$7,669,656,000] \$9,122,825,000**, to remain available for obligation until September 30, **[2004] 2005**. (10 U.S.C. 2353; Department of Defense Appropriations Act, 2003.)

Program and Financing (in millions of dollars)

Identification code 21-2040-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Basic research	230	210	330
00.02 Applied research	917	796	677
00.03 Advanced technology development	942	1,020	845
00.04 Advanced component development and prototypes	909	831	792
00.05 System development and demonstration	2,197	2,221	4,430
00.06 Management support	1,010	863	878
00.07 Operational system development	1,071	1,007	973
09.01 Reimbursable program	2,671	2,329	1,837
10.00 Total new obligations	9,947	9,277	10,762
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1,025	1,097	1,118
22.00 New budget authority (gross)	9,545	9,298	10,960
22.10 Resources available from recoveries of prior year obligations	476		
22.22 Unobligated balance transferred from other accounts	3		
23.90 Total budgetary resources available for obligation	11,049	10,395	12,078
23.95 Total new obligations	-9,947	-9,277	-10,762
23.98 Unobligated balance expiring or withdrawn	-4		
24.40 For completion of prior year budget plans	1,097	1,118	1,315
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	7,114	7,628	9,123
40.36 Unobligated balance rescinded	-6		
40.72 Reduction pursuant to P.L. 107-117	-53		
40.73 Reduction pursuant to P.L. 107-206	-14		
40.75 Reduction pursuant to P.L. 107-248		-69	

General and special funds—Continued

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY—  
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 21–2040–0–1–051	2002 actual	2003 est.	2004 est.
40.76	Reduction pursuant to P.L. 107–206	– 15	
41.00	Transferred to other accounts	– 3	– 44
42.00	Transferred from other accounts	7	
43.00	Appropriation (total discretionary)	7,030	7,515
	Spending authority from offsetting collections:		
68.00	Offsetting collections (cash)	2,050	1,783
68.10	Change in uncollected customer payments from Federal sources (unexpired)	465	
68.90	Spending authority from offsetting collections (total discretionary)	2,515	1,783
70.00	Total new budget authority (gross)	9,545	9,298
	<b>Change in obligated balances:</b>		
72.40	Obligated balance, start of year	3,101	3,452
73.10	Total new obligations	9,947	9,277
73.20	Total outlays (gross)	– 8,765	– 8,805
73.40	Adjustments in expired accounts (net)	– 64	
73.45	Recoveries of prior year obligations	– 476	
74.00	Change in uncollected customer payments from Federal sources (unexpired)	– 465	
74.10	Change in uncollected customer payments from Federal sources (expired)	174	
74.40	Obligated balance, end of year	3,452	3,925
	<b>Outlays (gross), detail:</b>		
86.90	Outlays from new discretionary authority	4,925	5,654
86.93	Outlays from discretionary balances	3,840	3,151
87.00	Total outlays (gross)	8,765	8,805
	<b>Offsets:</b>		
	Against gross budget authority and outlays:		
	Offsetting collections (cash) from:		
88.00	Federal sources	– 2,081	– 1,783
88.40	Non-Federal sources	– 115	
88.90	Total, offsetting collections (cash)	– 2,196	– 1,783
	Against gross budget authority only:		
88.95	Change in uncollected customer payments from Federal sources (unexpired)	– 465	
88.96	Portion of offsetting collections (cash) credited to expired accounts	146	
	<b>Net budget authority and outlays:</b>		
89.00	Budget authority	7,030	7,515
90.00	Outlays	6,569	7,022
	<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>		
99.00	Budget authority	98	103
99.01	Outlays	98	103

Budget Plan (in millions of dollars)

Identification code 21–2040–0–1–051	2002 actual	2003 est.	2004 est.
	<b>Direct:</b>		
0701	Basic research	221	244
0702	Applied research	865	858
0703	Advanced technology development	907	1,040
0704	Demonstration/validation	859	857
0705	Engineering manufacturing development	2,141	2,512
0706	Management support	928	950
0707	Operational system development	1,096	1,073
0791	Total direct	7,018	7,535
0801	Reimbursable	2,607	1,783
0893	Total budget plan	9,625	9,318

Object Classification (in millions of dollars)

Identification code 21–2040–0–1–051	2002 actual	2003 est.	2004 est.
	<b>Direct obligations:</b>		
	Personnel compensation:		
11.1	Full-time permanent	491	533
11.3	Other than full-time permanent	41	58
11.5	Other personnel compensation	24	27
11.9	Total personnel compensation	556	618
12.1	Civilian personnel benefits	129	224
13.0	Benefits for former personnel	5	2
21.0	Travel and transportation of persons	58	72
22.0	Transportation of things	9	13
23.1	Rental payments to GSA	3	2
23.2	Rental payments to others	2	
23.3	Communications, utilities, and miscellaneous charges	5	34
24.0	Printing and reproduction	1	2
25.1	Advisory and assistance services	295	73
25.2	Other services	89	27
	Other purchases of goods and services from Government accounts:		
25.3	Other purchases of goods and services from Government accounts	597	601
25.3	Purchases from revolving funds	64	11
25.4	Operation and maintenance of facilities	97	170
25.5	Research and development contracts	4,973	4,399
25.7	Operation and maintenance of equipment	30	32
25.8	Subsistence and support of persons	26	46
26.0	Supplies and materials	95	116
31.0	Equipment	257	303
32.0	Land and structures	2	2
41.0	Grants, subsidies, and contributions	170	241
99.0	Direct obligations	7,276	6,948
99.0	Reimbursable obligations	2,671	2,329
99.9	Total new obligations	9,947	9,277

Personnel Summary

Identification code 21–2040–0–1–051	2002 actual	2003 est.	2004 est.
	<b>Direct:</b>		
1001	Total compensable workyears: Civilian full-time equivalent employment	7,724	8,245
	<b>Reimbursable:</b>		
2001	Total compensable workyears: Civilian full-time equivalent employment	9,257	8,938

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, **[\$13,946,085,000] \$14,106,653,000**, to remain available for obligation until September 30, **[2004] 2005: Provided**, That funds appropriated in this paragraph which are available for the V–22 may be used to meet unique operational requirements of the Special Operations Forces: *Provided further, That funds appropriated in this paragraph shall be available for the Cobra Judy program. (10 U.S.C. 174, 2352–54, 7522; Department of Defense Appropriations Act, 2003.)*

Program and Financing (in millions of dollars)

Identification code 17–1319–0–1–051	2002 actual	2003 est.	2004 est.
	<b>Obligations by program activity:</b>		
00.01	Basic research	390	393
00.02	Applied research	753	812
00.03	Advanced technology development	810	880
00.04	Advanced component development and prototypes	2,514	1,827
00.05	System development and demonstration	3,495	5,192
00.06	Management support	848	749
00.07	Operational system development	2,315	3,793
09.01	Reimbursable program	240	220
10.00	Total new obligations	11,365	13,866
	<b>Budgetary resources available for obligation:</b>		
21.40	For completion of prior year budget plans	781	1,041
22.00	New budget authority (gross)	11,638	13,792

23.90	Total budgetary resources available for obligation	12,419	14,833	15,270
23.95	Total new obligations	-11,365	-13,866	-14,267
23.98	Unobligated balance expiring or withdrawn	-15		
24.40	Available to finance subsequent year budget plans	1,041	968	1,001

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation	11,508	13,865	14,107
40.36	Unobligated balance rescinded	-19	-2	
40.72	Reduction pursuant to P.L. 107-117	-120		
40.73	Reduction pursuant to P.L. 107-206	-6		
40.75	Reduction pursuant to P.L. 107-248		-117	
40.76	Reduction pursuant to P.L. 107-206	-24		
41.00	Transferred to other accounts		-149	
42.00	Transferred from other accounts	48		
43.00	Appropriation (total discretionary)	11,387	13,597	14,107
<b>Spending authority from offsetting collections:</b>				
68.00	Offsetting collections (cash)	171	195	195
68.10	Change in uncollected customer payments from Federal sources (unexpired)	81		
68.90	Spending authority from offsetting collections (total discretionary)	252	195	195
70.00	Total new budget authority (gross)	11,639	13,792	14,302

**Change in obligated balances:**

72.40	Obligated balance, start of year	4,372	5,058	6,497
73.10	Total new obligations	11,365	13,866	14,267
73.20	Total outlays (gross)	-10,511	-12,427	-13,742
73.40	Adjustments in expired accounts (net)	-92		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-81		
74.10	Change in uncollected customer payments from Federal sources (expired)	5		
74.40	Obligated balance, end of year	5,058	6,497	7,024

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	6,428	7,810	8,095
86.93	Outlays from discretionary balances	4,083	4,617	5,647
87.00	Total outlays (gross)	10,511	12,427	13,742

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
<b>Offsetting collections (cash) from:</b>				
88.00	Federal sources	-140	-185	-185
88.40	Offsetting collections, Non-Federal sources, Other	-11	-10	-10
88.90	Total, offsetting collections (cash)	-151	-195	-195
<b>Against gross budget authority only:</b>				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-81		
88.96	Portion of offsetting collections (cash) credited to expired accounts	-20		

**Net budget authority and outlays:**

89.00	Budget authority	11,387	13,597	14,107
90.00	Outlays	10,359	12,232	13,547

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority		6	6
99.01	Outlays		6	6

**Budget Plan (in millions of dollars)**

Identification code 17-1319-0-1-051				
<b>Direct:</b>				
0701	Basic research	395	412	460
0702	Applied research	756	806	536
0703	Advanced technology development	847	813	644
0704	Demonstration/validation	1,632	2,708	2,600
0705	Engineering manufacturing support	3,608	5,265	6,262
0706	Management support	877	704	651
0707	Operational system development	3,265	2,922	2,954
0791	Total direct	11,379	13,631	14,107
0801	Reimbursable	251	195	195
0893	Total budget plan	11,630	13,826	14,302

**Object Classification (in millions of dollars)**

Identification code 17-1319-0-1-051				
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent	39	46	44
11.3	Other than full-time permanent	3	3	2
11.5	Other personnel compensation		1	1
11.9	Total personnel compensation	42	50	47
12.1	Civilian personnel benefits	8	11	14
21.0	Travel and transportation of persons	29	33	27
22.0	Transportation of things	1	1	1
23.2	Rental payments to others	1	11	
23.3	Communications, utilities, and miscellaneous charges	3	2	3
24.0	Printing and reproduction	1		
25.1	Advisory and assistance services	363	179	354
25.2	Other services	61	26	85
<b>Other purchases of goods and services from Government accounts:</b>				
25.3	Other purchases of goods and services from Government accounts			
	Government accounts	307	749	394
25.3	Purchases from revolving funds	2,709	1,851	2,627
25.4	Operation and maintenance of facilities	3	26	1
25.5	Research and development contracts	7,520	10,693	10,437
25.7	Operation and maintenance of equipment	3		5
26.0	Supplies and materials	5	2	8
31.0	Equipment	67	12	67
32.0	Land and structures	2		2
99.0	Direct obligations	11,125	13,646	14,072
99.0	Reimbursable obligations	240	220	195
99.9	Total new obligations	11,365	13,866	14,267

**Personnel Summary**

Identification code 17-1319-0-1-051				
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment	701	670	647
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment	636	734	729

**RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE**

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, **[\$18,822,569,000] \$20,336,258,000**, to remain available for obligation until September 30, **[2004] 2005**. (10 U.S.C. 174, 1581, 1584, 2271-79, 2352-54, 2386, 2663, 2672, 2672a, 8012, 9503-04, 9532; 42 U.S.C. 1891-92; 50 U.S.C. App. 2093(g); Department of Defense Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 57-3600-0-1-051				
<b>Obligations by program activity:</b>				
00.01	Basic research	219	206	308
00.02	Applied research	760	795	760
00.03	Advanced technology development	538	675	1,301
00.04	Advanced component development and prototypes	1,009	1,343	2,081
00.05	System development and demonstration	3,513	4,188	4,537
00.06	Management support	885	657	628
00.07	Operational system development	7,815	9,786	10,424
09.01	Reimbursable program	2,372	2,227	3,411
10.00	Total new obligations	17,111	19,877	23,450
<b>Budgetary resources available for obligation:</b>				
21.40	For completion of prior year budget plans	1,511	1,287	2,078
22.00	New budget authority (gross)	16,898	20,667	23,747
22.10	Resources available from recoveries of prior year obligations	13		
22.22	Unobligated balance transferred from other accounts	7		
23.90	Total budgetary resources available for obligation	18,429	21,954	25,825
23.95	Total new obligations	-17,111	-19,877	-23,450

**General and special funds—Continued**

**RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE—  
Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 57-3600-0-1-051	2002 actual	2003 est.	2004 est.
23.98 Unobligated balance expiring or withdrawn .....	-29		
24.40 For completion of prior year budget plans .....	1,287	2,078	2,375
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	14,868	18,729	20,336
40.35 Appropriation rescinded .....	-194		
40.36 Unobligated balance rescinded .....	-69	-69	
40.72 Reduction pursuant to P.L. 107-117 .....	-122		
40.73 Reduction pursuant to P.L. 107-206 .....	-7		
40.75 Reduction pursuant to P.L. 107-248 .....		-171	
40.76 Reduction pursuant to P.L. 107-206 .....	-30		
41.00 Transferred to other accounts .....	-38	-144	
42.00 Transferred from other accounts .....	112	106	
43.00 Appropriation (total discretionary) .....	14,520	18,451	20,336
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	2,272	2,216	3,411
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	106		
68.90 Spending authority from offsetting collections (total discretionary) .....	2,378	2,216	3,411
70.00 Total new budget authority (gross) .....	16,898	20,667	23,747
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5,761	6,210	6,395
73.10 Total new obligations .....	17,111	19,877	23,450
73.20 Total outlays (gross) .....	-16,556	-19,692	-22,450
73.40 Adjustments in expired accounts (net) .....	-64		
73.45 Recoveries of prior year obligations .....	-13		
74.00 Change in uncollected customer payments from Fed- eral sources (unexpired) .....	-106		
74.10 Change in uncollected customer payments from Fed- eral sources (expired) .....	77		
74.40 Obligated balance, end of year .....	6,210	6,395	7,395
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	10,477	13,671	15,940
86.93 Outlays from discretionary balances .....	6,079	6,021	6,510
87.00 Total outlays (gross) .....	16,556	19,692	22,450
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-2,315	-2,188	-3,367
88.40 Offsetting collections, Non-Federal sources, Other .....	-13	-28	-44
88.90 Total, offsetting collections (cash) .....	-2,328	-2,216	-3,411
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-106		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	56		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	14,520	18,451	20,336
90.00 Outlays .....	14,228	17,476	19,039
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....		531	551
99.01 Outlays .....		531	551

**Budget Plan (in millions of dollars)**

Identification code 57-3600-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0701 Basic research .....	222	218	322
0702 Applied research .....	749	829	758
0703 Advanced technology development .....	546	704	1,146
0704 Demonstration/validation .....	910	1,468	2,177
0705 Engineering manufacturing development .....	3,506	4,507	4,577
0706 Management support .....	893	637	630

0707 Operational system development .....	7,652	10,198	10,726
0791 Total direct .....	14,479	18,561	20,336
0801 Reimbursable .....	2,366	2,216	3,411
0893 Total budget plan .....	16,846	20,777	23,747

**Object Classification (in millions of dollars)**

Identification code 57-3600-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	284	283	299
11.3 Other than full-time permanent .....	23	22	24
11.5 Other personnel compensation .....	9	8	9
11.9 Total personnel compensation .....	316	313	332
12.1 Civilian personnel benefits .....	75	72	100
21.0 Travel and transportation of persons .....	46	31	40
22.0 Transportation of things .....	4	2	3
23.2 Rental payments to others .....	2	1	1
23.3 Communications, utilities, and miscellaneous charges .....	10	5	6
24.0 Printing and reproduction .....	1		
25.1 Advisory and assistance services .....	330	283	280
25.2 Other services .....	610	441	426
25.3 Other purchases of goods and services from Gov- ernment accounts .....	4	38	35
25.4 Operation and maintenance of facilities .....	29	10	20
25.5 Research and development contracts .....	13,203	16,346	18,660
26.0 Supplies and materials .....	66	84	94
31.0 Equipment .....	44	24	44
99.0 Direct obligations .....	14,740	17,650	20,041
99.0 Reimbursable obligations .....	2,371	2,227	3,409
99.9 Total new obligations .....	17,111	19,877	23,450

**Personnel Summary**

Identification code 57-3600-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equiv- alent employment .....	4,845	4,519	4,525
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equiv- alent employment .....	2,237	2,333	2,323

**RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE**

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, **[\$17,924,642,000] \$17,974,257,000**, to remain available for obligation until September 30, **[2004] 2005**. (*Department of Defense Appropriations Act, 2003.*)

**Program and Financing (in millions of dollars)**

Identification code 97-0400-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Basic research .....	483	531	221
00.02 Applied research .....	1,671	1,745	1,743
00.03 Advanced technology development .....	1,968	2,514	2,571
00.04 Advanced component development and prototypes .....	5,707	6,057	7,430
00.05 System development and demonstration .....	1,417	1,450	499
00.06 Management support .....	666	642	588
00.07 Operational system development .....	2,929	4,293	4,831
09.01 Reimbursable program .....	541	679	692
10.00 Total new obligations .....	15,382	17,911	18,575
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1,110	2,142	1,869
22.00 New budget authority (gross) .....	16,089	17,637	18,666
22.10 Resources available from recoveries of prior year obli- gations .....	348		
22.22 Unobligated balance transferred from other accounts .....	11		

23.90	Total budgetary resources available for obligation	17,558	19,779	20,535
23.95	Total new obligations	-15,382	-17,911	-18,575
23.98	Unobligated balance expiring or withdrawn	-35		
24.40	Unobligated balance carried forward, end of year	2,142	1,869	1,960

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation	15,477	17,334	17,974
40.36	Unobligated balance rescinded	-1	-20	
40.72	Reduction pursuant to P.L. 107-117	-119		
40.73	Reduction pursuant to P.L. 107-206	-17		
40.75	Reduction pursuant to P.L. 107-248		-168	
40.76	Reduction pursuant to P.L. 107-206	-32		
41.00	Transferred to other accounts	-36	-152	
42.00	Transferred from other accounts	274	4	
43.00	Appropriation (total discretionary)	15,546	16,998	17,974
<b>Spending authority from offsetting collections:</b>				
68.00	Offsetting collections (cash)	417	639	692
68.10	Change in uncollected customer payments from Federal sources (unexpired)	126		
68.90	Spending authority from offsetting collections (total discretionary)	543	639	692
70.00	Total new budget authority (gross)	16,089	17,637	18,666

**Change in obligated balances:**

72.40	Obligated balance, start of year	6,411	7,923	9,340
73.10	Total new obligations	15,382	17,911	18,575
73.20	Total outlays (gross)	-13,514	-16,494	-17,826
73.40	Adjustments in expired accounts (net)	-9		
73.45	Recoveries of prior year obligations	-348		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-126		
74.10	Change in uncollected customer payments from Federal sources (expired)	125		
74.40	Obligated balance, end of year	7,923	9,340	10,089

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	7,639	8,628	9,140
86.93	Outlays from discretionary balances	5,875	7,866	8,686
87.00	Total outlays (gross)	13,514	16,494	17,826

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
<b>Offsetting collections (cash) from:</b>				
88.00	Federal sources	-430	-519	-589
88.40	Offsetting collections, Non-Federal sources, Other	-87	-120	-103
88.90	Total, offsetting collections (cash)	-517	-639	-692
<b>Against gross budget authority only:</b>				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-126		
88.96	Portion of offsetting collections (cash) credited to expired accounts	100		

**Net budget authority and outlays:**

89.00	Budget authority	15,546	16,998	17,974
90.00	Outlays	12,995	15,855	17,134

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority		15	15
99.01	Outlays		15	15

**Budget Plan (in millions of dollars)**

Identification code 97-0400-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
0701	Basic research	496	542	187
0702	Applied research	1,711	1,796	1,735
0703	Advanced technology development	2,086	2,501	2,566
0704	Demonstration/validation	5,978	5,721	7,636
0705	Engineering manufacturing development	1,411	1,478	379
0706	Management support	660	561	592
0707	Operational system development	3,171	4,462	4,880
0791	Total direct	15,513	17,061	17,974
0801	Reimbursable	542	639	692
0893	Total budget plan	16,054	17,700	18,667

**Object Classification (in millions of dollars)**

Identification code 97-0400-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent	86	95	99
11.3	Other than full-time permanent	4	4	4
11.5	Other personnel compensation	2	3	4
11.9	Total personnel compensation	92	102	107
12.1	Civilian personnel benefits	20	21	26
21.0	Travel and transportation of persons	23	25	35
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	10	10	13
23.2	Rental payments to others	1	1	6
23.3	Communications, utilities, and miscellaneous charges	12	14	24
25.1	Advisory and assistance services	796	871	1,001
25.2	Other services	184	236	3,335
25.3	Other purchases of goods and services from Government accounts	221	211	225
25.4	Operation and maintenance of facilities	9	6	8
25.5	Research and development contracts	13,187	15,358	12,786
25.7	Operation and maintenance of equipment	21	33	41
26.0	Supplies and materials	19	23	30
31.0	Equipment	237	310	232
32.0	Land and structures	1	1	1
41.0	Grants, subsidies, and contributions	7	9	11
99.0	Direct obligations	14,841	17,232	17,882
99.0	Reimbursable obligations	541	679	693
99.9	Total new obligations	15,382	17,911	18,575

**Personnel Summary**

Identification code 97-0400-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment	1,172	1,230	1,202
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment	28	32	32

**DEVELOPMENTAL TEST AND EVALUATION, DEFENSE**

**Program and Financing (in millions of dollars)**

Identification code 97-0450-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	70	23	3
73.20	Total outlays (gross)	-41	-20	-4
73.40	Adjustments in expired accounts (net)	-8		
74.10	Change in uncollected customer payments from Federal sources (expired)	1		
74.40	Obligated balance, end of year	23	3	-1
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances	41	20	4
<b>Offsets:</b>				
<b>Against gross budget authority and outlays:</b>				
88.00	Offsetting collections (cash) from: Federal sources	-1		
<b>Against gross budget authority only:</b>				
88.96	Portion of offsetting collections (cash) credited to expired accounts	1		

**Net budget authority and outlays:**

89.00	Budget authority			
90.00	Outlays	40	20	4

**OPERATIONAL TEST AND EVALUATION, DEFENSE**

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation, in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational

**General and special funds—Continued****OPERATIONAL TEST AND EVALUATION, DEFENSE—Continued**

testing and evaluation; and administrative expenses in connection therewith, **[\$245,554,000] \$286,661,000**, to remain available for obligation until September 30, **[2004] 2005**. (*Department of Defense Appropriations Act, 2003*.)

**Program and Financing** (in millions of dollars)

Identification code 97-0460-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 Advanced technology development .....	7	9	12
00.06 Management support .....	229	227	271
10.00 Total new obligations .....	236	236	283
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	20	15	17
22.00 New budget authority (gross) .....	230	237	287
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation	252	252	304
23.95 Total new obligations .....	-236	-236	-283
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	15	17	20
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	232	241	287
40.72 Reduction pursuant to P.L. 107-117 .....	-2		
40.75 Reduction pursuant to P.L. 107-248 .....		-2	
41.00 Transferred to other accounts .....		-2	
43.00 Appropriation (total discretionary) .....	230	237	287
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	114	152	155
73.10 Total new obligations .....	236	236	283
73.20 Total outlays (gross) .....	-195	-233	-260
73.40 Adjustments in expired accounts (net) .....	-1		
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	152	155	178
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	97	105	127
86.93 Outlays from discretionary balances .....	98	128	133
87.00 Total outlays (gross) .....	195	233	260
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	230	237	287
90.00 Outlays .....	195	233	260

**Budget Plan** (in millions of dollars)

Identification code 97-0460-0-1-051	2002 actual	2003 est.	2004 est.
0703 Advanced technology development .....	8	9	13
0706 Management Support .....	221	229	274
0893 Total budget plan .....	229	238	287

**Object Classification** (in millions of dollars)

Identification code 97-0460-0-1-051	2002 actual	2003 est.	2004 est.
21.0 Travel and transportation of persons .....	1	1	1
25.1 Advisory and assistance services .....	33	34	40
25.3 Other purchases of goods and services from Government accounts .....	199	198	239
25.4 Operation and maintenance of facilities .....	2	2	2
26.0 Supplies and materials .....	1	1	1
99.9 Total new obligations .....	236	236	283

**MILITARY CONSTRUCTION**

The Military Construction programs are intended to provide facilities required as a result of new weapon systems entering

the inventory including aircraft and naval vessels, and other high priority initiatives. The program continues initiatives to improve living and working conditions, reduce operating costs, increase productivity, and conserve energy by upgrading or replacing facilities which have become functionally obsolete or can be made more efficient through relatively modest investments in improvements. Also included in this request are resources required to clean up and dispose of property consistent with the four closure rounds required by the Base Closure Acts of 1988 and 1990.

The budget plan for each appropriation is shown as a separate table immediately following the program and financing schedules for those appropriations that are available for obligation for more than one year. In 2004 it presents, by budget activity, the value of the program requested for the life of the multiple-year appropriations, with comparable amounts in 2002 and 2003. Resources presented under the Military Construction title contribute primarily to achieving the Department's annual performance goals of assuring readiness and sustainability. Performance targets in support of these goals contribute to the Department's efforts to mitigate force management and operational risk, as directed in the 2001 Quadrennial Defense Review.

**Federal Funds****General and special funds:****MILITARY CONSTRUCTION, ARMY****[(INCLUDING RESCISSION)]**

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, including personnel in the Army Corps of Engineers and other personal services necessary for the purposes of this appropriation, and for construction and operation of facilities in support of the functions of the Commander in Chief, **[\$1,683,710,000] \$1,536,010,000**, to remain available until September 30, **[2007] 2008: Provided**, That of this amount, not to exceed **[\$163,135,000] \$122,710,000** shall be available for study, planning, design, architect and engineer services, and host nation support, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: **Provided further**, That of the funds appropriated for "Military Construction, Army" in previous Military Construction Appropriation Acts, **\$49,376,000** are rescinded]. (*Military Construction Appropriations Act, 2003*.)

**Program and Financing** (in millions of dollars)

Identification code 21-2050-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Major construction .....	1,599	1,383	1,271
00.02 Minor construction .....	19	18	20
00.03 Planning .....	156	110	135
00.04 Supporting Activities .....	1	13	23
09.01 Reimbursable program .....	2,447	2,080	2,075
10.00 Total new obligations .....	4,222	3,604	3,524
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	833	1,063	1,092
22.00 New budget authority (gross) .....	4,181	3,634	3,536
22.10 Resources available from recoveries of prior year obligations .....	273		
22.21 Unobligated balance transferred to other accounts	-16		
22.22 Unobligated balance transferred from other accounts	16		
23.90 Total budgetary resources available for obligation	5,287	4,697	4,628
23.95 Total new obligations .....	-4,222	-3,604	-3,524
24.40 Unobligated balance carried forward, end of year .....	1,063	1,092	1,105

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	1,799	1,684	1,536

40.36	Unobligated balance rescinded .....	— 36	— 49	.....
40.79	Reduction pursuant to P.L. 107-64 .....	— 20	.....	.....
42.00	Transferred from other accounts .....	36	.....	.....
43.00	Appropriation (total discretionary) .....	1,779	1,634	1,536
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	2,328	2,000	2,000
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	74	.....	.....
68.90	Spending authority from offsetting collections (total discretionary) .....	2,402	2,000	2,000
70.00	Total new budget authority (gross) .....	4,181	3,634	3,536

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	1,164	1,857	2,277
73.10	Total new obligations .....	4,222	3,604	3,524
73.20	Total outlays (gross) .....	— 3,212	— 3,186	— 3,501
73.40	Adjustments in expired accounts (net) .....	— 14	.....	.....
73.45	Recoveries of prior year obligations .....	— 273	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	— 74	.....	.....
74.10	Change in uncollected customer payments from Federal sources (expired) .....	45	.....	.....
74.40	Obligated balance, end of year .....	1,857	2,277	2,299

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	880	2,068	2,063
86.93	Outlays from discretionary balances .....	2,332	1,119	1,438
87.00	Total outlays (gross) .....	3,212	3,186	3,501

**Offsets:**

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	— 2,088	— 2,000	— 2,000
88.40	Non-Federal sources .....	— 270	.....	.....
88.90	Total, offsetting collections (cash) .....	— 2,358	— 2,000	— 2,000
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	— 74	.....	.....
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	30	.....	.....

**Net budget authority and outlays:**

89.00	Budget authority .....	1,779	1,634	1,536
90.00	Outlays .....	856	1,186	1,501

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	26	.....	55
99.01	Outlays .....	26	.....	55

**Budget Plan (in millions of dollars)**

Identification code 21-2050-0-1-051	2002 actual	2003 est.	2004 est.	
Direct:				
0701	Major construction .....	1,578	1,473	1,373
0702	Minor construction .....	19	27	20
0703	Planning .....	158	163	123
0704	Supporting Activities .....	12	20	21
0791	Total direct .....	1,768	1,684	1,536
0801	Reimbursable .....	2,390	2,000	2,000
0893	Total budget plan .....	4,158	3,684	3,536

**Object Classification (in millions of dollars)**

Identification code 21-2050-0-1-051	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent .....	91	.....	
11.3	Other than full-time permanent .....	8	.....	
11.5	Other personnel compensation .....	1	.....	
11.9	Total personnel compensation .....	100	.....	
12.1	Civilian personnel benefits .....	6	.....	
21.0	Travel and transportation of persons .....	2	1	2
23.1	Rental payments to GSA .....	1	1	1
24.0	Printing and reproduction .....	.....	1	1
25.2	Other services .....	.....	38	40

Other purchases of goods and services from Government accounts:				
25.3	Other purchases of goods and services from Government accounts .....	65	216	226
25.3	Purchases from revolving funds .....	58	.....	.....
25.4	Operation and maintenance of facilities .....	.....	1	1
26.0	Supplies and materials .....	.....	.....	1
31.0	Equipment .....	3	1	1
32.0	Land and structures .....	1,540	1,266	1,175
99.0	Direct obligations .....	1,775	1,525	1,448
99.0	Reimbursable obligations .....	2,447	2,079	2,076
99.9	Total new obligations .....	4,222	3,604	3,524

**Personnel Summary**

Identification code 21-2050-0-1-051	2002 actual	2003 est.	2004 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	1,739	.....	.....
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	4,262	5,622	5,634

**MILITARY CONSTRUCTION, NAVY**

**[(INCLUDING RESCISSION)]**

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, **[\$1,305,128,000] \$1,132,858,000**, to remain available until September 30, **[2007] 2008: Provided**, That of this amount, not to exceed **[\$87,043,000] \$65,612,000** shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: **Provided further**, That of the funds appropriated for "Military Construction, Navy" in previous Military Construction Appropriation Acts, \$1,340,000 are rescinded. (Military Construction Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 17-1205-0-1-051	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Major construction .....	823	1,126	1,073
00.02	Minor construction .....	34	22	14
00.03	Planning .....	236	72	66
09.01	Reimbursable program .....	451	354	354
10.00	Total new obligations .....	1,544	1,574	1,507
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year .....	266	328	411
22.00	New budget authority (gross) .....	1,521	1,658	1,487
22.10	Resources available from recoveries of prior year obligations .....	83	.....	.....
22.22	Unobligated balance transferred from other accounts .....	1	.....	.....
23.90	Total budgetary resources available for obligation .....	1,871	1,986	1,898
23.95	Total new obligations .....	— 1,544	— 1,574	— 1,507
23.98	Unobligated balance expiring or withdrawn .....	— 1	.....	.....
24.40	Unobligated balance carried forward, end of year .....	328	411	392

**New budget authority (gross), detail:**

Discretionary:				
40.00	Appropriation .....	1,146	1,305	1,133
40.36	Unobligated balance rescinded .....	— 20	— 1	.....
40.73	Reduction pursuant to P.L. 107-206 .....	— 3	.....	.....
40.79	Reduction pursuant to P.L. 107-64 .....	— 13	.....	.....
42.00	Transferred from other accounts .....	6	.....	.....
43.00	Appropriation (total discretionary) .....	1,116	1,304	1,133
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	391	354	354
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	14	.....	.....

**General and special funds—Continued**

**MILITARY CONSTRUCTION, NAVY—Continued**

**[(INCLUDING RESCISSION)]—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 17-1205-0-1-051	2002 actual	2003 est.	2004 est.
68.90 Spending authority from offsetting collections (total discretionary) .....	405	354	354
70.00 Total new budget authority (gross) .....	1,521	1,658	1,487
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	967	1,165	1,340
73.10 Total new obligations .....	1,544	1,574	1,507
73.20 Total outlays (gross) .....	-1,356	-1,399	-1,537
73.40 Adjustments in expired accounts (net) .....	41		
73.45 Recoveries of prior year obligations .....	-83		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-14		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	66		
74.40 Obligated balance, end of year .....	1,165	1,340	1,310
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	219	497	478
86.93 Outlays from discretionary balances .....	1,137	901	1,059
87.00 Total outlays (gross) .....	1,356	1,399	1,537
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-308	-264	-264
88.40 Offsetting collections, Non-Federal sources, Other .....	-136	-90	-90
88.90 Total, offsetting collections (cash) .....	-444	-354	-354
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-14		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	53		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,116	1,304	1,133
90.00 Outlays .....	913	1,045	1,183
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....		10	11
99.01 Outlays .....		10	11

**Budget Plan (in millions of dollars)**

Identification code 17-1205-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
0701 Major construction .....	1,042	1,193	1,055
0702 Minor construction .....	25	26	12
0703 Planning .....	72	86	66
0791 Total direct .....	1,139	1,305	1,133
0801 Reimbursable .....	402	354	354
0893 Total budget plan .....	1,540	1,659	1,487

**Object Classification (in millions of dollars)**

Identification code 17-1205-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	127	127	141
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	4	4	4
11.9 Total personnel compensation .....	133	133	147
12.1 Civilian personnel benefits .....	28	25	38
21.0 Travel and transportation of persons .....	8	5	8
22.0 Transportation of things .....	2	1	2
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	2	12	12
24.0 Printing and reproduction .....		1	

25.2 Other services .....	58		60
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts .....	4		
25.3 Other purchases of goods and services from Government accounts .....			4
25.7 Operation and maintenance of equipment .....	1		1
26.0 Supplies and materials .....	1	3	1
31.0 Equipment .....	2	5	2
32.0 Land and structures .....	851	1,034	877
99.0 Direct obligations .....	1,091	1,220	1,153
99.0 Reimbursable obligations .....	453	354	354
99.9 Total new obligations .....	1,544	1,574	1,507

**Personnel Summary**

Identification code 17-1205-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,955	1,963	1,965
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	379	325	310

**MILITARY CONSTRUCTION, AIR FORCE**

**[(INCLUDING RESCISSION)]**

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, **[\$1,080,247,000] \$772,767,000**, to remain available until September 30, [2007] 2008: *Provided*, That of this amount, not to exceed **[\$72,283,000] \$74,345,000** shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further*, That of the funds appropriated for "Military Construction, Air Force" in previous Military Construction Appropriation Acts, **\$13,281,000** are rescinded]. (*Military Construction Appropriations Act, 2003.*)

**Program and Financing (in millions of dollars)**

Identification code 57-3300-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Major construction .....	1,041	879	722
00.02 Minor construction .....	12	29	12
00.03 Planning .....	97	167	76
00.04 Supporting Activities .....	1	2	
09.01 Reimbursable program .....	7		
10.00 Total new obligations .....	1,158	1,076	810
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	165	250	240
22.00 New budget authority (gross) .....	1,246	1,067	773
22.10 Resources available from recoveries of prior year obligations .....	2		
22.21 Unobligated balance transferred to other accounts .....	-4		
22.22 Unobligated balance transferred from other accounts .....	4		
23.90 Total budgetary resources available for obligation .....	1,413	1,317	1,013
23.95 Total new obligations .....	-1,158	-1,076	-810
23.98 Unobligated balance expiring or withdrawn .....	-4		
24.40 Unobligated balance carried forward, end of year .....	250	240	203
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	1,249	1,080	773
40.35 Appropriation rescinded .....	-7		
40.36 Unobligated balance rescinded .....	-4	-13	
40.79 Reduction pursuant to P.L. 107-64 .....	-13		
42.00 Transferred for other accounts .....	14		
43.00 Appropriation (total discretionary) .....	1,239	1,067	773
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	7		

70.00	Total new budget authority (gross) .....	1,246	1,067	773
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1,117	1,406	1,388
73.10	Total new obligations .....	1,158	1,076	810
73.20	Total outlays (gross) .....	- 869	- 1,095	- 1,105
73.40	Adjustments in expired accounts (net) .....	1		
73.45	Recoveries of prior year obligations .....	- 2		
74.40	Obligated balance, end of year .....	1,406	1,388	1,095
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	120	139	101
86.93	Outlays from discretionary balances .....	749	956	1,004
87.00	Total outlays (gross) .....	869	1,095	1,105
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	- 7		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	1,239	1,067	773
90.00	Outlays .....	862	1,095	1,105

**Budget Plan (in millions of dollars)**

Identification code 57-3300-0-1-051	2002 actual	2003 est.	2004 est.
0701 Major construction .....	1,124	996	686
0702 Minor construction .....	12	13	12
0703 Planning .....	94	72	74
0791 Subtotal .....	1,229	1,080	773
0801 Reimbursable program .....	7		
0893 Total budget plan .....	1,236	1,080	773

**Object Classification (in millions of dollars)**

Identification code 57-3300-0-1-051	2002 actual	2003 est.	2004 est.
32.0 Direct obligations: Land and structures (direct) .....	1,151	1,076	810
99.0 Reimbursable obligations: Reimbursable obligations .....	7		
99.9 Total new obligations .....	1,158	1,076	810

**MILITARY CONSTRUCTION, DEFENSE-WIDE**

(INCLUDING TRANSFER [AND RESCISSIONS] OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, **[\$874,645,000] \$668,801,000**, to remain available until September 30, **[2007] 2008: Provided**, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction or family housing as he may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided further*, That of the amount appropriated, not to exceed **[\$50,432,000] \$59,884,000** shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further*, That of the funds appropriated for "Military Construction, Defense-wide" in previous Military Construction Appropriation Acts, \$2,976,000 are rescinded]. (*Military Construction Appropriations Act, 2003.*)

**Program and Financing (in millions of dollars)**

Identification code 97-0500-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Major construction .....	840	752	602
00.02 Minor construction .....	18	9	13
00.03 Planning .....	70	26	43
10.00 Total new obligations .....	928	787	658

<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	555	425	505
22.00	New budget authority (gross) .....	766	867	669
22.10	Resources available from recoveries of prior year obligations .....	41		
22.21	Unobligated balance transferred to other accounts .....	- 2		
22.22	Unobligated balance transferred from other accounts .....	2		
23.90	Total budgetary resources available for obligation .....	1,362	1,292	1,174
23.95	Total new obligations .....	- 928	- 787	- 658
23.98	Unobligated balance expiring or withdrawn .....	- 9		
24.40	Unobligated balance carried forward, end of year .....	425	505	516

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation .....	897	870	669
40.35	Appropriation rescinded .....	- 22		
40.36	Unobligated balance rescinded .....	- 69	- 3	
40.73	Reduction pursuant to P.L. 107-206 .....	- 5		
40.79	Reduction pursuant to P.L. 107-64 .....	- 9		
41.00	Transferred to other DoD accounts .....	- 35		
42.00	Transferred from other DoD accounts .....	9		
43.00	Appropriation (total discretionary) .....	766	867	669

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	723	899	885
73.10	Total new obligations .....	928	787	658
73.20	Total outlays (gross) .....	- 712	- 801	- 758
73.40	Adjustments in expired accounts (net) .....	2		
73.45	Recoveries of prior year obligations .....	- 41		
74.40	Obligated balance, end of year .....	899	885	783

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	124	102	79
86.93	Outlays from discretionary balances .....	588	699	679
87.00	Total outlays (gross) .....	712	801	758

**Net budget authority and outlays:**

89.00	Budget authority .....	766	867	669
90.00	Outlays .....	713	801	758

**Budget Plan (in millions of dollars)**

Identification code 97-0500-0-1-051	2002 actual	2003 est.	2004 est.
0701 Major construction .....	759	808	593
0702 Minor construction .....	24	16	16
0703 Planning .....	54	45	60
0893 Total budget plan .....	837	870	669

**Object Classification (in millions of dollars)**

Identification code 97-0500-0-1-051	2002 actual	2003 est.	2004 est.
25.2 Other services .....	1	1	2
25.5 Research and development contracts .....	1		
32.0 Land and structures .....	926	786	656
99.9 Total new obligations .....	928	787	658

**NORTH ATLANTIC TREATY ORGANIZATION**

**SECURITY INVESTMENT PROGRAM**

For the United States share of the cost of the North Atlantic Treaty Organization Security Investment Program for the acquisition and construction of military facilities and installations (including international military headquarters) and for related expenses for the collective defense of the North Atlantic Treaty Area as authorized in Military Construction Authorization Acts and section 2806 of title 10, United States Code, **[\$167,200,000] \$169,300,000**, to remain available until expended. (*Military Construction Appropriations Act, 2003.*)

**Program and Financing (in millions of dollars)**

Identification code 97-0804-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 NATO Infrastructure .....	156	178	184

## General and special funds—Continued

## SECURITY INVESTMENT PROGRAM—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 97-0804-0-1-051	2002 actual	2003 est.	2004 est.
09.01 Reimbursable program .....	1		
10.00 Total new obligations .....	157	178	184
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	120	41	41
22.00 New budget authority (gross) .....	163	178	172
22.21 Unobligated balance transferred to other accounts .....	-129		
22.22 Unobligated balance transferred from other accounts .....	44		
23.90 Total budgetary resources available for obligation .....	197	219	213
23.95 Total new obligations .....	-157	-178	-184
24.40 Unobligated balance carried forward, end of year .....	41	41	29
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	163	167	169
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	11	3
70.00 Total new budget authority (gross) .....	163	178	172
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	304	272	168
73.10 Total new obligations .....	157	178	184
73.20 Total outlays (gross) .....	-189	-282	-255
74.40 Obligated balance, end of year .....	272	168	97
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	164	95	88
86.93 Outlays from discretionary balances .....	25	188	167
87.00 Total outlays (gross) .....	189	282	255
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Offsetting collections, Non-Federal sources, Other .....	-1	-11	-3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	163	167	169
90.00 Outlays .....	189	271	252

## Object Classification (in millions of dollars)

Identification code 97-0804-0-1-051	2002 actual	2003 est.	2004 est.
32.0 Direct obligations: Land and structures .....	156	178	184
99.0 Reimbursable obligations: Reimbursable obligations .....	1		
99.9 Total new obligations .....	157	178	184

## MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, **[\$241,377,000]** \$168,298,000, to remain available until September 30, **[2007]** 2008. (*Military Construction Appropriations Act, 2003.*)

## Program and Financing (in millions of dollars)

Identification code 21-2085-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Major construction .....	408	252	191
00.02 Minor construction .....		8	6
00.03 Planning .....	5	21	25
10.00 Total new obligations .....	413	282	222
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	222	287	247

22.00 New budget authority (gross) .....	401	241	168
22.10 Resources available from recoveries of prior year obligations .....	78		
23.90 Total budgetary resources available for obligation .....	701	529	415
23.95 Total new obligations .....	-413	-282	-222
24.40 Unobligated balance carried forward, end of year .....	287	247	193

## New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation .....	406	241	168
40.79 Reduction pursuant to P.L. 107-64 .....	-5		
43.00 Appropriation (total discretionary) .....	401	241	168

## Change in obligated balances:

72.40 Obligated balance, start of year .....	280	398	361
73.10 Total new obligations .....	413	282	222
73.20 Total outlays (gross) .....	-216	-318	-282
73.45 Recoveries of prior year obligations .....	-78		
74.40 Obligated balance, end of year .....	398	361	301

## Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	14	13	9
86.93 Outlays from discretionary balances .....	202	306	273
87.00 Total outlays (gross) .....	216	318	282

## Net budget authority and outlays:

89.00 Budget authority .....	401	241	168
90.00 Outlays .....	216	318	282

## Budget Plan (in millions of dollars)

Identification code 21-2085-0-1-051	2002 actual	2003 est.	2004 est.
0701 Major construction .....	365	195	140
0702 Minor construction .....		14	1
0703 Planning .....	36	32	27
0893 Total budget plan .....	401	241	168

## Object Classification (in millions of dollars)

Identification code 21-2085-0-1-051	2002 actual	2003 est.	2004 est.
25.2 Other services .....		7	7
25.3 Other purchases of goods and services from Government accounts .....		60	62
25.4 Operation and maintenance of facilities .....	3		
26.0 Supplies and materials .....	3		
32.0 Land and structures .....	395	215	153
33.0 Investments and loans .....	12		
99.9 Total new obligations .....	413	282	222

## MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, **[\$203,813,000]** \$60,430,000, to remain available until September 30, **[2007]** 2008. (*Military Construction Appropriations Act, 2003.*)

## Program and Financing (in millions of dollars)

Identification code 57-3830-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Major construction .....	276	174	76
00.02 Minor construction .....	5	6	6
00.03 Planning .....	17	16	16
10.00 Total new obligations (object class 32.0) .....	298	196	98
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	125	80	88
22.00 New budget authority (gross) .....	250	204	60
22.10 Resources available from recoveries of prior year obligations .....	3		

23.90	Total budgetary resources available for obligation	378	284	148
23.95	Total new obligations	-298	-196	-98
24.40	For completion of prior year budget plans	80	88	50

**New budget authority (gross), detail:**

Discretionary:				
40.00	Appropriation	253	204	60
40.79	Reduction pursuant to P.L. 107-64	-3		
43.00	Appropriation (total discretionary)	250	204	60

**Change in obligated balances:**

72.40	Obligated balance, start of year	225	290	265
73.10	Total new obligations	298	196	98
73.20	Total outlays (gross)	-232	-221	-213
73.45	Recoveries of prior year obligations	-3		
74.40	Obligated balance, end of year	290	265	150

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	9	10	3
86.93	Outlays from discretionary balances	223	211	210
87.00	Total outlays (gross)	232	221	213

**Net budget authority and outlays:**

89.00	Budget authority	250	204	60
90.00	Outlays	231	221	213

**Budget Plan (in millions of dollars)**

Identification code 57-3830-0-1-051		2002 actual	2003 est.	2004 est.
0701	Major construction	237	181	39
0702	Minor construction	7	6	5
0703	Planning	7	17	16
0893	Total budget plan	251	204	60

**MILITARY CONSTRUCTION, ARMY RESERVE**

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, **[\$100,554,000]** \$68,478,000, to remain available until September 30, **[2007] 2008.** (*Military Construction Appropriations Act, 2003.*)

**Program and Financing (in millions of dollars)**

Identification code 21-2086-0-1-051		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Major construction	167	85	63
00.02	Minor construction	2	2	3
00.03	Planning	12	7	7
10.00	Total new obligations	181	94	72

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	55	41	47
22.00	New budget authority (gross)	165	101	68
22.10	Resources available from recoveries of prior year obligations	2		
23.90	Total budgetary resources available for obligation	222	141	115
23.95	Total new obligations	-181	-94	-72
24.40	Unobligated balance carried forward, end of year	41	47	43

**New budget authority (gross), detail:**

Discretionary:				
40.00	Appropriation	167	101	68
40.79	Reduction pursuant to P.L. 107-64	-2		
43.00	Appropriation (total discretionary)	165	101	68

**Change in obligated balances:**

72.40	Obligated balance, start of year	163	219	185
73.10	Total new obligations	181	94	72
73.20	Total outlays (gross)	-124	-128	-113
73.40	Adjustments in expired accounts (net)	1		
73.45	Recoveries of prior year obligations	-2		
74.40	Obligated balance, end of year	219	185	144

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	11	9	6
86.93	Outlays from discretionary balances	113	119	108
87.00	Total outlays (gross)	124	128	113

**Net budget authority and outlays:**

89.00	Budget authority	165	101	68
90.00	Outlays	124	128	113

**Budget Plan (in millions of dollars)**

Identification code 21-2086-0-1-051		2002 actual	2003 est.	2004 est.
0701	Major construction	157	87	58
0702	Minor construction		3	3
0703	Planning	8	10	8
0893	Total budget plan	165	101	68

**Object Classification (in millions of dollars)**

Identification code 21-2086-0-1-051		2002 actual	2003 est.	2004 est.
23.2	Rental payments to others	2	1	1
25.2	Other services	7	3	3
Other purchases of goods and services from Government accounts:				
25.3	Other purchases of goods and services from Government accounts	10	4	4
25.3	Other purchases of goods and services from Government accounts	27	13	11
32.0	Land and structures	135	73	53
99.9	Total new obligations	181	94	72

**MILITARY CONSTRUCTION, NAVAL RESERVE**

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, **[\$74,921,000]** \$28,032,000, to remain available until September 30, **[2007] 2008.** (*Military Construction Appropriations Act, 2003.*)

**Program and Financing (in millions of dollars)**

Identification code 17-1235-0-1-051		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Major construction	38	61	35
00.02	Minor construction		1	
00.03	Planning	5	2	2
10.00	Total new obligations (object class 32.0)	43	64	38

**Budgetary resources available for obligation:**

21.40	For completion of prior year budget plans	9	17	28
22.00	New budget authority (gross)	51	75	28
23.90	Total budgetary resources available for obligation	60	92	56
23.95	Total new obligations	-43	-64	-38
24.40	Unobligated balance carried forward, end of year	17	28	18

**New budget authority (gross), detail:**

Discretionary:				
40.00	Appropriation	53	75	28
40.36	Unobligated balance rescinded	-1		
40.79	Reduction pursuant to P.L. 107-64	-1		
43.00	Appropriation (total discretionary)	51	75	28

**Change in obligated balances:**

72.40	Obligated balance, start of year	70	76	73
73.10	Total new obligations	43	64	38
73.20	Total outlays (gross)	-37	-68	-61
74.40	Obligated balance, end of year	76	73	50

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	3	14	5
86.93	Outlays from discretionary balances	34	54	56

**General and special funds—Continued**

**MILITARY CONSTRUCTION, NAVAL RESERVE—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 17-1235-0-1-051	2002 actual	2003 est.	2004 est.
87.00 Total outlays (gross) .....	37	68	61
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	51	75	28
90.00 Outlays .....	38	68	61

**Budget Plan (in millions of dollars)**

Identification code 17-1235-0-1-051	2002 actual	2003 est.	2004 est.
0701 Major construction .....	50	71	25
0702 Minor construction .....		1	
0703 Planning .....	3	3	3
0893 Total budget plan .....	53	75	28

**MILITARY CONSTRUCTION, AIR FORCE RESERVE**

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, **[\$67,226,000] \$44,312,000**, to remain available until September 30, **[2007] 2008**. (*Military Construction Appropriations Act, 2003*.)

**Program and Financing (in millions of dollars)**

Identification code 57-3730-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Major construction .....			33
00.02 Minor construction .....	56	58	5
00.03 Planning .....	4	6	10
10.00 Total new obligations (object class 32.0) .....	4	4	48

**Budgetary resources available for obligation:**

21.40 For completion of prior year budget plans .....	6	15	15
22.00 New budget authority (gross) .....	74	67	44
23.90 Total budgetary resources available for obligation .....	80	83	59
23.95 Total new obligations .....	-64	-67	-48
24.40 For completion of prior year budget plans .....	15	15	11

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	75	67	44
40.79 Reduction pursuant to P.L. 107-64 .....	-1		
43.00 Appropriation (total discretionary) .....	74	67	44

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	62	83	95
73.10 Total new obligations .....	64	67	48
73.20 Total outlays (gross) .....	-43	-56	-63
74.40 Obligated balance, end of year .....	83	95	81

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	4	4	3
86.93 Outlays from discretionary balances .....	39	52	60
87.00 Total outlays (gross) .....	43	56	63

**Net budget authority and outlays:**

89.00 Budget authority .....	74	67	44
90.00 Outlays .....	43	56	63

**Budget Plan (in millions of dollars)**

Identification code 57-3730-0-1-051	2002 actual	2003 est.	2004 est.
0701 Major construction .....	63	57	28
0702 Minor construction .....	5	6	5
0703 Planning .....	6	4	11

0893 Total budget plan .....	74	67	44
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**BASE REALIGNMENT AND CLOSURE ACCOUNT**

For deposit into the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101-510), **[\$516,138,000] \$370,427,000** to remain available until expended. (*Military Construction Appropriations Act, 2003*.)

**Program and Financing (in millions of dollars)**

Identification code 97-0510-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Base Closure (II) .....	80		
00.03 Base Closure (III) .....	100	45	18
00.04 Base Closure (IV) .....	548	475	383
09.00 Reimbursable program .....	52		68
10.00 Total obligations—Base closure program .....	780	520	469

**Budgetary resources available for obligation:**

21.40 Available to finance new budget plans .....	298	319	360
22.00 New budget authority (gross) .....	685	561	438
22.10 Resources available from recoveries of prior year obligations .....	116		
22.21 Unobligated balance transferred to other accounts .....		-27	-14
22.22 Unobligated balance transferred from other accounts .....		27	14
23.90 Total budgetary resources available for obligation .....	1,099	880	798
23.95 Total new obligations .....	-780	-520	-469
24.40 Available to finance subsequent year budget plans .....	319	360	329

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	633	561	370
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	48		68
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	4		
68.90 Spending authority from offsetting collections (total discretionary) .....	52		68
70.00 Total new budget authority (gross) .....	685	561	438

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	1,243	982	692
73.10 Total new obligations .....	780	520	469
73.20 Total outlays (gross) .....	-920	-810	-683
73.45 Recoveries of prior year obligations .....	-116		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-4		
74.40 Obligated balance, end of year .....	982	692	478

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	243	199	204
86.93 Outlays from discretionary balances .....	677	611	479
87.00 Total outlays (gross) .....	920	810	683

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-48		-68
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-4		

**Net budget authority and outlays:**

89.00 Budget authority .....	633	561	370
90.00 Outlays .....	873	810	615

**Budget Plan (in millions of dollars)**

Identification code 97-0510-0-1-051	2002 actual	2003 est.	2004 est.
0602 Program activities .....	33		
0603 Program activities .....	100		
0604 Program activities .....	500	151	201
0704 Base Closure (IV) .....		437	259
0893 Total budget plan .....	633	588	460

**Object Classification** (in millions of dollars)

Identification code 97-0510-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons .....	2	1	1
22.0 Transportation of things .....	2	1	1
23.3 Communications, utilities, and miscellaneous charges .....	12	3	9
25.1 Advisory and assistance services .....	7	15	14
25.2 Other services .....	94	91	71
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Other purchases of goods and services from Government accounts .....	254	131	138
25.3 Purchases from revolving funds .....	28	19	14
25.4 Operation and maintenance of facilities .....	5	4	7
25.7 Operation and maintenance of equipment .....	3	2	1
26.0 Supplies and materials .....	3	2	1
31.0 Equipment .....	2	1	1
32.0 Land and structures .....	314	249	142
41.0 Grants, subsidies, and contributions .....	2	1	1
99.0 Direct obligations .....	728	520	401
99.0 Reimbursable obligations .....	52		68
99.9 Total new obligations .....	780	520	469

**FOREIGN CURRENCY FLUCTUATIONS, CONSTRUCTION**

**Program and Financing** (in millions of dollars)

Identification code 97-0803-0-1-051	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	150	177	177
22.00 New budget authority (gross) .....	-6		
22.21 Unobligated balance transferred to other accounts	-174		
22.22 Unobligated balance transferred from other accounts	207		
23.90 Total budgetary resources available for obligation	177	177	177
24.40 Unobligated balance carried forward, end of year .....	177	177	177
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.36 Unobligated balance rescinded .....	-60		
50.00 Reappropriation .....	54		
70.00 Total new budget authority (gross) .....	-6		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-6		
90.00 Outlays .....			

**FAMILY HOUSING, DEFENSE**

These appropriations finance all costs associated with construction, improvements, operations, maintenance and leasing of all military family housing. In addition to quality of life enhancements, the program contains initiatives to reduce operating costs and conserve energy by upgrading or replacing facilities which can be made more efficient through relatively modest investments in improvements.

The Family Housing Improvement Fund (FHIF) was created to finance the use of innovative methods authorized in the Housing Revitalization Act (HRA), P.L. 104-106, to meet the Department's housing needs. The HRA authorizes the Department to use limited partnerships, make direct and guaranteed loans, and convey Department-owned property to stimulate the private sector to increase the availability of affordable, quality housing for military personnel. The Department's goal is to increase its reliance on the private sector to provide quality housing for all military personnel much sooner than possible with traditional family housing programs at currently planned funding levels. The funds required to privatize military housing are transferred from the military

departments' housing accounts into the Family Housing Improvement Fund when procurement actions are finalized.

The budget plan for each appropriation is shown as a separate table immediately following the program and financing schedules for those appropriations that are available for obligation for more than one year.

Resources presented under the Family Housing title contribute primarily to achieving the Department's annual performance goals of assuring readiness and sustainability. Performance targets in support of these goals contribute to the Department's efforts to mitigate force management and operational risk, as directed in the 2001 Quadrennial Defense Review.

**Federal Funds**

**General and special funds:**

FAMILY HOUSING CONSTRUCTION, ARMY

[INCLUDING RESCISSION]

For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, **[\$280,356,000] \$356,891,000**, to remain available until September 30, **[2007: Provided, That of the funds appropriated for "Family Housing Construction, Army" in previous Military Construction Appropriation Acts, \$4,920,000 are rescinded] 2008. (Military Construction Appropriations Act, 2003.)**

**Program and Financing** (in millions of dollars)

Identification code 21-0720-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Construction of new housing .....	171	66	107
00.03 Post acquisition construction .....	9	166	188
00.04 Planning and design .....		13	27
10.00 Total new obligations .....	180	245	322
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	68	227	155
22.00 New budget authority (gross) .....	301	275	357
22.10 Resources available from recoveries of prior year obligations .....	41		
22.21 Unobligated balance transferred to other accounts	-12	-104	-146
22.22 Unobligated balance transferred from other accounts	9		
23.90 Total budgetary resources available for obligation	407	400	366
23.95 Total new obligations .....	-180	-245	-322
24.40 Unobligated balance carried forward, end of year .....	227	155	44
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	313	280	357
40.36 Unobligated balance rescinded .....		-5	
40.79 Reduction pursuant to P.L. 107-64 .....	-12		
43.00 Appropriation (total discretionary) .....	301	275	357
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	270	233	336
73.10 Total new obligations .....	180	245	322
73.20 Total outlays (gross) .....	-177	-141	-158
73.45 Recoveries of prior year obligations .....	-41		
74.40 Obligated balance, end of year .....	233	336	500
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	6	6	7
86.93 Outlays from discretionary balances .....	171	135	151
87.00 Total outlays (gross) .....	177	141	158
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	301	275	357
90.00 Outlays .....	177	141	158

**Budget Plan** (in millions of dollars)

Identification code 21-0720-0-1-051	2002 actual	2003 est.	2004 est.
0701 Construction of new housing .....	80	27	127

**General and special funds—Continued**

**FAMILY HOUSING CONSTRUCTION, ARMY—Continued**

**[INCLUDING RESCISSION]—Continued**

**Budget Plan (in millions of dollars)—Continued**

Identification code 21-0720-0-1-051	2002 actual	2003 est.	2004 est.
0703 Post acquisition construction .....	71	131	198
0704 Planning and design .....	12	16	34
0893 Total budget plan .....	163	173	359

**Object Classification (in millions of dollars)**

Identification code 21-0720-0-1-051	2002 actual	2003 est.	2004 est.
25.2 Other services .....	6	8	11
25.3 Other purchases of goods and services from Govern- ment accounts .....	36	49	65
32.0 Land and structures .....	138	188	246
99.9 Total new obligations .....	180	245	322

**FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY**

For expenses of family housing for the Army for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, **[\$1,106,007,000] \$1,043,026,000, to remain available until September 30, 2005. (Military Construction Appropriations Act, 2003.)**

**Program and Financing (in millions of dollars)**

Identification code 21-0725-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Utilities .....	197	211	167
00.06 Operating expenses .....	198	179	179
00.07 Leasing .....	199	213	234
00.08 Maintenance of real property .....	503	482	433
00.12 Housing privatization support .....	21	30	30
09.01 Reimbursable program .....	18	22	22
10.00 Total new obligations .....	1,115	1,128	1,065

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	1,094	1,128	1,065
22.21 Unobligated balance transferred to other accounts .....	-38		
22.22 Unobligated balance transferred from other accounts .....	68		
23.90 Total budgetary resources available for obligation .....	1,124	1,128	1,065
23.95 Total new obligations .....	-1,115	-1,128	-1,065
23.98 Unobligated balance expiring or withdrawn .....	-10		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	1,089	1,106	1,043
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
40.79 Reduction pursuant to P.L. 107-64 .....	-12		
43.00 Appropriation (total discretionary) .....	1,076	1,106	1,043
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	16	22	22
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
68.90 Spending authority from offsetting collections (total discretionary) .....	18	22	22
70.00 Total new budget authority (gross) .....	1,094	1,128	1,065

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	376	479	445
73.10 Total new obligations .....	1,115	1,128	1,065
73.20 Total outlays (gross) .....	-998	-1,163	-1,121
73.40 Adjustments in expired accounts (net) .....	-14		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	4		
74.40 Obligated balance, end of year .....	479	445	389

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	732	813	768
86.93 Outlays from discretionary balances .....	266	350	353
87.00 Total outlays (gross) .....	998	1,163	1,121

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-18	-4	-4
88.40 Offsetting collections, Non-Federal sources, Other .....		-18	-18
88.90 Total, offsetting collections (cash) .....	-18	-22	-22
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	2		

**Net budget authority and outlays:**

89.00 Budget authority .....	1,076	1,106	1,043
90.00 Outlays .....	980	1,141	1,099

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

**Object Classification (in millions of dollars)**

Identification code 21-0725-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	24	30	23
11.3 Other than full-time permanent .....	6	3	3
11.5 Other personnel compensation .....	1	2	2
11.9 Total personnel compensation .....	31	35	28
12.1 Civilian personnel benefits .....	9	9	7
21.0 Travel and transportation of persons .....	3	3	2
22.0 Transportation of things .....	3	3	3
23.1 Rental payments to GSA .....	1	1	1
23.2 Rental payments to others .....	108	109	104
23.3 Communications, utilities, and miscellaneous charges .....	83	84	80
25.1 Advisory and assistance services .....	11	16	14
25.2 Other services .....	34	87	87
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Other purchases of goods and services from Government accounts .....	359	362	346
25.3 Other purchases of goods and services from Government accounts .....	12	13	11
25.3 Other purchases of goods and services from Government accounts .....	12	12	11
25.4 Operation and maintenance of facilities .....	370	316	309
25.7 Operation and maintenance of equipment .....	12	12	11
26.0 Supplies and materials .....	22	22	7
31.0 Equipment .....	23	23	22
32.0 Land and structures .....	5		
99.0 Direct obligations .....	1,098	1,107	1,043
99.0 Reimbursable obligations .....	17	21	22
99.9 Total new obligations .....	1,115	1,128	1,065

**Personnel Summary**

Identification code 21-0725-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	767	749	700
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....			

**Federal Funds**

**General and special funds:**

**FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS  
[(INCLUDING RESCISSION)]**

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, **[\$376,468,000]** \$184,193,000, to remain available until September 30, **[2007: Provided, That of the funds appropriated for "Family Housing Construction, Navy and Marine Corps" in previous Military Construction Appropriation Acts, \$2,652,000 are rescinded]** 2008. (Military Construction Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 17-0730-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Construction of new housing	235	221	189
00.03 Post-acquisition construction	29	61	38
00.04 Planning and Design	7	8	9
10.00 Total new obligations (object class 32.0)	271	290	236
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	187	224	226
22.00 New budget authority (gross)	328	332	184
22.10 Resources available from recoveries of prior year obligations	1		
22.21 Unobligated balance transferred to other accounts	-22	-40	-84
22.22 Unobligated balance transferred from other accounts	2		
23.90 Total budgetary resources available for obligation	496	516	326
23.95 Total new obligations	-271	-290	-236
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	224	226	90
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	332	376	184
40.36 Unobligated balance rescinded		-3	
40.79 Reduction pursuant to P.L. 107-64	-4		
41.00 Transferred to other accounts		-41	
43.00 Appropriation (total discretionary)	328	332	184
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	629	464	441
73.10 Total new obligations	271	290	236
73.20 Total outlays (gross)	-435	-313	-315
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	464	441	361
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	10	17	9
86.93 Outlays from discretionary balances	425	296	306
87.00 Total outlays (gross)	435	313	315
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	328	332	184
90.00 Outlays	435	313	315

**Budget Plan (in millions of dollars)**

Identification code 17-0730-0-1-051	2002 actual	2003 est.	2004 est.
0701 Construction of new housing	113	185	157
0703 Post acquisition construction	153	82	20
0704 Planning and design	6	11	8
0893 Total budget plan	273	279	186

**FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS**

For expenses of family housing for the Navy and Marine Corps for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, **[\$861,788,000]** \$852,778,000, to

remain available until September 30, 2005. (Military Construction Appropriations Act, 2003.)

**Program and Financing (in millions of dollars)**

Identification code 17-0735-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
02.01 Utilities	194	173	165
02.02 Operating Expenses	204	175	167
02.03 Leasing	115	128	132
02.04 Maintenance	368	374	378
02.05 Privatization	10	11	11
09.01 Reimbursable program	16	21	21
10.00 Total new obligations	907	882	874
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	916	883	874
22.21 Unobligated balance transferred to other accounts	-4		
22.22 Unobligated balance transferred from other accounts	8		
23.90 Total budgetary resources available for obligation	920	883	874
23.95 Total new obligations	-907	-882	-874
23.98 Unobligated balance expiring or withdrawn	-11		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	910	862	853
40.79 Reduction pursuant to P.L. 107-64	-10		
43.00 Appropriation (total discretionary)	900	862	853
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	16	21	21
70.00 Total new budget authority (gross)	916	883	874
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	514	537	491
73.10 Total new obligations	907	882	874
73.20 Total outlays (gross)	-866	-930	-929
73.40 Adjustments in expired accounts (net)	-20		
74.40 Obligated balance, end of year	537	491	435
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	534	543	537
86.93 Outlays from discretionary balances	332	387	392
87.00 Total outlays (gross)	866	930	929
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-15	-19	-19
88.40 Offsetting collections, Non-Federal sources, Other	-3	-2	-2
88.90 Total, offsetting collections (cash)	-18	-21	-21
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	900	862	853
90.00 Outlays	848	909	908

**Object Classification (in millions of dollars)**

Identification code 17-0735-0-1-051	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent		69	69
11.3 Other than full-time permanent		4	4
11.5 Other personnel compensation		1	1
11.8 Special personal services payments		15	15
11.9 Total personnel compensation		89	89
21.0 Travel and transportation of persons	29	2	2
23.2 Rental payments to others	120	45	126
23.3 Communications, utilities, and miscellaneous charges	184	160	93
25.1 Advisory and assistance services	4	4	5
25.2 Other services	64	44	123

**General and special funds—Continued****FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND  
MARINE CORPS—Continued****Object Classification** (in millions of dollars)—Continued

Identification code 17-0735-0-1-051	2002 actual	2003 est.	2004 est.
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts .....			2
25.3 Purchases from revolving funds .....	256	243	204
25.4 Operation and maintenance of facilities .....	208	152	191
25.7 Operation and maintenance of equipment .....			1
26.0 Supplies and materials .....	2	101	
31.0 Equipment .....	24	21	17
99.0 Direct obligations .....	891	861	853
99.0 Reimbursable obligations .....	16	21	21
99.9 Total new obligations .....	907	882	874

**Personnel Summary**

Identification code 17-0735-0-1-051	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....		1,189	1,157
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....			

**Federal Funds****General and special funds:****FAMILY HOUSING CONSTRUCTION, AIR FORCE****[(INCLUDING RESCISSION)]**

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, **[\$684,824,000] \$695,622,000**, to remain available until September 30, **[2007: Provided, That of the funds appropriated for "Family Housing Construction, Air Force" in previous Military Construction Appropriation Acts, \$8,782,000 are rescinded] 2008. (Military Construction Appropriations Act, 2003.)**

**Program and Financing** (in millions of dollars)

Identification code 57-0740-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 New Construction .....	118	492	407
00.03 Post Acquisition Construction .....	203	198	228
00.04 Planning and Design .....	18	30	29
10.00 Total new obligations (object class 32.0) .....	339	720	664
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	187	389	282
22.00 New budget authority (gross) .....	540	676	696
22.10 Resources available from recoveries of prior year obligations .....	3		
22.21 Unobligated balance transferred to other accounts .....	-8	-63	-83
22.22 Unobligated balance transferred from other accounts .....	8		
23.90 Total budgetary resources available for obligation .....	730	1,002	895
23.95 Total new obligations .....	-339	-720	-664
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	389	282	231
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	551	685	696
40.36 Unobligated balance rescinded .....		-9	
40.79 Reduction pursuant to P.L. 107-64 .....	-6		
41.00 Transferred to other accounts .....	-5		
43.00 Appropriation (total discretionary) .....	539	676	696
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	322	392	665

73.10 Total new obligations .....	339	720	664
73.20 Total outlays (gross) .....	-266	-447	-456
73.45 Recoveries of prior year obligations .....	-3		
74.40 Obligated balance, end of year .....	392	665	873

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	32	51	52
86.93 Outlays from discretionary balances .....	234	397	403
87.00 Total outlays (gross) .....	266	447	456

**Net budget authority and outlays:**

89.00 Budget authority .....	539	676	696
90.00 Outlays .....	266	447	456

**Budget Plan** (in millions of dollars)

Identification code 57-0740-0-1-051	2002 actual	2003 est.	2004 est.
0701 Construction of new housing .....	132	426	417
0703 Post acquisition construction .....	303	217	249
0704 Planning and design .....	24	34	33
0893 Total budget plan .....	459	677	700

**FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE**

For expenses of family housing for the Air Force for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, **[\$863,050,000] \$834,468,000**, to remain available until September 30, 2005. (Military Construction Appropriations Act, 2003.)

**Program and Financing** (in millions of dollars)

Identification code 57-0745-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Utilities .....	158	132	133
00.06 Operating Expenses .....	142	110	142
00.07 Leasing .....	103	103	120
00.08 Maintenance .....	414	503	396
00.12 Housing Privatization Support .....	28	15	45
09.01 Reimbursable program .....	10	11	11
10.00 Total new obligations .....	855	874	846
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	844	874	846
22.22 Unobligated balance transferred from other accounts .....	13		
23.90 Total budgetary resources available for obligation .....	857	874	846
23.95 Total new obligations .....	-855	-874	-846
23.98 Unobligated balance expiring or withdrawn .....	-3		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	845	863	834
40.79 Reduction pursuant to P.L. 107-64 .....	-10		
43.00 Appropriation (total discretionary) .....	835	863	834
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	6	11	11
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	3		
68.90 Spending authority from offsetting collections (total discretionary) .....	10	11	11
70.00 Total new budget authority (gross) .....	844	874	846
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	347	358	320
73.10 Total new obligations .....	855	874	846
73.20 Total outlays (gross) .....	-820	-912	-857
73.40 Adjustments in expired accounts (net) .....	-21		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	2		
74.40 Obligated balance, end of year .....	358	320	309

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	569	600	581
86.93	Outlays from discretionary balances	251	312	275
87.00	Total outlays (gross)	820	912	857

**Offsets:**

Against gross budget authority and outlays:

Offsetting collections (cash) from:

88.00	Federal sources	-1	-3	-3
88.40	Offsetting collections, Non-Federal sources, Other	-7	-8	-8
88.90	Total, offsetting collections (cash)	-8	-11	-11

Against gross budget authority only:

88.95	Change in uncollected customer payments from Federal sources (unexpired)	-3		
88.96	Portion of offsetting collections (cash) credited to expired accounts	2		

**Net budget authority and outlays:**

89.00	Budget authority	835	863	834
90.00	Outlays	812	901	846

**Object Classification (in millions of dollars)**

Identification code 57-0745-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
21.0	Travel and transportation of persons	8	9	9
22.0	Transportation of things	8	9	8
23.2	Rental payments to others	101	71	63
25.1	Advisory and assistance services	14		7
25.2	Other services	18	19	19
25.3	Other purchases of goods and services from Government accounts	95	116	112
26.0	Supplies and materials	380	404	388
31.0	Equipment	212	226	220
32.0	Land and structures	8	9	9
99.0	Direct obligations	844	863	835
99.0	Reimbursable obligations	11	11	11
99.9	Total new obligations	855	874	846

**Federal Funds**

**General and special funds:**

**FAMILY HOUSING CONSTRUCTION, DEFENSE-WIDE**

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, **[\$5,480,000] \$350,000**, to remain available until September 30, **[2007] 2008**. (*Military Construction Appropriations Act, 2003*.)

**Program and Financing (in millions of dollars)**

Identification code 97-0760-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
01.03	Post Acquisition Construction	1	5	1
10.00	Total new obligations (object class 32.0)	1	5	1
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	1	1	1
22.00	New budget authority (gross)		5	
23.90	Total budgetary resources available for obligation	1	6	1
23.95	Total new obligations	-1	-5	-1
24.40	Unobligated balance carried forward, end of year	1	1	1
<b>Net budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation		5	
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	3	1	4
73.10	Total new obligations	1	5	1
73.20	Total outlays (gross)	-3	-1	
74.40	Obligated balance, end of year	1	4	5

**Outlays (gross), detail:**

86.93	Outlays from discretionary balances	3	1	
<b>Net budget authority and outlays:</b>				
89.00	Budget authority		5	
90.00	Outlays	3	1	

**Budget Plan (in millions of dollars)**

Identification code 97-0760-0-1-051	2002 actual	2003 est.	2004 est.
0603	Post Acquisition Construction		5
0893	Total budget plan		5

**FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE**

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for operation and maintenance, leasing, and minor construction, as authorized by law, **[\$42,395,000] \$49,440,000**, to remain available until September 30, 2005. (*Military Construction Appropriations Act, 2003*.)

**Program and Financing (in millions of dollars)**

Identification code 97-0765-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
02.05	Utilities	1	1	1
02.06	Operating Expenses	5	5	5
02.07	Leasing	35	36	39
02.08	Maintenance of Real Property	1	1	5
09.01	Reimbursable program	1	3	3
10.00	Total new obligations	43	46	53
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross)	44	45	53
23.95	Total new obligations	-43	-46	-53
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	43	42	49
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1	3	4
70.00	Total new budget authority (gross)	44	45	53
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	24	26	13
73.10	Total new obligations	43	46	53
73.20	Total outlays (gross)	-39	-57	-52
74.40	Obligated balance, end of year	26	13	14

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	34	33	39
86.93	Outlays from discretionary balances	5	24	13
87.00	Total outlays (gross)	39	57	52

**Offsets:**

Against gross budget authority and outlays:

88.00	Offsetting collections (cash) from: Federal sources	-1	-3	-4
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**Net budget authority and outlays:**

89.00	Budget authority	43	42	49
90.00	Outlays	38	54	48

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority			
99.01	Outlays			

**Object Classification (in millions of dollars)**

Identification code 97-0765-0-1-051	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
22.0	Transportation of things	1	1	1
23.2	Rental payments to others	22	24	23
23.3	Communications, utilities, and miscellaneous charges	3	3	6

**General and special funds—Continued**

**FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE—Continued**

**Object Classification (in millions of dollars)—Continued**

Identification code 97-0765-0-1-051	2002 actual	2003 est.	2004 est.
25.2 Other services .....			1
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts .....	11	11	12
25.3 Payments to foreign national indirect hire personnel .....			1
25.4 Operation and maintenance of facilities .....	1	1	2
31.0 Equipment .....	4	3	3
99.0 Direct obligations .....	42	43	49
99.0 Reimbursable obligations .....	1	3	4
99.9 Total new obligations .....	43	46	53

**Public enterprise funds:**

**HOMEOWNERS ASSISTANCE FUND, DEFENSE**

**Program and Financing (in millions of dollars)**

Identification code 97-4090-0-3-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Payment to homeowners (private sale and foreclosure assistance) .....	4	4	2
09.02 Other operating costs .....	6	6	6
09.03 Capital Investment: Acquisition of real property .....	3	4	8
10.00 Total new obligations .....	13	14	16
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	22	23	23
22.00 New budget authority (gross) .....	13	14	16
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	36	37	39
23.95 Total new obligations .....	-13	-14	-16
24.40 Unobligated balance carried forward, end of year .....	23	23	23
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	10		
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	4	14	16
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
68.90 Spending authority from offsetting collections (total discretionary) .....	3	14	16
70.00 Total new budget authority (gross) .....	13	14	16
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	3	-22
73.10 Total new obligations .....	13	14	16
73.20 Total outlays (gross) .....	-13	-39	-16
73.45 Recoveries of prior year obligations .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
74.40 Obligated balance, end of year .....	3	-22	-22
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	12	14	16
86.93 Outlays from discretionary balances .....	1	25	
87.00 Total outlays (gross) .....	13	39	16
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-4		
88.40 Offsetting collections, Non-Federal sources, Other .....		-14	-16

88.90 Total, offsetting collections (cash) .....	-4	-14	-16
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	1		

**Net budget authority and outlays:**

89.00 Budget authority .....	10		
90.00 Outlays .....	9	25	

**Object Classification (in millions of dollars)**

Identification code 97-4090-0-3-051	2002 actual	2003 est.	2004 est.
25.2 Other services .....			2
26.0 Supplies and materials .....	5	8	4
32.0 Land and structures .....	6	6	8
42.0 Insurance claims and indemnities .....	2		2
99.9 Total new obligations .....	13	14	16

**DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND**

For the Department of Defense Family Housing Improvement Fund, **[\$2,000,000] \$300,000**, to remain available until expended, for family housing initiatives undertaken pursuant to section 2883 of title 10, United States Code, providing alternative means of acquiring and improving military family housing, and supporting facilities. (*Military Construction Appropriations Act, 2003.*)

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 97-0834-0-1-051	2002 actual	2003 est.	2004 est.
0100 Negative subsidies/subsidy reestimates .....		2	

**Program and Financing (in millions of dollars)**

Identification code 97-0834-0-1-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....		44	88
00.02 Loan guarantee subsidy .....		7	13
00.05 Reestimate of direct loan subsidy .....		2	
00.10 Program expense .....	8	2	2
00.11 Equity investment .....	104	185	243
10.00 Total new obligations .....	112	240	346
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	109	40	52
22.00 New budget authority (gross) .....	15	45	
22.22 Unobligated balance transferred from other DoD accounts .....	28	207	313
23.90 Total budgetary resources available for obligation .....	152	292	365
23.95 Total new obligations .....	-112	-240	-346
24.40 Unobligated balance carried forward, end of year .....	40	52	19
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2	2	
42.00 Transferred from other DoD accounts .....	5	41	
43.00 Appropriation (total discretionary) .....	7	43	
50.00 Reappropriation .....	8		
Mandatory:			
60.00 Appropriation .....		2	
70.00 Total new budget authority (gross) .....	15	45	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	99	43	65
73.10 Total new obligations .....	112	240	346
73.20 Total outlays (gross) .....	-168	-218	-258
74.40 Obligated balance, end of year .....	43	65	153

Identification code 97-0834-0-1-051	2002 actual	2003 est.	2004 est.
86.90 Outlays from new discretionary authority .....	7	26	
86.93 Outlays from discretionary balances .....	161	190	258
86.97 Outlays from new mandatory authority .....		2	
87.00 Total outlays (gross) .....	168	218	258

<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	15	45
90.00	Outlays .....	168	218
			258

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 97-0834-0-1-051	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001	Defense family housing direct loan levels .....	206	221
115901	Total direct loan levels .....	206	221
Direct loan subsidy (in percent):			
132001	Defense family housing direct loan levels .....	0.00	21.36
132901	Weighted average subsidy rate .....	0.00	21.36
Direct loan subsidy budget authority:			
133001	Defense family housing direct loan levels .....	44	88
133901	Total subsidy budget authority .....	44	88
Direct loan subsidy outlays:			
134001	Defense family housing direct loan levels .....	50	7
134901	Total subsidy outlays .....	50	7
Direct loan upward reestimate subsidy budget authority:			
135001	Defense family housing direct loan levels .....	2	
135901	Total upward reestimate budget authority .....	2	
Direct loan upward reestimate subsidy outlays:			
136001	Defense family housing direct loan levels .....	2	
136901	Total upward reestimate outlays .....	2	
Direct loan downward reestimate subsidy budget authority:			
137001	Defense family housing direct loan levels .....	-1	
137901	Total downward reestimate budget authority .....	-1	
Direct loan downward reestimate subsidy outlays:			
138001	Defense family housing direct loan levels .....	-1	
138901	Total downward reestimate subsidy outlays .....	-1	
Guaranteed loan levels supportable by subsidy budget authority:			
215001	Defense family housing loan guarantee levels .....	138	259
215901	Total loan guarantee levels .....	138	259
Guaranteed loan subsidy (in percent):			
232001	Defense family housing loan guarantee levels .....	0.00	5.07
232901	Weighted average subsidy rate .....	0.00	5.07
Guaranteed loan subsidy budget authority:			
233001	Defense family housing loan guarantee levels .....	7	14
233901	Total subsidy budget authority .....	7	14
Guaranteed loan subsidy outlays:			
234001	Defense family housing loan guarantee levels .....	12	1
234901	Total subsidy outlays .....	12	1
Guaranteed loan downward reestimate subsidy budget authority:			
237001	Defense family housing loan guarantee levels .....	-1	
237901	Total downward reestimate subsidy budget authority .....	-1	
Guaranteed loan downward reestimate subsidy outlays:			
238001	Defense family housing loan guarantee levels .....	-1	
238901	Total downward reestimate subsidy outlays .....	-1	
Administrative expense data:			
351001	Budget authority .....	2	2
358001	Outlays from balances .....		2
359001	Outlays from new authority .....	2	2

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including modifications of direct loans on loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**Object Classification** (in millions of dollars)

Identification code 97-0834-0-1-051	2002 actual	2003 est.	2004 est.
25.2	Other services .....	8	2
33.0	Investments and loans .....	104	185
41.0	Grants, subsidies, and contributions .....		53
99.9	Total new obligations .....	112	240

**DEPARTMENT OF DEFENSE, FAMILY HOUSING IMPROVEMENT, DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 97-4166-0-3-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Direct Loans .....		206
00.02	Interest Paid to Treasury .....		3
00.91	Direct Program by Activities—Subtotal (1 level) .....		209
08.02	Payment of downward reestimate to receipt account .....		1
10.00	Total new obligations .....		210
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	-68	
22.00	New financing authority (gross) .....	68	210
23.90	Total budgetary resources available for obligation .....		210
23.95	Total new obligations .....	-210	-225
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10	Authority to borrow .....	44	125
69.00	Offsetting collections (cash) .....	50	11
69.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-26	74
69.90	Spending authority from offsetting collections (total mandatory) .....	24	85
70.00	Total new financing authority (gross) .....	68	210
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	68	2
73.10	Total new obligations .....		210
73.20	Total financing disbursements (gross) .....	-92	-21
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	26	-74
74.40	Obligated balance, end of year .....	2	118
87.00	Total financing disbursements (gross) .....	92	21
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00	Federal sources .....	-50	-7
88.00	Upward reestimate .....		-2
88.40	Non-Federal sources: Interest received on loans .....		-2
88.90	Total, offsetting collections (cash) .....	-50	-11
Against gross financing authority only:			
88.95	Change in receivables from program accounts .....	26	-74
<b>Net financing authority and financing disbursements:</b>			
89.00	Financing authority .....	44	125
90.00	Financing disbursements .....	42	10

**Status of Direct Loans** (in millions of dollars)

Identification code 97-4166-0-3-051	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans .....		
1131	Direct loan obligations exempt from limitation .....	206	221
1150	Total direct loan obligations .....	206	221
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....		92
			109

**Public enterprise funds—Continued****DEPARTMENT OF DEFENSE, FAMILY HOUSING IMPROVEMENT, DIRECT  
LOAN FINANCING ACCOUNT—Continued****Status of Direct Loans (in millions of dollars)—Continued**

Identification code 97-4166-0-3-051	2002 actual	2003 est.	2004 est.
1231 Disbursements: Direct loan disbursements .....	92	17	32
1251 Repayments: Repayments and prepayments .....			
1290 Outstanding, end of year .....	92	109	141

**Balance Sheet (in millions of dollars)**

Identification code 97-4166-0-3-051	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	92	109	141	
1402 Interest receivable .....	1	2	3	
1405 Allowance for subsidy cost (-) .....	50	57	72	
1499 Net present value of assets related to direct loans .....	143	168	216	
1999 Total assets .....	143	168	216	
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt .....	143	168	216	
2999 Total liabilities .....	143	168	216	
<b>NET POSITION:</b>				
3999 Total net position .....				
4999 Total liabilities and net position .....	143	168	216	

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**DEPARTMENT OF DEFENSE, FAMILY HOUSING IMPROVEMENT  
GUARANTEED LOAN FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 97-4167-0-3-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
08.02 Payment of downward reestimate to receipt account .....		1	
10.00 Total new obligations .....		1	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	16	16	24
22.00 New financing authority (gross) .....		9	16
23.90 Total budgetary resources available for obligation .....	16	25	40
23.95 Total new obligations .....		-1	
24.40 Unobligated balance carried forward, end of year .....	16	24	40
<b>New financing authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	12	2	2
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-12	7	14
69.90 Spending authority from offsetting collections (total mandatory) .....		9	16
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-15	-3	-11
73.10 Total new obligations .....		1	
73.20 Total financing disbursements (gross) .....		-2	-2
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	12	-7	-14
74.40 Obligated balance, end of year .....	-3	-11	-27

87.00 Total financing disbursements (gross) .....	2		2
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**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account .....	-12	-1	
88.25 Interest on uninvested funds .....		-1	-2
88.90 Total, offsetting collections (cash) .....	-12	-2	-2
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	12	-7	-14

**Net financing authority and financing disbursements:**

89.00 Financing authority .....			
90.00 Financing disbursements .....	-12		

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 97-4167-0-3-051	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....			
2131 Guaranteed loan commitments exempt from limitation .....		138	259
2150 Total guaranteed loan commitments .....		138	259
2199 Guaranteed amount of guaranteed loan commitments .....		138	259
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	70	200	213
2231 Disbursements of new guaranteed loans .....	131	16	7
2251 Repayments and prepayments .....	-1	-3	-3
2262 Adjustments: Terminations for default that result in acquisition of property .....			
2290 Outstanding, end of year .....	200	213	217
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	200	213	217

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 97-4167-0-3-051	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	2	14	16	17
1999 Total assets .....	2	14	16	17
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	2	14	16	17
2999 Total liabilities .....	2	14	16	17
4999 Total liabilities and net position .....	2	14	16	17

**REVOLVING AND MANAGEMENT FUNDS****Federal Funds**

Resources presented under the Revolving and Management Funds title contribute primarily to achieving the Department's annual GPRA performance goals of assuring readiness and sustainability and reforming processes and organizations. Performance targets in support of these goals contribute to the Department's efforts to mitigate force management and operational risk and institutional risk, as directed in the 2001 Quadrennial Defense Review.

The Administration is once again proposing to fully fund civilian health and retirement on an accrual basis. The amounts necessary to fund this benefit are presented as memo entries but are not included in DoD's funding request.

**Public enterprise funds:**

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

Unavailable Collections (in millions of dollars)

Identification code 97-4555-0-3-051	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	667	667	791
Receipts:			
02.80 Offsetting collections, National defense stockpile transaction fund	369	334	221
04.00 Total: Balances and collections	1,036	1,001	1,012
Appropriations:			
05.00 National defense stockpile transaction fund	-369	-210	-148
05.99 Total appropriations	-369	-210	-148
07.99 Balance, end of year	667	791	864

Program and Financing (in millions of dollars)

Identification code 97-4555-0-3-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.04 Stockpile operations	63	76	69
09.07 Expenditure Transfers	778	134	79
10.00 Total new obligations	841	210	148
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	482	10	10
22.00 New budget authority (gross)	369	210	148
23.90 Total budgetary resources available for obligation	851	220	158
23.95 Total new obligations	-841	-210	-148
24.40 Unobligated balance carried forward, end of year	10	10	10

**New budget authority (gross), detail:**

Mandatory:			
Offsetting collections (cash):			
69.00 Offsetting collections (cash)	366	331	218
69.00 Offsetting collections (cash)	3	3	3
69.45 Portion precluded from obligation (limitation on obligations)		-124	-73
69.90 Spending authority from offsetting collections (total mandatory)	369	210	148

**Change in obligated balances:**

72.40 Obligated balance, start of year	16	6	6
73.10 Total new obligations	841	210	148
73.20 Total outlays (gross)	-851	-210	-148
74.40 Obligated balance, end of year	6	6	6

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority	328	210	148
86.98 Outlays from mandatory balances	523		
87.00 Total outlays (gross)	851	210	148

**Offsets:**

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-369	-334	-221

**Net budget authority and outlays:**

89.00 Budget authority		-124	-73
90.00 Outlays	482	-124	-73

The National Defense Stockpile is planned and operated under the authority of the Strategic and Critical Materials Stockpiling Act. The purpose of the Stockpile is to decrease or preclude a dangerous and costly dependence by the United States upon foreign sources for supplies of strategic and critical materials in times of national emergency. The quantities

of the materials stockpiled as required by the Stockpiling Act are to be sufficient to sustain the United States during a national emergency involving military conflict that necessitates an expansion of the Armed Forces together with a significant mobilization of the economy of the United States.

The National Defense Stockpile Transaction Fund provides for the financing of acquisition, disposal and upgrading of strategic and critical stockpile materials, and all related expenses such as transportation, development of specifications, testing, quality studies, and relocation of materials, and operation of the Defense National Stockpile Center.

Object Classification (in millions of dollars)

Identification code 97-4555-0-3-051	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent	14	15	13
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	15	16	14
12.1 Civilian personnel benefits	3	3	2
21.0 Travel and transportation of persons	1	1	1
22.0 Transportation of things	1	1	
23.1 Rental payments to GSA	12	12	9
23.2 Rental payments to others	3	3	3
23.3 Communications, utilities, and miscellaneous charges	1	1	
25.2 Other services	15	27	28
25.3 Other purchases of goods and services from Government accounts	8	8	10
26.0 Supplies and materials	3	3	2
31.0 Equipment	1	1	
94.0 Financial transfers	778	134	79
99.9 Total new obligations	841	210	148

Personnel Summary

Identification code 97-4555-0-3-051	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	218	237	202

RESERVE MOBILIZATION INCOME INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 97-4179-0-3-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program	1		
10.00 Total new obligations (object class 26.0)	1		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3	3	3
23.95 Total new obligations	-1		
24.40 Unobligated balance carried forward, end of year	3	3	3
<b>Change in obligated balances:</b>			
73.10 Total new obligations	1		
73.20 Total outlays (gross)	-1		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	1		

This fund pays claims and administrative costs for participating members of the insurance program. The program provided insurance coverage for Ready Reservists who elected to participate and who were involuntarily ordered to active duty in excess of 30 days. The program became operational on October 1, 1996. The program was terminated on November 18, 1997 by the National Defense Authorization Act of

**Public enterprise funds—Continued**

**RESERVE MOBILIZATION INCOME INSURANCE FUND—Continued**

1998 (P.L. 105–85). The 1998 Supplemental provided funding to complete benefit payments and close out the program.

**PENTAGON RESERVATION MAINTENANCE REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 97–4950–0–4–051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Operations .....	436	319	364
09.02 Renovation .....	887	562	361
09.99 Total reimbursable program .....	1,323	881	725
10.00 Total new obligations .....	1,323	881	725

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	32	349	181
22.00 New budget authority (gross) .....	1,314	1,018	652
22.10 Resources available from recoveries of prior year obligations .....	26		
22.21 Unobligated balance transferred to other DoD accounts .....		–305	
22.22 Unobligated balance transferred from other accounts .....	300		16
23.90 Total budgetary resources available for obligation	1,672	1,062	849
23.95 Total new obligations .....	–1,323	–881	–725
24.40 Unobligated balance carried forward, end of year .....	349	181	124

<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
42.00 Transferred from other DoD accounts .....	475	255	
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	1,176	360	610
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	–337	403	42
69.90 Spending authority from offsetting collections (total mandatory) .....	839	763	652
70.00 Total new budget authority (gross) .....	1,314	1,018	652

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	189	764	616
73.10 Total new obligations .....	1,323	881	725
73.20 Total outlays (gross) .....	–1,059	–626	–705
73.32 Obligated balance transferred from other accounts .....			11
73.45 Recoveries of prior year obligations .....	–26		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	337	–403	–42
74.40 Obligated balance, end of year .....	764	616	605

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	475	255	
86.97 Outlays from new mandatory authority .....	239	305	326
86.98 Outlays from mandatory balances .....	345	66	379
87.00 Total outlays (gross) .....	1,059	626	705

<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	–1,176	–359	–608
88.40 Non-Federal sources .....		–1	–2
88.90 Total, offsetting collections (cash) .....	–1,176	–360	–610
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	337	–403	–42

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	475	255	
90.00 Outlays .....	–117	266	95

**Object Classification (in millions of dollars)**

Identification code 97–4950–0–4–051	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	45	47	56

11.5 Other personnel compensation .....	3	10	10
11.9 Total personnel compensation .....	48	57	66
12.1 Civilian personnel benefits .....	11	17	20
23.3 Communications, utilities, and miscellaneous charges .....	64	65	53
25.4 Operation and maintenance of facilities .....	1,116	632	467
26.0 Supplies and materials .....	9	23	19
31.0 Equipment .....	75	87	100
99.9 Total new obligations .....	1,323	881	725

**Personnel Summary**

Identification code 97–4950–0–4–051	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	729	872	1,093

**NATIONAL DEFENSE SEALIFT FUND**

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744), and for the necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, [**\$942,629,000**] **\$1,062,762,000**, to remain available until expended: *Provided*, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: *Provided further*, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: *Provided further*, That the Secretary of the military department responsible for such procurement may waive the restrictions in the first proviso on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That, notwithstanding any other provision of law, \$8,500,000 of the funds available under this heading shall be available in addition to other amounts otherwise available, only to finance the cost of constructing additional sealift capacity]. (*Department of Defense Appropriations Act, 2003.*)

**Program and Financing (in millions of dollars)**

Identification code 17–4557–0–4–051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Strategic sealift acquisitions .....	290	289	730
00.02 Strategic sealift operation and maintenance .....	1,184	453	323
00.03 Research and Development .....	10	14	10
00.04 Ready Reserve Force .....		252	
01.00 Total, Direct Program .....	1,484	1,008	1,063
09.01 Strategic sealift operation and maintenance .....	584	805	805
09.03 Ready Reserve Force .....	227		
10.00 Total new obligations .....	2,295	1,813	1,868

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	268	380	299
22.00 New budget authority (gross) .....	1,601	1,733	1,868
22.10 Resources available from recoveries of prior year obligations .....	43		
22.22 Unobligated balance transferred from other accounts .....	764		
23.90 Total budgetary resources available for obligation	2,675	2,113	2,167
23.95 Total new obligations .....	–2,295	–1,813	–1,868
24.40 Unobligated balance carried forward, end of year .....	380	299	299

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	432	942	1,063
40.72 Reduction pursuant to P.L. 107–117 .....	–4		

41.00	Transferred to other accounts .....		- 14	
42.00	Transferred from other accounts .....	361		
43.00	Appropriation (total discretionary) .....	789	928	1,063
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	795	805	805
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	16		
68.90	Spending authority from offsetting collections (total discretionary) .....	811	805	805
70.00	Total new budget authority (gross) .....	1,601	1,733	1,868
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	398	1,111	849
73.10	Total new obligations .....	2,295	1,813	1,868
73.20	Total outlays (gross) .....	- 1,523	- 2,076	- 1,831
73.45	Recoveries of prior year obligations .....	- 43		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	- 16		
74.40	Obligated balance, end of year .....	1,111	849	887
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	811	1,304	1,368
86.93	Outlays from discretionary balances .....	712	772	463
87.00	Total outlays (gross) .....	1,523	2,076	1,831
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources Against gross budget authority only:	- 795	- 805	- 805
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	- 16		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	790	928	1,063
90.00	Outlays .....	728	1,271	1,025

In 2004, the Department of Defense will continue to reimburse the Department of Transportation for operations and maintenance of the Ready Reserve Force from funds appropriated to DOD.

**Object Classification** (in millions of dollars)

Identification code 17-4557-0-4-051	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
25.1	Advisory and assistance services .....	7	9	17
25.2	Other services .....	4	4	3
Other purchases of goods and services from Government accounts:				
25.3	Other purchases of goods and services from Government accounts .....	10	10	10
25.3	Purchases from revolving funds .....	24		404
25.5	Research and development contracts .....	10		5
31.0	Equipment .....	1,429	985	624
99.0	Direct obligations .....	1,484	1,008	1,063
<b>Reimbursable obligations:</b>				
25.3	Other purchases of goods and services from Government accounts .....	440	494	805
25.5	Research and development contracts .....	1	2	
31.0	Equipment .....	370	309	
99.0	Reimbursable obligations .....	811	805	805
99.9	Total new obligations .....	2,295	1,813	1,868

**DEFENSE WORKING CAPITAL FUNDS**

For the Defense Working Capital Funds, **[\$1,784,956,000]** \$1,721,507,000: Provided, That during fiscal year **[2003]** 2004, funds in the Defense Working Capital Funds may be used for the purchase of not to exceed **[315]** passenger carrying motor vehicles for replacement only for the Defense Security Service, and the purchase of not to exceed **7]** 4 passenger motor vehicles for replacement only for the Defense Logistics Agency. (Department of Defense Appropriations Act, 2003.)

**WORKING CAPITAL FUND, ARMY**

<b>Program and Financing</b> (in millions of dollars)				
Identification code 97-493001-0-4-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
09.01	Ordnance .....	699	528	654
09.02	Depot Maintenance .....	1,718	1,771	1,778
09.03	Information Services .....	65	95	
09.04	Supply Management .....	4,256	6,882	6,151
09.11	Ordnance .....	9	16	59
09.12	Depot Maintenance .....	23	51	44
09.14	Supply Management .....	61	94	43
10.00	Total new obligations .....	6,831	9,437	8,729
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	1,505	1,708	1,312
22.00	New budget authority (gross) .....	6,630	9,041	8,896
22.10	Resources available from recoveries of prior year obligations .....	404		
23.90	Total budgetary resources available for obligation	8,539	10,749	10,208
23.95	Total new obligations .....	- 6,831	- 9,437	- 8,729
24.40	Unobligated balance carried forward, end of year .....	1,708	1,312	1,480
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	167	249	219
Mandatory:				
66.10	Contract authority .....	67		
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash) .....	6,274	8,694	8,498
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	122	98	179
68.90	Spending authority from offsetting collections (total discretionary) .....	6,396	8,792	8,677
70.00	Total new budget authority (gross) .....	6,630	9,041	8,896
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1,130	919	1,566
73.10	Total new obligations .....	6,831	9,437	8,729
73.20	Total outlays (gross) .....	- 6,516	- 8,692	- 8,404
73.45	Recoveries of prior year obligations .....	- 404		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	- 122	- 98	- 179
74.40	Obligated balance, end of year .....	919	1,566	1,711
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	5,237	6,843	6,293
86.93	Outlays from discretionary balances .....	1,279	1,849	2,111
87.00	Total outlays (gross) .....	6,516	8,692	8,404
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	- 6,259	- 8,652	- 8,438
88.40	Non-Federal sources .....	- 15	- 42	- 60
88.90	Total, offsetting collections (cash) .....	- 6,274	- 8,694	- 8,498
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	- 122	- 98	- 179
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	234	249	219
90.00	Outlays .....	242	- 2	- 94

The Army Working Capital Fund finances the operations of Army industrial, commercial and support-type activities. The Fund finances, in accordance with section 2208 of 10 U.S.C. through receipt of funded customer reimbursable orders, operating and capital expenses (excluding Military Construction), and uses cost accounting and business management techniques to provide DoD managers with information that can be used to monitor, control, and minimize its cost of operations.

**Public enterprise funds—Continued**

**DEFENSE WORKING CAPITAL FUNDS—Continued**

**WORKING CAPITAL FUND, ARMY—Continued**

**Status of Contract Authority (in millions of dollars)**

Identification code 97-493001-0-4-051	2002 actual	2003 est.	2004 est.
<b>Contract authority:</b>			
0200 Contract authority .....	67		
<b>Object Classification (in millions of dollars)</b>			
Identification code 97-493001-0-4-051	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	850	839	869
11.3 Other than full-time permanent .....	54	81	96
11.5 Other personnel compensation .....	151	80	104
11.7 Military personnel .....		5	5
11.9 Total personnel compensation .....	1,055	1,005	1,074
12.1 Civilian personnel benefits .....	248	206	229
13.0 Benefits for former personnel .....	5	3	1
21.0 Travel and transportation of persons .....	23	29	26
22.0 Transportation of things .....	50	52	120
23.1 Rental payments to GSA .....	5	5	7
23.2 Rental payments to others .....	2	1	1
23.3 Communications, utilities, and miscellaneous charges .....	44	67	54
24.0 Printing and reproduction .....	2		
25.1 Advisory and assistance services .....	79	79	31
25.2 Other services .....	212	153	121
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Purchases of goods and services from other Federal Agencies .....	307	238	247
25.3 Purchases from revolving funds .....	1,318	865	425
25.4 Operation and maintenance of facilities including GOCOs .....	51	58	88
25.7 Contract operation and maintenance of equipment including ADP hard/software .....	377	176	30
25.8 Subsistence and support of persons .....	2		
26.0 Supplies and materials .....	2,936	6,423	6,062
31.0 Equipment .....	78	77	213
32.0 Land and structures .....	14		
43.0 Interest and dividends .....	23		
99.9 Total new obligations .....	6,831	9,437	8,729

**Personnel Summary**

Identification code 97-493001-0-4-051	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	22,692	21,414	21,060

**WORKING CAPITAL FUND, NAVY**

**Program and Financing (in millions of dollars)**

Identification code 97-493002-0-4-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.02 Depot maintenance—Shipyards .....	2,291	2,387	1,392
09.03 Depot maintenance—Aviation .....	1,529	1,931	1,916
09.04 Depot maintenance—Ordnance .....	226		
09.05 Depot maintenance—Other .....	197	224	194
09.06 Base support .....	1,714	1,521	1,495
09.07 Transportation .....	1,342	1,715	1,692
09.08 Research and development activities .....	10,004	8,580	8,261
09.11 Supply Management .....	6,980	7,796	6,864
09.20 Supply management .....	82	72	50
09.21 Depot maintenance—Shipyards .....	126	42	21
09.22 Depot maintenance—Aviation .....	46	47	39
09.24 Depot maintenance—Other .....	5	3	4
09.25 Base support .....	16	19	19
09.26 Transportation .....	10	14	13
09.27 Research and development activities .....	117	116	109
10.00 Total new obligations .....	24,685	24,467	22,069
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3,103	2,882	2,800

22.00 New budget authority (gross) .....	24,882	24,518	22,709
22.60 Portion applied to repay debt .....	— 135	— 133	— 108
22.75 Balance of contract authority withdrawn .....	— 282		
23.90 Total budgetary resources available for obligation .....	27,568	27,267	25,401
23.95 Total new obligations .....	— 24,685	— 24,467	— 22,069
24.40 Unobligated balance carried forward, end of year .....	2,882	2,800	3,333

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....		40	130
<b>Mandatory:</b>			
66.10 Contract authority .....	819		
<b>Spending authority from offsetting collections:</b>			
<b>Discretionary:</b>			
68.00 Offsetting collections (cash) .....	23,768	24,300	22,620
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	295	178	— 41
68.90 Spending authority from offsetting collections (total discretionary) .....	24,063	24,478	22,579
70.00 Total new budget authority (gross) .....	24,882	24,518	22,709

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	2,958	4,222	4,006
73.10 Total new obligations .....	24,685	24,467	22,069
73.20 Total outlays (gross) .....	— 23,127	— 24,505	— 22,874
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	— 295	— 178	41
74.40 Obligated balance, end of year .....	4,222	4,006	3,242

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	17,756	17,419	17,064
86.93 Outlays from discretionary balances .....	5,371	7,086	5,810
87.00 Total outlays (gross) .....	23,127	24,505	22,874

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	— 23,476	— 23,759	— 22,092
88.40 Offsetting collections, Non-Federal sources, Other .....	— 292	— 541	— 528
88.90 Total, offsetting collections (cash) .....	— 23,768	— 24,300	— 22,620
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	— 295	— 178	41

**Net budget authority and outlays:**

89.00 Budget authority .....	819	40	130
90.00 Outlays .....	— 641	205	254

The Navy Working Capital Fund finances the operations of Navy industrial, commercial and support-type activities. The Fund finances, in accordance with section 2208 of 10 U.S.C. through receipt of funded customer reimbursable orders, operating and capital expenses (excluding Military Construction), and uses cost accounting and business management techniques to provide DoD managers with information that can be used to monitor, control, and minimize its cost of operations.

**Status of Contract Authority (in millions of dollars)**

Identification code 97-493002-0-4-051	2002 actual	2003 est.	2004 est.
<b>Contract authority:</b>			
0200 Contract authority .....	819		
0600 Balance of contract authority withdrawn .....	— 282		

**Object Classification (in millions of dollars)**

Identification code 97-493002-0-4-051	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	4,954	4,335	5,240
11.3 Other than full-time permanent .....	46	51	48
11.5 Other personnel compensation .....	624	416	524
11.7 Military personnel .....	132	122	123
11.8 Special personal services payments .....	9	1	2
11.9 Total personnel compensation .....	5,765	4,925	5,937

12.1	Civilian personnel benefits .....	1,330	1,127	1,172
13.0	Benefits for former personnel .....	24	47	32
21.0	Travel and transportation of persons .....	277	291	67
22.0	Transportation of things .....	170	166	174
23.1	Rental payments to GSA .....	1	1	1
23.2	Rental payments to others .....	533	513	543
23.3	Communications, utilities, and miscellaneous charges .....	733	709	693
24.0	Printing and reproduction .....	18	30	21
25.1	Advisory and assistance services .....	109	65	76
25.2	Other services .....	878	638	554
	Other purchases of goods and services from Government accounts:			
25.3	Purchases of goods and services from other Federal Agencies .....	748	585	614
25.3	Payments to foreign national indirect hire personnel .....	15	14	12
25.3	Purchases from revolving funds .....	472	424	418
25.4	Operation and maintenance of facilities including GOCOs .....	613	678	485
25.5	Research and development contracts .....	2,961	1,785	2,426
25.7	Contract operation and maintenance of equipment including ADP hard/soft .....	1,057	1,054	1,054
26.0	Supplies and materials .....	8,130	10,773	7,013
31.0	Equipment .....	851	642	777
99.9	Total new obligations .....	24,685	24,467	22,069

**Personnel Summary**

Identification code 97-493002-0-4-051	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	88,916	89,281	78,837

**WORKING CAPITAL FUND, AIR FORCE**

**Program and Financing** (in millions of dollars)

Identification code 97-493003-0-4-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Depot maintenance—Aviation .....	6,661	5,756	5,468
09.01 Transportation .....	5,492	5,507	4,372
09.02 Information services .....	637	606	623
09.03 Supply management .....	8,911	9,720	9,543
09.10 Depot maintenance—Aviation .....	209	107	167
09.11 Transportation .....	187	202	197
09.12 Information services .....	9	10	11
09.13 Supply management .....	59	68	53
10.00 Total new obligations .....	22,165	21,976	20,434

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	-90	827	869
22.00 New budget authority (gross) .....	23,068	22,045	20,709
22.10 Resources available from recoveries of prior year obligations .....	1		
22.22 Unobligated balance transferred from other DoD accounts .....	78		
22.60 Portion applied to repay debt .....	-25	-27	-7
22.75 Balance of contract authority withdrawn .....	-41		
23.90 Total budgetary resources available for obligation	22,991	22,845	21,571
23.95 Total new obligations .....	-22,165	-21,976	-20,434
24.40 Unobligated balance carried forward, end of year .....	827	869	1,137

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	34	24	40
Mandatory:			
66.10 Contract authority .....	258		
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	21,833	21,906	20,794
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	943	115	-125
68.90 Spending authority from offsetting collections (total discretionary) .....	22,776	22,021	20,669
70.00 Total new budget authority (gross) .....	23,068	22,045	20,709

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	4,266	3,971	3,854
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73.10 Total new obligations .....	22,165	21,976	20,434
73.20 Total outlays (gross) .....	-21,515	-21,979	-20,900
73.45 Recoveries of prior year obligations .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-943	-115	125
74.40 Obligated balance, end of year .....	3,971	3,854	3,512

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	18,315	21,605	20,678
86.93 Outlays from discretionary balances .....	3,200	374	222
87.00 Total outlays (gross) .....	21,515	21,979	20,900

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-21,623	-21,519	-20,362
88.40 Offsetting collections, Non-Federal sources, Other .....	-210	-387	-432
88.90 Total, offsetting collections (cash) .....	-21,833	-21,906	-20,794
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-943	-115	125

**Net budget authority and outlays:**

89.00 Budget authority .....	292	24	40
90.00 Outlays .....	-317	73	106

The Air Force Working Capital Fund finances the operations of Air Force and USTRANSCOM industrial, commercial and support-type activities. The Fund finances, in accordance with section 2208 of 10 U.S.C. through receipt of funded customer reimbursable orders, operating and capital expenses (excluding Military Construction), and uses cost accounting and business management techniques to provide DoD managers with information that can be used to monitor, control, and minimize its cost of operations.

**Status of Contract Authority** (in millions of dollars)

Identification code 97-493003-0-4-051	2002 actual	2003 est.	2004 est.
Contract authority:			
0200 Contract authority .....	258		
0600 Balance of contract authority withdrawn .....	-41		

**Object Classification** (in millions of dollars)

Identification code 97-493003-0-4-051	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	1,630	1,616	1,611
11.5 Other personnel compensation .....	188	186	137
11.7 Military personnel .....	99	98	96
11.9 Total personnel compensation .....	1,917	1,900	1,844
12.1 Civilian personnel benefits .....	30	29	21
21.0 Travel and transportation of persons .....	221	219	114
22.0 Transportation of things .....	2,922	2,897	166
23.2 Rental payments to others .....	12	12	7
23.3 Communications, utilities, and miscellaneous charges .....	67	66	68
24.0 Printing and reproduction .....	3	3	6
25.1 Advisory and assistance services .....	387	384	338
25.2 Other services .....	2,505	2,485	2,681
Other purchases of goods and services from Government accounts:			
25.3 Payments to foreign national indirect hire personnel .....	10	10	10
25.3 Purchases from revolving funds .....	10,963	10,870	12,383
25.4 Operation and maintenance of facilities including GOCOs .....	245	243	113
25.7 Contract operation and maintenance of equipment including ADP hard/soft .....	2,290	2,270	2,165
26.0 Supplies and materials .....	107	106	98
31.0 Equipment .....	486	482	420
99.9 Total new obligations .....	22,165	21,976	20,434

**Public enterprise funds—Continued**

**WORKING CAPITAL FUND, NAVY—Continued**  
**WORKING CAPITAL FUND, AIR FORCE—Continued**

**Personnel Summary**

Identification code 97-493003-0-4-051	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	26,780	25,665	26,390

**WORKING CAPITAL FUND, DEFENSE-WIDE**

**Program and Financing (in millions of dollars)**

Identification code 97-493005-0-4-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Distribution Depots .....	1,283	1,440	1,473
09.02 Defense Reutilization and Marketing .....	258	281	287
09.03 Defense Automated Printing Service .....	388	377	383
09.04 Defense Financial Operations .....	1,452	1,515	1,432
09.05 Information Services .....	3,184	3,263	3,270
09.06 Supply Management .....	19,536	23,758	20,599
09.07 Defense Security Service .....	439	389	.....
09.10 Distribution Depots .....	34	51	58
09.11 Defense Reutilization and Marketing .....	.....	8	8
09.12 Defense Automated Printing Service .....	9	6	.....
09.13 Defense Financial Operations .....	177	137	87
09.14 Information Services .....	62	108	161
09.15 Supply Management .....	158	280	213
09.16 Defense Security Service .....	9	21	.....
10.00 Total new obligations .....	26,989	31,634	27,971

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2,881	3,139	4,184
22.00 New budget authority (gross) .....	27,576	32,679	28,168
22.10 Resources available from recoveries of prior year obligations .....	5	.....	.....
22.21 Unobligated balance transferred to other DoD accounts .....	-78	.....	.....
22.75 Balance of contract authority withdrawn .....	-256	.....	.....
23.90 Total budgetary resources available for obligation	30,128	35,818	32,352
23.95 Total new obligations .....	-26,989	-31,634	-27,971
24.40 Unobligated balance carried forward, end of year .....	3,139	4,184	4,380

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2	364	243
41.00 Transferred to other DoD accounts .....	.....	-255	.....
42.00 Transferred from other DoD accounts .....	75	635	.....
43.00 Appropriation (total discretionary) .....	77	744	243
Mandatory:			
66.10 Contract authority .....	599	.....	.....
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	26,056	31,700	28,100
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	844	235	-175
68.90 Spending authority from offsetting collections (total discretionary) .....	26,900	31,935	27,925
70.00 Total new budget authority (gross) .....	27,576	32,679	28,168

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6,934	7,218	6,917
73.10 Total new obligations .....	26,989	31,634	27,971
73.20 Total outlays (gross) .....	-25,856	-31,700	-28,300
73.45 Recoveries of prior year obligations .....	-5	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-844	-235	175
74.40 Obligated balance, end of year .....	7,218	6,917	6,763

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	23,965	31,402	27,470
86.93 Outlays from discretionary balances .....	1,891	298	830
87.00 Total outlays (gross) .....	25,856	31,700	28,300

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-25,338	-30,517	-26,963
88.40 Offsetting collections, Non-Federal sources, Other .....	-718	-1,183	-1,137
88.90 Total, offsetting collections (cash) .....	-26,056	-31,700	-28,100
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-844	-235	175

**Net budget authority and outlays:**

89.00 Budget authority .....	676	744	243
90.00 Outlays .....	-200	.....	200

The Defense-Wide Working Capital Fund finances the operations of Defense Logistics Agency, Defense Finance and Accounting Service, Defense Information Services Agency, and Defense Security Service commercial and support-type activities. The Fund finances, in accordance with section 2208 of 10 U.S.C. through receipt of funded customer reimbursable orders, operating and capital expenses (excluding Military Construction), and uses cost accounting and business management techniques to provide DoD managers with information that can be used to monitor, control, and minimize its cost of operations. DoD will propose legislation to transfer the function of personnel background investigation of its employees to the Office of Personnel Management (OPM).

**Status of Contract Authority (in millions of dollars)**

Identification code 97-493005-0-4-051	2002 actual	2003 est.	2004 est.
<b>Contract authority:</b>			
0200 Contract authority .....	599	.....	.....
0600 Balance of contract authority withdrawn .....	-256	.....	.....

**Object Classification (in millions of dollars)**

Identification code 97-493005-0-4-051	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	2,092	2,296	2,241
11.3 Other than full-time permanent .....	64	48	57
11.5 Other personnel compensation .....	71	55	61
11.7 Military personnel .....	40	45	48
11.9 Total personnel compensation .....	2,267	2,444	2,407
12.1 Civilian personnel benefits .....	502	370	415
13.0 Benefits for former personnel .....	48	30	44
21.0 Travel and transportation of persons .....	86	90	89
22.0 Transportation of things .....	1,183	928	1,192
23.1 Rental payments to GSA .....	55	55	50
23.2 Rental payments to others .....	37	36	10
23.3 Communications, utilities, and miscellaneous charges	1,650	1,324	1,501
24.0 Printing and reproduction .....	225	248	263
25.1 Advisory and assistance services .....	121	161	156
25.2 Other services .....	1,613	1,400	2,118
Other purchases of goods and services from Government accounts:			
25.3 Purchases of goods and services from other Federal Agencies .....	226	1,444	440
25.3 Payments to foreign national indirect hire personnel .....	25	26	27
25.3 Purchases from revolving funds .....	1,205	928	1,175
25.4 Operation and maintenance of facilities including GOCOs .....	96	52	56
25.7 Contract operation and maintenance of equipment including ADP hard/soft .....	267	453	455
26.0 Supplies and materials .....	16,720	21,191	17,068
31.0 Equipment .....	620	454	505
32.0 Land and structures .....	40	.....	.....
43.0 Interest and dividends .....	3	.....	.....
99.9 Total new obligations .....	26,989	31,634	27,971

**Personnel Summary**

Identification code 97-493005-0-4-051	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	42,995	41,643	37,447

**REFINED PETROLEUM PRODUCTS, MARGINAL EXPENSE TRANSFER ACCOUNT**

Such sums as may be necessary may be appropriated to the "Refined Petroleum Products, Marginal Expense Transfer Account" for the marginal amounts needed to purchase up to 118 million barrels of refined petroleum projects during fiscal year 2004: Provided, That such marginal amounts shall be calculated as the difference between the actual market prices paid for the refined petroleum products and the prices assumed in the customer accounts in the President's Fiscal Year 2004 budget for such purchases: Provided further, That these marginal amounts shall be transferred to the Working Capital Fund, Defense-Wide, for the purchase of up to the above specified quantity of refined petroleum products: Provided further, That marginal amounts (as defined above) in the Working Capital Fund, Defense-Wide, not needed for such purchases shall be transferred to the Refined Petroleum Products, Marginal Expense Transfer Account within 30 days after the end of the fiscal year and be cancelled: Provided further, That the transfer authority provided herein is in addition to any other transfer authority available to the Department of Defense.

**Program and Financing (in millions of dollars)**

Identification code 97-4583-0-4-051	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

Due to the difficulties in forecasting fuel prices ten to twenty-months in advance, this year the Administration is requesting an indefinite appropriation to cover the difference between the funds the Department budgets for the purchase of refined petroleum products and the actual market prices the Department pays for fuel, i.e., the additional marginal expense.

The military services will continue to budget for fuel and other refined petroleum products as they have in the past. The budget request for fuel starts with the Administration's economic assumptions about the future cost of crude oil, which is based on the futures market and is consistent with private sector forecasts.

The indefinite appropriation would only apply to the additional marginal expense of purchasing refined petroleum products. Not covered are the additional costs that the Defense-Wide Working Capital Fund charges its customers (transportation, facilities, overhead, and depreciation costs).

The indefinite appropriation provides additional funds when fuel prices increase above the budgeted price. When fuel prices drop below the budgeted price, the extra budgeted funds are cancelled. Over time it is anticipated that any additional funds provided by the indefinite appropriation will be offset by the cancellation of funds budgeted for fuel purchases, but not needed for that purpose due to decreases in the price of fuel. A separate account is used to provide visibility.

**WORKING CAPITAL FUND, DEFENSE COMMISSARY AGENCY**

**Program and Financing (in millions of dollars)**

Identification code 97-493004-0-4-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Commissary Resale Stocks .....	4,970	5,083	5,162
09.02 Commissary Operations .....	1,055	1,075	1,104
09.10 Capital program .....	9	5	8

10.00 Total new obligations .....	6,034	6,163	6,274
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	-170	-93	-181
22.00 New budget authority (gross) .....	6,101	6,076	6,265
22.10 Resources available from recoveries of prior year obligations .....	12		
22.75 Balance of contract authority withdrawn .....	-2		
23.90 Total budgetary resources available for obligation .....	5,941	5,983	6,084
23.95 Total new obligations .....	-6,034	-6,163	-6,274
24.40 Unobligated balance carried forward, end of year .....	-93	-181	-189

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	1,103	959	1,089
40.72 Reduction pursuant to P.L. 107-117 .....	-9		
41.00 Transferred to other DoD accounts .....	-2		
43.00 Appropriation (total discretionary) .....	1,092	959	1,089
<b>Mandatory:</b>			
66.10 Contract authority .....	12		
<b>Spending authority from offsetting collections:</b>			
<b>Discretionary:</b>			
68.00 Offsetting collections (cash) .....	5,032	5,126	5,209
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-35	-9	-33
68.90 Spending authority from offsetting collections (total discretionary) .....	4,997	5,117	5,176
70.00 Total new budget authority (gross) .....	6,101	6,076	6,265

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	459	484	457
73.10 Total new obligations .....	6,034	6,163	6,274
73.20 Total outlays (gross) .....	-6,032	-6,200	-6,300
73.45 Recoveries of prior year obligations .....	-12		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	35	9	33
74.40 Obligated balance, end of year .....	484	457	464

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	5,532	6,076	6,265
86.93 Outlays from discretionary balances .....	500	124	35
87.00 Total outlays (gross) .....	6,032	6,200	6,300

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-49	-26	-35
88.40 Offsetting collections, Non-Federal sources, Other .....	-4,983	-5,100	-5,174
88.90 Total, offsetting collections (cash) .....	-5,032	-5,126	-5,209
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	35	9	33

**Net budget authority and outlays:**

89.00 Budget authority .....	1,104	959	1,089
90.00 Outlays .....	1,000	1,074	1,091

The Defense Commissary Agency Working Capital Fund finances the cost of Commissary Operations and Resale Stocks activities. Commissary Operations pays the operating costs of 276 commissaries worldwide, agency and region headquarters, and support services. Costs include civilian pay, transportation of commissary goods overseas, rewarehousing, shelf stocking, janitorial services in each commissary, and base support as a tenant organization. Resale Stocks pays for the purchase of inventory for resale to commissary patrons.

**Status of Contract Authority (in millions of dollars)**

Identification code 97-493004-0-4-051	2002 actual	2003 est.	2004 est.
<b>Contract authority:</b>			
0200 Contract authority .....	12		
0600 Balance of contract authority withdrawn .....	-2		

**Public enterprise funds—Continued**

**WORKING CAPITAL FUND, DEFENSE COMMISSARY AGENCY—Continued**

**Object Classification (in millions of dollars)**

Identification code 97-493004-0-4-051	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	343	340	346
11.3 Other than full-time permanent .....	116	115	116
11.5 Other personnel compensation .....	15	15	15
11.7 Military personnel .....	1	1	1
11.9 Total personnel compensation .....	475	471	478
12.1 Civilian personnel benefits .....	133	133	132
12.2 Military personnel benefits .....			1
21.0 Travel and transportation of persons .....	8	12	11
22.0 Transportation of things .....	109	110	112
23.3 Communications, utilities, and miscellaneous charges .....	51	52	55
24.0 Printing and reproduction .....		1	1
25.1 Advisory and assistance services .....		1	1
25.2 Other services .....	14	25	25
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Other purchases of goods and services from Government accounts .....	37	35	37
25.3 Payments to foreign national indirect hire personnel .....	22	29	31
25.3 Purchases from revolving funds .....	37	28	28
25.4 Operation and maintenance of facilities .....	114	129	130
25.7 Operation and maintenance of equipment .....	5	12	14
26.0 Supplies and materials .....	5,016	5,114	5,206
31.0 Equipment .....	13	11	12
99.9 Total new obligations .....	6,034	6,163	6,274

**Personnel Summary**

Identification code 97-493004-0-4-051	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	13,918	13,576	13,497

**BUILDINGS MAINTENANCE FUND**

**Program and Financing (in millions of dollars)**

Identification code 97-4931-0-4-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Operation and maintenance .....	30	25	
09.02 Administration .....	4	6	
10.00 Total new obligations .....	34	31	

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	17	16	16
22.00 New budget authority (gross) .....	32	31	
22.10 Resources available from recoveries of prior year obligations .....	1		
22.21 Unobligated balance transferred to other accounts .....			-16
23.90 Total budgetary resources available for obligation .....	50	47	
23.95 Total new obligations .....	-34	-31	
24.40 Unobligated balance carried forward, end of year .....	16	16	

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	64	34	
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-32	-3	
69.90 Spending authority from offsetting collections (total mandatory) .....	32	31	

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	5	8	11
73.10 Total new obligations .....	34	31	
73.20 Total outlays (gross) .....	-62	-32	
73.31 Obligated balance transferred to other accounts .....			-11
73.45 Recoveries of prior year obligations .....	-1		

74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	32	3	
74.40 Obligated balance, end of year .....	8	11	

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	12	17	
86.98 Outlays from mandatory balances .....	50	15	
87.00 Total outlays (gross) .....	62	32	

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-64	-34	
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	32	3	

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....	-2	-2	

The Buildings Maintenance Fund was established in accordance with direction from Congress in the 1994 Appropriations Conference Report for the General Services Administration and under authority in 10 U.S.C., section 2208. It provides for operation and maintenance of 33 leased and owned facilities occupied by DoD in the Washington Metropolitan area.

**Object Classification (in millions of dollars)**

Identification code 97-4931-0-4-051	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	3	4	
12.1 Civilian personnel benefits .....	1	1	
23.3 Communications, utilities, and miscellaneous charges .....	1	1	
25.2 Other services .....	23	20	
25.4 Operation and maintenance of facilities .....	3	2	
26.0 Supplies and materials .....	1	1	
31.0 Equipment .....	2	2	
99.9 Total new obligations .....	34	31	

**Personnel Summary**

Identification code 97-4931-0-4-051	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	59	65	

**ARMY CONVENTIONAL AMMUNITION WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 21-4528-0-4-051	2002 actual	2003 est.	2004 est.
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**Obligations by program activity:**

09.04 Reimbursable program .....	8	41	3
10.00 Total new obligations .....	8	41	3

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	81	65	23
22.10 Resources available from recoveries of prior year obligations .....	5		
22.21 Unobligated balance transferred to other accounts .....	-13		
23.90 Total budgetary resources available for obligation .....	73	65	23
23.95 Total new obligations .....	-8	-41	-3
24.40 Unobligated balance carried forward, end of year .....	65	23	20

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....		5	
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....		-5	
69.90 Spending authority from offsetting collections (total mandatory) .....			

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	55	14	-9
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73.10	Total new obligations .....	8	41	3
73.20	Total outlays (gross) .....	-44	-69	-12
73.45	Recoveries of prior year obligations .....	-5		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....		5	
74.40	Obligated balance, end of year .....	14	-9	-18

**Outlays (gross), detail:**

86.98	Outlays from mandatory balances .....	44	69	12
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**Offsets:**

Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....		-5	
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....		5	

**Net budget authority and outlays:**

89.00	Budget authority .....			
90.00	Outlays .....	44	64	12

The Army Conventional Ammunition Working Capital Fund (CAWCF) financed the procurement and assembly of conventional ammunition for all the Services and other customers. It provided for payment of loading, assembling and packing (LAP) operations, component purchases for metal parts and explosive materials, and quality assurance and rework effort. The CAWCF ceased operations as a working capital fund at the end of 1998. All unfinished orders on hand as of that date will be processed through the fund until completed.

**Object Classification (in millions of dollars)**

Identification code 21-4528-0-4-051				
25.2	Other services .....	2	41	3
26.0	Supplies and materials .....	6		
99.9	Total new obligations .....	8	41	3

**ALLOWANCES**

*Federal Funds*

**General and special funds:**

DEPARTMENT OF DEFENSE CLOSED ACCOUNTS

**Program and Financing (in millions of dollars)**

Identification code 97-3999-0-1-051				
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**Obligations by program activity:**

00.01	Direct program activity .....	83		
10.00	Total new obligations (object class 25.2) .....	83		

**Budgetary resources available for obligation:**

22.00	New budget authority (gross) .....	83		
23.95	Total new obligations .....	-83		

**New budget authority (gross), detail:**

Discretionary:				
40.00	Appropriation .....	83		

**Change in obligated balances:**

73.10	Total new obligations .....	83		
73.20	Total outlays (gross) .....	-83		

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	83		
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**Net budget authority and outlays:**

89.00	Budget authority .....	83		
90.00	Outlays .....	83		

**TRUST FUNDS**

*Trust Funds*

VOLUNTARY SEPARATION INCENTIVE FUND

**Unavailable Collections (in millions of dollars)**

Identification code 97-8335-0-7-051				
01.99	Balance, start of year .....	785	785	760
Receipts:				
02.40	Payment to voluntary separation incentive fund .....	84	80	108
02.41	Earnings on investments .....	27	51	48
02.99	Total receipts and collections .....	111	131	156
04.00	Total: Balances and collections .....	896	916	916
Appropriations:				
05.00	Voluntary separation incentive fund .....	-111	-156	-156
07.99	Balance, end of year .....	785	760	760

**Program and Financing (in millions of dollars)**

Identification code 97-8335-0-7-051				
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**Obligations by program activity:**

00.01	Voluntary separation incentive fund .....	154	156	156
10.00	Total new obligations (object class 41.0) .....	154	156	156

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year .....	43		
22.00	New budget authority (gross) .....	111	156	156
23.90	Total budgetary resources available for obligation .....	154	156	156
23.95	Total new obligations .....	-154	-156	-156

**New budget authority (gross), detail:**

Mandatory:				
60.26	Appropriation (trust fund) .....	111	156	156

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	8	8	7
73.10	Total new obligations .....	154	156	156
73.20	Total outlays (gross) .....	-154	-156	-156
74.40	Obligated balance, end of year .....	8	7	7

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority .....	111	156	156
86.98	Outlays from mandatory balances .....	43		
87.00	Total outlays (gross) .....	154	156	156

**Net budget authority and outlays:**

89.00	Budget authority .....	111	156	156
90.00	Outlays .....	154	156	156

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: Federal securities: Par value .....	823	782	823
92.02	Total investments, end of year: Federal securities: Par value .....	782	823	823

Section 1175 of Title 10, United States Code, enacted by section 662 of the National Defense Authorization Act for Fiscal Years 1992 and 1993, Public Law 102-190, established the Voluntary Separation Incentive (VSI) Fund to help manage the ongoing military force drawdown. VSI provides annual payments to selected active-duty Service members with more than six but less than 20 years of service who leave the service voluntarily. The Section 1175(h)(3) provided that after December 31, 1992, all voluntary separation incentive payments shall be made from the fund. The fund is financed through actuarially-determined Government contributions from the Department of Defense personnel appropriations to cover the unfunded liability and the present value of future benefits for those separating and interest on the investments. The total present value costs of VSI benefit payments must have been deposited in the fund by the time authority to

VOLUNTARY SEPARATION INCENTIVE FUND—Continued

approve VSI benefits ended, December 31, 2001. Permanent authority to make these payments is contained in section 8044 of the 1997 Defense Appropriations Act.

04.00	Total: Balances and collections .....	58	54	55
Appropriations:				
05.00	Other DOD trust funds .....	-55	-51	-52
07.99	Balance, end of year .....	3	3	3

HOST NATION SUPPORT FUND FOR RELOCATION

Unavailable Collections (in millions of dollars)

Identification code 97-8337-0-7-051	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Contributions .....	12	6	7
Appropriations:			
05.00 Host nation support fund for relocation .....	-12	-6	-7
07.99 Balance, end of year .....			

Program and Financing (in millions of dollars)

Identification code 97-8337-0-7-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Host nation support fund .....	11	6	7
10.00 Total new obligations (object class 41.0) .....	11	6	7
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	5	4
22.00 New budget authority (gross) .....	12	6	7
23.90 Total budgetary resources available for obligation	16	11	11
23.95 Total new obligations .....	-11	-6	-7
24.40 Unobligated balance carried forward, end of year .....	5	4	4
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	12	6	7
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	11	6	7
73.20 Total outlays (gross) .....	-11	-6	-7
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	11	6	7
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	12	6	7
90.00 Outlays .....	11	6	7
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	4	5	5
92.02 Total investments, end of year: Federal securities: Par value .....	5	5	5

Section 2350k of U.S.C. Title 10 established a trust fund for cash contributions from any nation in support of relocation of elements of the Armed Forces within that nation. The Host Nation Support for Relocation Account is financed through these cash contributions and interest accrued on the cash balances. Funds may be used to defray costs incurred in connection with the relocation for which the contribution was made.

OTHER DoD TRUST FUNDS

Unavailable Collections (in millions of dollars)

Identification code 21-9971-0-7-051	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	2	3	3
Receipts:			
02.00 Deposits, other DOD trust funds .....	26	30	33
02.41 Interest, other DOD trust funds .....	1	1	1
02.42 Profits from sale of ships' stores .....	29	20	18
02.99 Total receipts and collections .....	56	51	52

Program and Financing (in millions of dollars)

Identification code 21-9971-0-7-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
02.11 Army trust funds .....	6	16	17
02.12 Air Force trust funds .....	11	9	9
02.13 Ships Stores Profit, Navy trust fund .....	28	20	18
02.14 Other Navy trust funds .....	5	7	8
10.00 Total new obligations .....	49	52	52
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	24	30	29
22.00 New budget authority (gross) .....	55	51	52
23.90 Total budgetary resources available for obligation	79	81	81
23.95 Total new obligations .....	-49	-52	-52
24.40 Unobligated balance carried forward, end of year .....	30	29	29
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	55	51	52
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	9	8
73.10 Total new obligations .....	49	52	52
73.20 Total outlays (gross) .....	-48	-51	-52
74.40 Obligated balance, end of year .....	9	8	8
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	48	51	52
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	55	51	52
90.00 Outlays .....	48	51	52
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	13	15	13
92.02 Total investments, end of year: Federal securities: Par value .....	15	13	13

This fund includes gifts and bequests limited to specific purposes by the donor. In addition, it accounts for gifts and bequests, not limited to specific use by the donor, which may be used for purposes as determined by the Secretaries of the Army, Navy and Air Force.

Object Classification (in millions of dollars)

Identification code 21-9971-0-7-051	2002 actual	2003 est.	2004 est.
26.0 Supplies and materials .....	31	34	34
31.0 Equipment .....	2	2	2
41.0 Grants, subsidies, and contributions .....	16	16	16
99.9 Total new obligations .....	49	52	52

NATIONAL SECURITY EDUCATION TRUST FUND

For the purposes of title VIII of Public Law 102-183, \$8,000,000, to be derived from the National Security Education Trust Fund, to remain available until expended. (*Department of Defense Appropriations Act, 2003.*)

Unavailable Collections (in millions of dollars)

Identification code 97-8168-0-7-051	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	34	27	20
Receipts:			
Offsetting receipts (intragovernmental):			
02.40 Earnings on investments .....	1	1	1
02.40 Earnings on investments, legislative proposal .....			-1

02.99	Total receipts and collections .....	1	1	.....
04.00	Total: Balances and collections .....	35	28	20
Appropriations:				
Appropriations:				
05.00	National security education trust fund .....	-8	-8	-8
05.00	National security education trust fund, legislative proposal .....			8
05.99	Total appropriations .....	-8	-8	.....
07.99	Balance, end of year .....	27	20	20

**Program and Financing** (in millions of dollars)

Identification code 97-8168-0-7-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.10	Direct program activity .....	9	8	8
10.00	Total new obligations (object class 41.0) .....	9	8	8
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	8	8	8
23.95	Total new obligations .....	-9	-8	-8
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.26	Appropriation (trust fund) .....	8	8	8
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	9	10	10
73.10	Total new obligations .....	9	8	8
73.20	Total outlays (gross) .....	-8	-8	-8
74.40	Obligated balance, end of year .....	10	10	10

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	8	8	8
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	8	8	8
90.00	Outlays .....	8	8	8

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	8	8	8
Outlays .....	8	8	8
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			-8
Outlays .....			-8
Total:			
Budget Authority .....	8	8	.....
Outlays .....	8	8	.....

**NATIONAL SECURITY EDUCATION TRUST FUND**  
(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 97-8168-2-7-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.10	Direct program activity .....		-8
10.00	Total new obligations (object class 41.0) .....		-8
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....		-8
23.95	Total new obligations .....		8
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26	Appropriation (trust fund) .....		-8
<b>Change in obligated balances:</b>			
73.10	Total new obligations .....		-8
73.20	Total outlays (gross) .....		8
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....		-8

<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		-8
90.00	Outlays .....		-8

**FOREIGN NATIONAL EMPLOYEES SEPARATION PAY**

**Unavailable Collections** (in millions of dollars)

Identification code 97-8165-0-7-051	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....			
Receipts:				
02.40	Foreign national employees separation pay trust fund .....	43	40	38
Appropriations:				
05.00	Foreign national employees separation pay .....	-43	-40	-38
07.99	Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 97-8165-0-7-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Foreign National Employees Separation Fund .....	44	40	38
10.00	Total new obligations (object class 13.0) .....	44	40	38
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	38	36	36
22.00	New budget authority (gross) .....	43	40	38
23.90	Total budgetary resources available for obligation .....	81	76	74
23.95	Total new obligations .....	-44	-40	-38
24.40	Unobligated balance carried forward, end of year .....	36	36	36

<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.26	Appropriation (trust fund) .....	43	40	38

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	271	302	302
73.10	Total new obligations .....	44	40	38
73.20	Total outlays (gross) .....	-13	-40	-38
74.40	Obligated balance, end of year .....	302	302	302

<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	13	40	38

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	43	40	38
90.00	Outlays .....	13	40	38

This account funds separation payments for former Department of Defense employees who are not United States citizens and who worked outside the United States. The payments are determined according to the applicable labor laws of the various countries.

**OTHER DoD TRUST REVOLVING FUNDS**

**Unavailable Collections** (in millions of dollars)

Identification code 97-9981-0-8-051	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....			
Receipts:				
02.80	Other DoD trust funds, offsetting collections .....	10	10	10
Appropriations:				
05.00	Other DoD trust funds .....	-10	-10	-10
07.99	Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 97-9981-0-8-051	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
09.01	Reimbursable program .....	8	10	10

OTHER DOD TRUST REVOLVING FUNDS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 97-9981-0-8-051	2002 actual	2003 est.	2004 est.
10.00 Total new obligations (object class 44.0)	8	10	10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	8	10	10
23.95 Total new obligations	-8	-10	-10
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash)	10	10	10
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-2		
69.90 Spending authority from offsetting collections (total mandatory)	8	10	10
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	1	3	3
73.10 Total new obligations	8	10	10
73.20 Total outlays (gross)	-8	-10	-10
74.00 Change in uncollected customer payments from Federal sources (unexpired)	2		
74.40 Obligated balance, end of year	3	3	3
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	8	10	10
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Non-Federal sources	-10	-10	-10
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	-2		

SURCHARGE COLLECTIONS, SALES OF COMMISSARY STORES, DEFENSE

Unavailable Collections (in millions of dollars)

Identification code 97-8164-0-8-051	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.80 Surcharge collections, sales of commissary stores, offsetting collections	272	253	265
Appropriations:			
05.00 Surcharge collections, sales of commissary stores	-272	-253	-265
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 97-8164-0-8-051	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program	256	253	265
10.00 Total new obligations	256	253	265
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	257	253	265
22.10 Resources available from recoveries of prior year obligations	6		
22.75 Balance of contract authority withdrawn	-6		
23.90 Total budgetary resources available for obligation	257	253	265
23.95 Total new obligations	-256	-253	-265
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash)	272	253	265
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-15		

69.90	Spending authority from offsetting collections (total mandatory)	257	253	265
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	178	235	256
73.10	Total new obligations	256	253	265
73.20	Total outlays (gross)	-209	-232	-242
73.45	Recoveries of prior year obligations	-6		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	15		
74.40	Obligated balance, end of year	235	256	279
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority	119	127	133
86.98	Outlays from mandatory balances	90	105	109
87.00	Total outlays (gross)	209	232	242
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-5	-6	-6
88.40	Non-Federal sources	-267	-247	-259
88.90	Total, offsetting collections (cash)	-272	-253	-265
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	15		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority			
90.00	Outlays	-63	-21	-23

Status of Contract Authority (in millions of dollars)

Identification code 97-8164-0-8-051	2002 actual	2003 est.	2004 est.	
0600	Balance of contract authority withdrawn	-6		

This fund was established in 1992 as a result of the consolidation of Defense Commissaries. The trust fund pays for certain commissary store operating equipment and supplies, utilities of Commissaries in the Continental United States, laundry services, and inventory losses. Surcharge funds are also utilized for both minor and major construction of commissaries. Title 10 of the United States Code prescribes costs which may be financed by the Trust Fund.

Object Classification (in millions of dollars)

Identification code 97-8164-0-8-051	2002 actual	2003 est.	2004 est.	
23.3	Communications, utilities, and miscellaneous charges	3	2	4
25.2	Other services	2	1	1
25.4	Operation and maintenance of facilities	15	29	23
25.7	Operation and maintenance of equipment	43	72	77
31.0	Equipment	74	81	79
32.0	Land and structures	119	68	81
99.9	Total new obligations	256	253	265

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2002 actual	2003 est.	2004 est.	
Offsetting receipts from the public:				
17-304117	Recoveries under the foreign military sales program, Navy	35	76	78
17-321017	General fund proprietary receipts, not otherwise classified, Navy	82	82	82
21-301900	Recoveries for Government property lost or damaged	11	9	9
21-304121	Recoveries under the foreign military sales program, Army	51	51	51
21-321021	General fund proprietary receipts, not otherwise classified, Army	122	86	87
57-304157	Recoveries under the foreign military sales program, Air Force	41	41	41
57-321057	General fund proprietary receipts, not otherwise classified, Air Force	78	84	85

97-223600 Sale of certain materials in National Defense Stockpile .....	745	126	79
97-246200 Deposits for survivor annuity benefits .....	21	21	21
97-264400 Defense vessel transfer receipt account .....	13		
97-265197 Sale of scrap and salvage materials .....	1	1	1
97-276130 Family housing improvement fund, downward reestimates of subsidies .....		2	
97-304197 Recoveries under the foreign military sales program, defense agencies .....	5	5	5
97-321097 General fund proprietary receipts, not other- wise classified, defense agencies .....	33	84	84
General Fund Offsetting receipts from the public .....	1,238	668	623

## GENERAL PROVISIONS—DEPARTMENT OF DEFENSE

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: *Provided*, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: *Provided further*, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: *Provided further*, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.]

SEC. [8003] 8002. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. [8004] 8003. No more than 20 percent of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last 2 months of the fiscal year: *Provided*, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps.

### (TRANSFER OF FUNDS)

SEC. [8005] 8004. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed [ \$2,000,000,000 ] \$4,000,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided*, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by the Congress: *Provided further*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: *Provided further*, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress: *Provided further*, [That a request for multiple reprogrammings of funds using authority provided in this section must be made prior to May 31, 2003: *Provided further*, That section 8005 of the Department of Defense Appropriations Act, 2002 (Public Law 107-117) is amended by striking "\$2,000,000,000", and inserting "\$2,500,000,000"] *That in time of war or national emergency declared by the President or the Congress, the amount which may be transferred under this section may be increased by not to exceed 25 percent: Provided further, That in addition*

*to the transfer authority provided above, in time of war or during a national emergency declared by the President or Congress, when reserve forces are called or ordered to active duty, the Secretary of Defense may transfer funds from reserve and National Guard operations and maintenance appropriations to active duty operations and maintenance appropriations.*

### (TRANSFER OF FUNDS)

SEC. [8006] 8005. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided*, That transfers may be made between such funds: *Provided further*, That transfers may be made between working capital funds and the "Foreign Currency Fluctuations, Defense" appropriation and the "Operation and Maintenance" appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8007. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the congressional defense committees.]

SEC. [8008] 8006. [None of the funds provided in this Act shall be available to initiate: (1) a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any 1 year of the contract or that includes an unfunded contingent liability in excess of \$20,000,000; or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any 1 year, unless the congressional defense committees have been notified at least 30 days in advance of the proposed contract award: *Provided*, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: *Provided further*, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed \$500,000,000 unless specifically provided in this Act: *Provided further*, That no multiyear procurement contract can be terminated without 10-day prior notification to the congressional defense committees: *Provided further*, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.]

Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

[C-130 aircraft;  
FMTV; and  
F/A-18E and F engine.]  
F/A 18 aircraft;  
E-2C aircraft;  
Tactical Tomahawk missile; and  
Virginia Class Submarine.

SEC. [8009] 8007. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported [to the Congress as of September 30 of each year] *as required by section 401(d) of title 10, United States Code: Provided*, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99-239: *Provided further*, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at

## (TRANSFER OF FUNDS)—Continued

Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

**SEC. 8010.** (a) During fiscal year 2003, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 2004 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2004 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 2004.

(c) Nothing in this section shall be construed to apply to military (civilian) technicians.]

**SEC. 8011.** Notwithstanding any other provision of law, none of the funds made available by this Act shall be used by the Department of Defense to exceed, outside the 50 United States, its territories, and the District of Columbia, 125,000 civilian workyears: *Provided*, That workyears shall be applied as defined in the Federal Personnel Manual: *Provided further*, That workyears expended in dependent student hiring programs for disadvantaged youths shall not be included in this workyear limitation.]

**SEC. [8012] 8008.** None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

**SEC. [8013] 8009.** None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: *Provided*, That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: *Provided further*, That this subsection applies only to active components of the Army.

**SEC. 8014.** None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of the enactment of this Act, is performed by more than 10 Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That this section and subsections (a), (b), and (c) of 10 U.S.C. 2461 shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 percent ownership by an Indian tribe, as defined in section 450b(e) of title 25, United States Code, or a Native Hawaiian organization, as defined in section 637(a)(15) of title 15, United States Code.]

## (TRANSFER OF FUNDS)

**SEC. [8015] 8010.** Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

**SEC. 8016.** None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are sub-

stantially manufactured in the United States: *Provided*, That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): *Provided further*, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: *Provided further*, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.]

**SEC. [8017] 8011.** None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) or TRICARE shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: *Provided*, That this limitation does not apply in the case of inpatient mental health services provided under the program for persons with disabilities under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

**SEC. [8018] 8012.** Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by executive agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: *Provided*, That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: *Provided further*, That the Department of Defense's budget submission for fiscal year 2004 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: *Provided further*, That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: *Provided further*, That each such executive agreement with a NATO member host nation shall be reported to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate 30 days prior to the conclusion and endorsement of any such agreement established under this provision.]

**SEC. 8019.** None of the funds available to the Department of Defense may be used to demilitarize or dispose of M-1 Carbines, M-1 Garand rifles, M-14 rifles, .22 caliber rifles, .30 caliber rifles, or M-1911 pistols.]

**SEC. 8020.** No more than \$500,000 of the funds appropriated or made available in this Act shall be used during a single fiscal year for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the congressional defense committees that such a relocation is required in the best interest of the Government.]

**SEC. 8021.** In addition to the funds provided elsewhere in this Act, \$8,000,000 is appropriated only for incentive payments authorized by Section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544): *Provided*, That a prime contractor or a subcontractor at any tier that makes a subcontract award to any subcontractor or supplier as defined in 25 U.S.C. 1544 or a small business owned and controlled by an individual defined under 25 U.S.C. 4221(9) shall be considered

a contractor for the purposes of being allowed additional compensation under section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544) whenever the prime contract or subcontract amount is over \$500,000 and involves the expenditure of funds appropriated by an Act making Appropriations for the Department of Defense with respect to any fiscal year: *Provided further*, That notwithstanding 41 U.S.C. § 430, this section shall be applicable to any Department of Defense acquisition of supplies or services, including any contract and any subcontract at any tier for acquisition of commercial items produced or manufactured, in whole or in part by any subcontractor or supplier defined in 25 U.S.C. § 1544 or a small business owned and controlled by an individual defined under 25 U.S.C. 4221(9).]

[SEC. 8022. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A-76 if the study being performed exceeds a period of 24 months after initiation of such study with respect to a single function activity or 48 months after initiation of such study for a multi-function activity.]

SEC. [8023] 8013. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. [8024] 8014. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. [8025] 8015. (a) Of the funds for the procurement of supplies or services appropriated by this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase “qualified nonprofit agency for the blind or other severely handicapped” means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O’Day Act (41 U.S.C. 46–48).

SEC. [8026] 8016. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility’s direct budget amount.

SEC. [8027] 8017. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed \$350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: *Provided*, That upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriations or fund which incurred such obligations.

[SEC. 8028. Of the funds made available in this Act, not less than \$21,188,000 shall be available for the Civil Air Patrol Corporation, of which \$19,688,000 shall be available for Civil Air Patrol Corporation operation and maintenance to support readiness activities which includes \$1,500,000 for the Civil Air Patrol counterdrug program: *Provided*, That funds identified for “Civil Air Patrol” under this section are intended for and shall be for the exclusive use of the Civil Air Patrol Corporation and not for the Air Force or any unit thereof.]

SEC. [8029] 8018. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense (department) federally funded research and development center (FFRDC), either as a new entity, or as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other nonprofit entities.

(b) No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, except when acting in a technical advisory capacity, may

be compensated for his or her services as a member of such entity, or as a paid consultant by more than one FFRDC in a fiscal year: *Provided*, That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(c) Notwithstanding any other provision of law, none of the funds available to the department from any source during fiscal year [2003] 2004 may be used by a defense FFRDC, through a fee or other payment mechanism, for construction of new buildings, for payment of cost sharing for projects funded by Government grants, for absorption of contract overruns, or for certain charitable contributions, not to include employee participation in community service and/or development.

[(d) Notwithstanding any other provision of law, of the funds available to the department during fiscal year 2003, not more than 6,321 staff years of technical effort (staff years) may be funded for defense FFRDCs: *Provided*, That of the specific amount referred to previously in this subsection, not more than 1,050 staff years may be funded for the defense studies and analysis FFRDCs.]

[(e) The Secretary of Defense shall, with the submission of the department’s fiscal year 2004 budget request, submit a report presenting the specific amounts of staff years of technical effort to be allocated for each defense FFRDC during that fiscal year.]

[(f) Notwithstanding any other provision of this Act, the total amount appropriated in this Act for FFRDCs is hereby reduced by \$74,200,000.]

[SEC. 8030. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: *Provided*, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AIS) specifications of carbon, alloy or armor steel plate: *Provided further*, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That these restrictions shall not apply to contracts which are in being as of the date of the enactment of this Act.]

SEC. [8031] 8019. For the purposes of this Act, the term “congressional defense committees” means the Armed Services Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives.

SEC. [8032] 8020. During the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: *Provided*, That the Senior Acquisition Executive of the military department or defense agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: *Provided further*, That Office of Management and Budget Circular A-76 shall not apply to competitions conducted under this section.]

SEC. [8033] 8021. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary’s blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to the Congress a report on the amount of Department of Defense purchases from foreign

## (TRANSFER OF FUNDS)—Continued

entities in fiscal year [2003] 2004. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term “Buy American Act” means title III of the Act entitled “An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes”, approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. [8034] 8022. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

## (INCLUDING TRANSFER OF FUNDS)

SEC. [8035] 8023. Amounts deposited during the current fiscal year to the special account established under 40 U.S.C. [485(h)(2)] 572(b)(5)(A) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. [485(h)(2)(A) and (B)] 572(b)(5)(B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

[SEC. 8036. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the defense agencies.]

SEC. [8037] 8024. Notwithstanding any other provision of law, funds available for “Drug Interdiction and Counter-Drug Activities, Defense” may be obligated for the Young Marines program.

## [(INCLUDING TRANSFER OF FUNDS)]

[SEC. 8038. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101–510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act.]

SEC. [8039] 8025. (a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of the Air Force may convey at no cost to the Air Force, without consideration, to Indian tribes located in the States of North Dakota, South Dakota, Montana, and Minnesota relocatable military housing units located at Grand Forks Air Force Base and Minot Air Force Base that are excess to the needs of the Air Force.

(b) PROCESSING OF REQUESTS.—The Secretary of the Air Force shall convey, at no cost to the Air Force, military housing units under subsection (a) in accordance with the request for such units that are submitted to the Secretary by the Operation Walking Shield Program on behalf of Indian tribes located in the States of North Dakota, South Dakota, Montana, and Minnesota.

(c) RESOLUTION OF HOUSING UNIT CONFLICTS.—The Operation Walking Shield program shall resolve any conflicts among requests of Indian tribes for housing units under subsection (a) before submitting requests to the Secretary of the Air Force under subsection (b).

(d) INDIAN TRIBE DEFINED.—In this section, the term “Indian tribe” means any recognized Indian tribe included on the current list published by the Secretary of the Interior under section 104 of the Federally Recognized Indian Tribe Act of 1994 (Public Law 103–454; 108 Stat. 4792; 25 U.S.C. 479a–1).

SEC. [8040] 8026. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of [not more than \$100,000] up to \$500,000.

[SEC. 8041. (a) During the current fiscal year, none of the appropriations or funds available to the Department of Defense Working Capital Funds shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anti-

ipated sale during the current fiscal year or a subsequent fiscal year to customers of the Department of Defense Working Capital Funds if such an item would not have been chargeable to the Department of Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 2004 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2004 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 2004 procurement appropriation and not in the supply management business area or any other area or category of the Department of Defense Working Capital Funds.]

SEC. [8042] 8027. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, [2004] 2005: *Provided*, That funds appropriated, transferred, or otherwise credited to the Central Intelligence Agency Central Services Working Capital Fund during this or any prior or subsequent fiscal year shall remain available until expended: *Provided further*, That any funds appropriated or transferred to the Central Intelligence Agency for agent operations and for covert action programs authorized by the President under section 503 of the National Security Act of 1947, as amended, shall remain available until September 30, [2004] 2005.

SEC. [8043] 8028. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

[SEC. 8044. Of the funds appropriated to the Department of Defense under the heading “Operation and Maintenance, Defense-Wide”, not less than \$10,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation and cost to complete estimates for mitigation, on Indian lands resulting from Department of Defense activities.]

[SEC. 8045. Of the funds made available in this Act, not less than \$68,900,000 shall be available to maintain an attrition reserve force of 18 B–52 aircraft, of which \$3,700,000 shall be available from “Military Personnel, Air Force”, \$40,000,000 shall be available from “Operation and Maintenance, Air Force”, and \$25,200,000 shall be available from “Aircraft Procurement, Air Force”: *Provided*, That the Secretary of the Air Force shall maintain a total force of 94 B–52 aircraft, including 18 attrition reserve aircraft, during fiscal year 2003: *Provided further*, That the Secretary of Defense shall include in the Air Force budget request for fiscal year 2004 amounts sufficient to maintain a B–52 force totaling 94 aircraft.]

[SEC. 8046. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term “Buy American Act” means title III of the Act entitled “An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes”, approved March 3, 1933 (41 U.S.C. 10a et seq.).

(b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a “Made in America” inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.

(c) In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality-competitive, and available in a timely fashion.]

SEC. [8047] 8029. None of the funds appropriated by this Act shall be available for a contract for studies, analysis, or consulting

services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work;

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source; or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

*Provided*, That this limitation shall not apply to contracts in an amount of less than \$25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

【SEC. 8048. (a) Except as provided in subsection (b) and (c), none of the funds made available by this Act may be used—

(1) to establish a field operating agency; or

(2) to pay the basic pay of a member of the Armed Forces or civilian employee of the department who is transferred or reassigned from a headquarters activity if the member or employee's place of duty remains at the location of that headquarters.

(b) The Secretary of Defense or Secretary of a military department may waive the limitations in subsection (a), on a case-by-case basis, if the Secretary determines, and certifies to the Committees on Appropriations of the House of Representatives and Senate that the granting of the waiver will reduce the personnel requirements or the financial requirements of the department.

(c) This section does not apply to field operating agencies funded within the National Foreign Intelligence Program.】

SEC. 【8049】 8030. Notwithstanding section 303 of Public Law 96-487 or any other provision of law, the Secretary of the Navy is authorized to lease real and personal property at Naval Air Facility, Adak, Alaska, pursuant to 10 U.S.C. 2667(f), for commercial, industrial or other purposes: *Provided*, That notwithstanding any other provision of law, the Secretary of the Navy may remove hazardous materials from facilities, buildings, and structures at Adak, Alaska, and may demolish or otherwise dispose of such facilities, buildings, and structures.

#### 【(RESCISSIONS)】

【SEC. 8050. Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts and programs in the specified amounts:

“Procurement of Weapons and Tracked Combat Vehicles, Army, 2001/2003”, \$9,500,000;

“Procurement of Ammunition, Army, 2001/2003”, \$4,000,000;

“Other Procurement, Army, 2001/2003”, \$8,000,000;

“Other Procurement, Navy, 2001/2003”, \$5,000,000;

“Missile Procurement, Air Force, 2001/2003”, \$93,600,000;

“Missile Procurement, Army, 2002/2004”, \$37,650,000;

“Procurement of Ammunition, Army, 2002/2004”, \$19,000,000;

“Other Procurement, Army, 2002/2004”, \$21,200,000;

“Missile Procurement, Air Force, 2002/2004”, \$114,600,000;

“Research, Development, Test and Evaluation, Navy, 2002/2003”, \$1,700,000;

“Research, Development, Test and Evaluation, Air Force, 2002/2003”, \$69,000,000; and

“Research, Development, Test and Evaluation, Defense-Wide, 2002/2003”, \$19,500,000.】

【SEC. 8051. None of the funds available in this Act may be used to reduce the authorized positions for military (civilian) technicians of the Army National Guard, the Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military (civilian) technicians, unless such reductions are a direct result of a reduction in military force structure.】

SEC. 【8052】 8031. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of North Korea unless specifically appropriated for that purpose.

SEC. 【8053】 8032. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by

a Governor of a State and approved by the Secretary of Defense under section 112 of title 32, United States Code: *Provided*, That during the performance of such duty, the members of the National Guard shall be under State command and control: *Provided further*, That such duty shall be treated as full-time National Guard duty for purposes of sections 12602(a)(2) and (b)(2) of title 10, United States Code.

SEC. 【8054】 8033. Funds appropriated in this Act for operation and maintenance of the Military Departments, Combatant Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence or counterintelligence support to Combatant Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP), and the Tactical Intelligence and Related Activities (TIARA) aggregate: *Provided*, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

【SEC. 8055. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 2002 level: *Provided*, That the Service Surgeons General may waive this section by certifying to the congressional defense committees that the beneficiary population is declining in some catchment areas and civilian strength reductions may be consistent with responsible resource stewardship and capitation-based budgeting.】

【SEC. 8056. (a) LIMITATION ON PENTAGON RENOVATION COSTS.—Not later than the date each year on which the President submits to Congress the budget under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to Congress a certification that the total cost for the planning, design, construction, and installation of equipment for the renovation of wedges 2 through 5 of the Pentagon Reservation, cumulatively, will not exceed four times the total cost for the planning, design, construction, and installation of equipment for the renovation of wedge 1.

(b) ANNUAL ADJUSTMENT.—For purposes of applying the limitation in subsection (a), the Secretary shall adjust the cost for the renovation of wedge 1 by any increase or decrease in costs attributable to economic inflation, based on the most recent economic assumptions issued by the Office of Management and Budget for use in preparation of the budget of the United States under section 1104 of title 31, United States Code.

(c) EXCLUSION OF CERTAIN COSTS.—For purposes of calculating the limitation in subsection (a), the total cost for wedges 2 through 5 shall not include—

(1) any repair or reconstruction cost incurred as a result of the terrorist attack on the Pentagon that occurred on September 11, 2001;

(2) any increase in costs for wedges 2 through 5 attributable to compliance with new requirements of Federal, State, or local laws; and

(3) any increase in costs attributable to additional security requirements that the Secretary of Defense considers essential to provide a safe and secure working environment.

(d) CERTIFICATION COST REPORTS.—As part of the annual certification under subsection (a), the Secretary shall report the projected cost (as of the time of the certification) for—

(1) the renovation of each wedge, including the amount adjusted or otherwise excluded for such wedge under the authority of paragraphs (2) and (3) of subsection (c) for the period covered by the certification; and

(2) the repair and reconstruction of wedges 1 and 2 in response to the terrorist attack on the Pentagon that occurred on September 11, 2001.

(e) DURATION OF CERTIFICATION REQUIREMENT.—The requirement to make an annual certification under subsection (a) shall apply until the Secretary certifies to Congress that the renovation of the Pentagon Reservation is completed.】

【SEC. 8057. Notwithstanding any other provision of law, that not more than 35 percent of funds provided in this Act for environmental remediation may be obligated under indefinite delivery/indefinite quantity contracts with a total contract value of \$130,000,000 or higher.】

SEC. 【8058】 8034. (a) None of the funds available to the Department of Defense for any fiscal year for drug interdiction or counter-

**(RESCISSIONS)**—Continued

drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(b) None of the funds available to the Central Intelligence Agency for any fiscal year for drug interdiction and counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

**(TRANSFER OF FUNDS)**

**SEC. [8059] 8035.** Appropriations available in this Act under the heading “Operation and Maintenance, Defense-Wide” for increasing energy and water efficiency in Federal buildings may, during their period of availability, be transferred to other appropriations or funds of the Department of Defense for projects related to increasing energy and water efficiency, to be merged with and to be available for the same general purposes, and for the same time period, as the appropriation or fund to which transferred.

**[SEC. 8060.** None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: *Provided*, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That this restriction shall not apply to the purchase of “commercial items”, as defined by section 4(12) of the Office of Federal Procurement Policy Act, except that the restriction shall apply to ball or roller bearings purchased as end items.]

**SEC. [8061] 8036.** Notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to American Samoa, and funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to the Indian Health Service when it is in conjunction with a civil-military project.

**[SEC. 8062.** None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.]

**SEC. [8063] 8037.** Notwithstanding any other provision of law, the Naval shipyards of the United States shall be eligible to participate in any manufacturing extension program financed by funds appropriated in this or any other Act.

**[SEC. 8064.** Notwithstanding any other provision of law, each contract awarded by the Department of Defense during the current fiscal year for construction or service performed in whole or in part in a State (as defined in section 381(d) of title 10, United States Code) which is not contiguous with another State and has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in such State that is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills: *Provided*, That the Secretary of Defense may waive the requirements of this section, on a case-by-case basis, in the interest of national security.]

**[SEC. 8065.** (a) None of the funds made available in this or any other Act may be used to pay the salary of any officer or employee of the Department of Defense who approves or implements the transfer of administrative responsibilities or budgetary resources of any program, project, or activity financed by this Act to the jurisdiction of another Federal agency not financed by this Act without the express authorization of Congress: *Provided*, That this limitation shall not apply to transfers of funds expressly provided for in Defense Appropriations Acts, or provisions of Acts providing supplemental appropriations for the Department of Defense.

(b) None of the funds in this or any other Act may be used to dismantle national memorials commemorating United States participation in World War I.]

**[SEC. 8066.** (a) **LIMITATION ON TRANSFER OF DEFENSE ARTICLES AND SERVICES.**—Notwithstanding any other provision of law, none of the funds available to the Department of Defense for the current fiscal year may be obligated or expended to transfer to another nation or an international organization any defense articles or services (other than intelligence services) for use in the activities described in subsection (b) unless the congressional defense committees, the Committee on International Relations of the House of Representatives, and the Committee on Foreign Relations of the Senate are notified 15 days in advance of such transfer.

(b) **COVERED ACTIVITIES.**—This section applies to—

(1) any international peacekeeping or peace-enforcement operation under the authority of chapter VI or chapter VII of the United Nations Charter under the authority of a United Nations Security Council resolution; and

(2) any other international peacekeeping, peace-enforcement, or humanitarian assistance operation.

(c) **REQUIRED NOTICE.**—A notice under subsection (a) shall include the following:

(1) A description of the equipment, supplies, or services to be transferred.

(2) A statement of the value of the equipment, supplies, or services to be transferred.

(3) In the case of a proposed transfer of equipment or supplies—

(A) a statement of whether the inventory requirements of all elements of the Armed Forces (including the reserve components) for the type of equipment or supplies to be transferred have been met; and

(B) a statement of whether the items proposed to be transferred will have to be replaced and, if so, how the President proposes to provide funds for such replacement.]

**SEC. [8067] 8038.** To the extent authorized by subchapter VI of chapter 148 of title 10, United States Code, the Secretary of Defense may issue loan guarantees in support of United States defense exports not otherwise provided for: *Provided*, That the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed \$15,000,000,000: *Provided further*, That the exposure fees charged and collected by the Secretary for each guarantee shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States: *Provided further*, That the Secretary shall provide quarterly reports to the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate and the Committees on Appropriations, Armed Services, and International Relations in the House of Representatives on the implementation of this program: *Provided further*, That amounts charged for administrative fees and deposited to the special account provided for under section 2540c(d) of title 10, shall be available for paying the costs of administrative expenses of the Department of Defense that are attributable to the loan guarantee program under subchapter VI of chapter 148 of title 10, United States Code.

**[SEC. [8068] 8039.** None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

**[SEC. 8069.** (a) None of the funds appropriated or otherwise made available in this Act may be used to transport or provide for the transportation of chemical munitions or agents to the Johnston Atoll for the purpose of storing or demilitarizing such munitions or agents.

(b) The prohibition in subsection (a) shall not apply to any obsolete World War II chemical munition or agent of the United States found in the World War II Pacific Theater of Operations.

(c) The President may suspend the application of subsection (a) during a period of war in which the United States is a party.]

**(INCLUDING TRANSFER OF FUNDS)**

**SEC. [8070] 8040.** During the current fiscal year, no more than \$30,000,000 of appropriations made in this Act under the heading “Operation and Maintenance, Defense-Wide” may be transferred to appropriations available for the pay of military personnel, to be merged with, and to be available for the same time period as the appropriations to which transferred, to be used in support of such personnel in connection with support and services for eligible organizations and activities outside the Department of Defense pursuant to section 2012 of title 10, United States Code.

**[SEC. 8071.** During the current fiscal year, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if—

(1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account;

(2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and

(3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101–510, as amended (31 U.S.C. 1551 note): *Provided*, That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: *Provided further*, That the total amount charged to a current appropriation under this section may not exceed an amount equal to 1 percent of the total appropriation for that account.]

**SEC. [8072] 8041.** Funds appropriated in title II of this Act and for the Defense Health Program in title VI of this Act for supervision and administration costs for facilities maintenance and repair, minor construction, or design projects may be obligated at the time the reimbursable order is accepted by the performing activity: *Provided*, That for the purpose of this section, supervision and administration costs includes all in-house Government cost.

**[SEC. 8073.** During the current fiscal year and hereafter, the Secretary of Defense may waive reimbursement of the cost of conferences, seminars, courses of instruction, or similar educational activities of the Asia-Pacific Center for Security Studies for military officers and civilian officials of foreign nations if the Secretary determines that attendance by such personnel, without reimbursement, is in the national security interest of the United States: *Provided*, That costs for which reimbursement is waived pursuant to this section shall be paid from appropriations available for the Asia-Pacific Center.]

**SEC. [8074] 8042.** (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis.

(b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal year limitation.

**[SEC. 8075.** Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code, may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: *Provided*, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: *Provided further*, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private, regional or municipal services, if provisions are included for the consideration of United States coal as an energy source.]

**SEC. [8076] 8043.** None of the funds appropriated in title IV of this Act may be used to procure end-items for delivery to military forces for operational training, operational use or inventory requirements: *Provided*, That this restriction does not apply to end-items used in development, prototyping, and test activities preceding and leading to acceptance for operational use: *Provided further*, That this restriction does not apply to programs funded within the National Foreign Intelligence Program: *Provided further*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.

**[SEC. 8077.** None of the funds made available in this Act may be used to approve or license the sale of the F–22 advanced tactical fighter to any foreign government.]

**SEC. [8078] 8044.** (a) The Secretary of Defense may, on a case-by-case basis, waive with respect to a foreign country each limitation on the procurement of defense items from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would invalidate cooperative programs entered into between the Department of Defense and the foreign country, or would invalidate reciprocal trade agreements for the procurement of defense items entered into under section 2531 of title 10, United States Code, and the country does not discriminate against the same or similar defense items produced in the United States for that country.

(b) Subsection (a) applies with respect to—

(1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (a).

(c) Subsection (a) does not apply to a limitation regarding construction of public vessels, ball and roller bearings, food, and clothing or textile materials as defined by section 11 (chapters 50–65) of the Harmonized Tariff Schedule and products classified under headings 4010, 4202, 4203, 6401 through 6406, 6505, 7019, 7218 through 7229, 7304.41 through 7304.49, 7306.40, 7502 through 7508, 8105, 8108, 8109, 8211, 8215, and 9404.

**[SEC. 8079.** Funds made available to the Civil Air Patrol in this Act under the heading “Drug Interdiction and Counter-Drug Activities, Defense” may be used for the Civil Air Patrol Corporation’s counterdrug program, including its demand reduction program involving youth programs, as well as operational and training drug reconnaissance missions for Federal, State, and local government agencies; and for equipment needed for mission support or performance: *Provided*, That the Department of the Air Force should waive reimbursement from the Federal, State, and local government agencies for the use of these funds.]

**SEC. [8080] 8045.** (a) PROHIBITION.—None of the funds made available by this Act may be used to support any training program involving a unit of the security forces of a foreign country if the Secretary of Defense has received credible information from the Department of State that the unit has committed a gross violation of human rights, unless all necessary corrective steps have been taken.

(b) MONITORING.—The Secretary of Defense, in consultation with the Secretary of State, shall ensure that prior to a decision to conduct any training program referred to in subsection (a), full consideration is given to all credible information available to the Department of State relating to human rights violations by foreign security forces.

(c) WAIVER.—The Secretary of Defense, after consultation with the Secretary of State, may waive the prohibition in subsection (a) if he determines that such waiver is required by extraordinary circumstances.

(d) REPORT.—Not more than 15 days after the exercise of any waiver under subsection (c), the Secretary of Defense shall submit a report to the congressional defense committees describing the extraordinary circumstances, the purpose and duration of the training program, the United States forces and the foreign security forces involved in the training program, and the information relating to human rights violations that necessitates the waiver.

**SEC. [8081] 8046.** The Secretary of Defense, in coordination with the Secretary of Health and Human Services, may carry out a program to distribute surplus dental equipment of the Department of Defense, at no cost to the Department of Defense, to Indian Health Service facilities and to federally-qualified health centers (within the meaning of section 1905(l)(2)(B) of the Social Security Act (42 U.S.C. 1396d(l)(2)(B))).

**[SEC. 8082.** The total amount appropriated in this Act is hereby reduced by \$338,000,000 to reflect savings from favorable foreign currency fluctuations, to be derived as follows:

“Military Personnel, Army”, \$80,000,000;

“Military Personnel, Navy”, \$6,500,000;

“Military Personnel, Marine Corps”, \$11,000,000;

“Military Personnel, Air Force”, \$29,000,000;

“Operation and Maintenance, Army”, \$102,000,000;

“Operation and Maintenance, Navy”, \$21,500,000;

“Operation and Maintenance, Marine Corps”, \$2,000,000;

“Operation and Maintenance, Air Force”, \$46,000,000; and

(INCLUDING TRANSFER OF FUNDS)—Continued

“Operation and Maintenance, Defense-Wide”, \$40,000,000.]

[SEC. 8083. None of the funds appropriated or made available in this Act to the Department of the Navy shall be used to develop, lease or procure the T-AKE class of ships unless the main propulsion diesel engines and propellers are manufactured in the United States by a domestically operated entity: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes or there exists a significant cost or quality difference.]

[SEC. 8084. None of the funds appropriated or otherwise made available by this or other Department of Defense Appropriations Acts may be obligated or expended for the purpose of performing repairs or maintenance to military family housing units of the Department of Defense, including areas in such military family housing units that may be used for the purpose of conducting official Department of Defense business.]

[SEC. 8085. Notwithstanding any other provision of law, funds appropriated in this Act under the heading “Research, Development, Test and Evaluation, Defense-Wide” for any advanced concept technology demonstration project may only be obligated 30 days after a report, including a description of the project and its estimated annual and total cost, has been provided in writing to the congressional defense committees: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying to the congressional defense committees that it is in the national interest to do so.]

[SEC. 8086. Notwithstanding any other provision of law, for the purpose of establishing all Department of Defense policies governing the provision of care provided by and financed under the military health care system’s case management program under 10 U.S.C. 1079(a)(17), the term “custodial care” shall be defined as care designed essentially to assist an individual in meeting the activities of daily living and which does not require the supervision of trained medical, nursing, paramedical or other specially trained individuals: *Provided*, That the case management program shall provide that members and retired members of the military services, and their dependents and survivors, have access to all medically necessary health care through the health care delivery system of the military services regardless of the health care status of the person seeking the health care: *Provided further*, That the case management program shall be the primary obligor for payment of medically necessary services and shall not be considered as secondarily liable to title XIX of the Social Security Act, other welfare programs or charity based care.]

SEC. [8087] 8047. During the current fiscal year, refunds attributable to the use of the Government travel card, refunds attributable to the use of the Government Purchase Card and refunds attributable to official Government travel arranged by Government Contracted Travel Management Centers may be credited to operation and maintenance accounts of the Department of Defense which are current when the refunds are received.

SEC. [8088] 8048. (a) REGISTERING FINANCIAL MANAGEMENT INFORMATION TECHNOLOGY SYSTEMS WITH DOD CHIEF INFORMATION OFFICER.—None of the funds appropriated in this Act may be used for a mission critical or mission essential financial management information technology system (including a system funded by the defense working capital fund) that is not registered with the Chief Information Officer of the Department of Defense. A system shall be considered to be registered with that officer upon the furnishing to that officer of notice of the system, together with such information concerning the system as the Secretary of Defense may prescribe. A financial management information technology system shall be considered a mission critical or mission essential information technology system as defined by the Under Secretary of Defense (Comptroller).

(b) CERTIFICATIONS AS TO COMPLIANCE WITH FINANCIAL MANAGEMENT MODERNIZATION PLAN.—

(1) During the current fiscal year, a financial management [major] automated information system, a mixed information system supporting financial and non-financial systems, or a system improvement of more than \$1,000,000 may not receive Milestone A approval, Milestone B approval, or full rate production, or their equivalent, within the Department of Defense until the Under Sec-

retary of Defense (Comptroller) certifies, with respect to that milestone, that the system is being developed and managed in accordance with the Department’s Financial Management Modernization Plan. The Under Secretary of Defense (Comptroller) may require additional certifications, as appropriate, with respect to any such system.

(2) The Chief Information Officer shall provide the congressional defense committees timely notification of certifications under paragraph (1).

(c) CERTIFICATIONS AS TO COMPLIANCE WITH CLINGER-COHEN ACT.—(1) During the current fiscal year, a major automated information system may not receive Milestone A approval, Milestone B approval, or full rate production approval, or their equivalent, within the Department of Defense until the Chief Information Officer certifies, with respect to that milestone, that the system is being developed in accordance with the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.). The Chief Information Officer may require additional certifications, as appropriate, with respect to any such system.

(2) The Chief Information Officer shall provide the congressional defense committees timely notification of certifications under paragraph (1). Each such notification shall include, at a minimum, the funding baseline and milestone schedule for each system covered by such a certification and confirmation that the following steps have been taken with respect to the system:

(A) Business process reengineering.

(B) An analysis of alternatives.

(C) An economic analysis that includes a calculation of the return on investment.

(D) Performance measures.

(E) An information assurance strategy consistent with the Department’s Global Information Grid.

(d) DEFINITIONS.—For purposes of this section:

(1) The term “Chief Information Officer” means the senior official of the Department of Defense designated by the Secretary of Defense pursuant to section 3506 of title 44, United States Code.

(2) The term “information technology system” has the meaning given the term “information technology” in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

[(3) The term “major automated information system” has the meaning given that term in Department of Defense Directive 5000.1.]

[SEC. 8089. During the current fiscal year, none of the funds available to the Department of Defense may be used to provide support to another department or agency of the United States if such department or agency is more than 90 days in arrears in making payment to the Department of Defense for goods or services previously provided to such department or agency on a reimbursable basis: *Provided*, That this restriction shall not apply if the department is authorized by law to provide support to such department or agency on a nonreimbursable basis, and is providing the requested support pursuant to such authority: *Provided further*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.]

SEC. [8090] 8049. None of the funds provided in this Act may be used to transfer to any nongovernmental entity ammunition held by the Department of Defense that has a center-fire cartridge and a United States military nomenclature designation of “armor penetrator”, “armor piercing (AP)”, “armor piercing incendiary (API)”, or “armor-piercing incendiary-tracer (API-T)”, except to an entity performing demilitarization services for the Department of Defense under a contract that requires the entity to demonstrate to the satisfaction of the Department of Defense that armor piercing projectiles are either: (1) rendered incapable of reuse by the demilitarization process; or (2) used to manufacture ammunition pursuant to a contract with the Department of Defense or the manufacture of ammunition for export pursuant to a License for Permanent Export of Unclassified Military Articles issued by the Department of State.

SEC. [8091] 8050. Notwithstanding any other provision of law, the Chief of the National Guard Bureau, or his designee, may waive payment of all or part of the consideration that otherwise would be required under 10 U.S.C. 2667, in the case of a lease of personal property for a period not in excess of 1 year to any organization specified in 32 U.S.C. 508(d), or any other youth, social, or fraternal non-profit organization as may be approved by the Chief of the National Guard Bureau, or his designee, on a case-by-case basis.

【SEC. 8092. None of the funds appropriated by this Act shall be used for the support of any nonappropriated funds activity of the Department of Defense that procures malt beverages and wine with nonappropriated funds for resale (including such alcoholic beverages sold by the drink) on a military installation located in the United States unless such malt beverages and wine are procured within that State, or in the case of the District of Columbia, within the District of Columbia, in which the military installation is located: *Provided*, That in a case in which the military installation is located in more than one State, purchases may be made in any State in which the installation is located: *Provided further*, That such local procurement requirements for malt beverages and wine shall apply to all alcoholic beverages only for military installations in States which are not contiguous with another State: *Provided further*, That alcoholic beverages other than wine and malt beverages, in contiguous States and the District of Columbia shall be procured from the most competitive source, price and other factors considered.】

【SEC. 8093. During the current fiscal year and hereafter, under regulations prescribed by the Secretary of Defense, the Center of Excellence for Disaster Management and Humanitarian Assistance may also pay, or authorize payment for, the expenses of providing or facilitating education and training for appropriate military and civilian personnel of foreign countries in disaster management, peace operations, and humanitarian assistance.】

【SEC. 8094. (a) The Department of Defense is authorized to enter into agreements with the Department of Veterans Affairs and federally-funded health agencies providing services to Native Hawaiians for the purpose of establishing a partnership similar to the Alaska Federal Health Care Partnership, in order to maximize Federal resources in the provision of health care services by federally-funded health agencies, applying telemedicine technologies. For the purpose of this partnership, Native Hawaiians shall have the same status as other Native Americans who are eligible for the health care services provided by the Indian Health Service.

(b) The Department of Defense is authorized to develop a consultation policy, consistent with Executive Order No. 13084 (issued May 14, 1998), with Native Hawaiians for the purpose of assuring maximum Native Hawaiian participation in the direction and administration of governmental services so as to render those services more responsive to the needs of the Native Hawaiian community.

(c) For purposes of this section, the term “Native Hawaiian” means any individual who is a descendant of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area that now comprises the State of Hawaii.】

【(INCLUDING TRANSFER OF FUNDS)】

【SEC. 8095. Of the amounts appropriated in this Act under the heading “Research, Development, Test and Evaluation, Defense-Wide”, \$136,000,000 shall be made available for the Arrow missile defense program: *Provided*, That of this amount, \$66,000,000 shall be available for the purpose of continuing the Arrow System Improvement Program (ASIP), and \$70,000,000 shall be available for the purpose of producing Arrow missile components in the United States and Arrow missile components and missiles in Israel to meet Israel’s defense requirements, consistent with each nation’s laws, regulations and procedures: *Provided further*, That funds made available under this provision for production of missiles and missile components may be transferred to appropriations available for the procurement of weapons and equipment, to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred: *Provided further*, That the transfer authority provided under this provision is in addition to any other transfer authority contained in this Act.】

SEC. 【8096】 8051. Funds available to the Department of Defense for the Global Positioning System during the current fiscal year may be used to fund civil requirements associated with the satellite and ground control segments of such system’s modernization program.

(INCLUDING TRANSFER OF FUNDS)

SEC. 【8097】 8052. Of the amounts appropriated in this Act under the heading, “【Operation and Maintenance】 *Research, Development, Test and Evaluation*, Defense-Wide”, 【\$68,000,000】 \$48,000,000 shall remain available until expended: *Provided*, That notwithstanding any other provision of law, the Secretary of Defense is authorized to transfer such funds to other activities of the Federal Government.

SEC. 【8098】 8053. Section 8106 of the Department of Defense Appropriations Act, 1997 (titles I through VIII of the matter under subsection 101(b) of Public Law 104–208; 110 Stat. 3009–111; 10

U.S.C. 113 note) shall continue in effect to apply to disbursements that are made by the Department of Defense in fiscal year 【2003】 2004.

【SEC. 8099. In addition to amounts provided in this Act, \$1,700,000 is hereby appropriated for “Defense Health Program”, to remain available for obligation until expended: *Provided*, That notwithstanding any other provision of law, these funds shall be available only for a grant to the Fisher House Foundation, Inc., only for the construction and furnishing of additional Fisher Houses to meet the needs of military family members when confronted with the illness or hospitalization of an eligible military beneficiary.】

【SEC. 8100. Notwithstanding any other provision of this Act, the total amount appropriated in this Act is hereby reduced by \$850,000,000, to reflect savings to be achieved from business process reforms, management efficiencies, and procurement of administrative and management support, to be distributed as follows:

“Operation and Maintenance, Army”, \$26,000,000;  
 “Operation and Maintenance, Navy”, \$60,300,000;  
 “Operation and Maintenance, Marine Corps”, \$8,400,000;  
 “Operation and Maintenance, Air Force”, \$91,200,000;  
 “Operation and Maintenance, Defense-Wide”, \$199,000,000;  
 “Operation and Maintenance, Army Reserve”, \$5,900,000;  
 “Operation and Maintenance, Marine Corps Reserve”, \$900,000;  
 “Operation and Maintenance, Air Force Reserve”, \$1,000,000;  
 “Operation and Maintenance, Army National Guard”, \$4,300,000;  
 “Operation and Maintenance, Air National Guard”, \$2,600,000;  
 “Aircraft Procurement, Army”, \$3,700,000;  
 “Missile Procurement, Army”, \$1,100,000;  
 “Procurement of Weapons and Tracked Combat Vehicles, Army”, \$3,100,000;  
 “Other Procurement, Army”, \$17,700,000;  
 “Aircraft Procurement, Navy”, \$22,800,000;  
 “Weapons Procurement, Navy”, \$4,800,000;  
 “Procurement of Ammunition, Navy and Marine Corps”, \$1,000,000;  
 “Shipbuilding and Conversion, Navy”, \$15,700,000;  
 “Other Procurement, Navy”, \$7,200,000;  
 “Procurement, Marine Corps”, \$2,600,000;  
 “Aircraft Procurement, Air Force”, \$9,700,000;  
 “Missile Procurement, Air Force”, \$6,200,000;  
 “Other Procurement, Air Force”, \$6,200,000;  
 “Procurement, Defense-Wide”, \$1,200,000;  
 “Research, Development, Test and Evaluation, Army”, \$23,500,000;  
 “Research, Development, Test and Evaluation, Navy”, \$55,700,000;  
 “Research, Development, Test and Evaluation, Air Force”, \$66,200,000;  
 “Research, Development, Test and Evaluation, Defense-Wide”, \$154,000,000;  
 “Operational Test and Evaluation, Defense”, \$5,000,000;  
 “National Defense Sealift Fund”, \$1,000,000;  
 “Defense Health Program”, \$12,000,000;  
 “Chemical Agents and Munitions Destruction, Army”, \$20,000,000; and  
 “Drug Interdiction and Counter-Drug Activities, Defense”, \$10,000,000;

*Provided*, That these reductions shall be applied proportionally to each budget activity, activity group and subactivity group and each program, project, and activity within each appropriation account: *Provided further*, That none of the funds provided in this Act may be used for consulting and advisory services for legislative affairs and legislative liaison functions.】

【(INCLUDING TRANSFER OF FUNDS)】

【SEC. 8101. Of the amounts appropriated in this Act under the heading “Shipbuilding and Conversion, Navy”, \$1,279,899,000 shall be available until September 30, 2003, to fund prior year shipbuilding cost increases: *Provided*, That upon enactment of this Act, the Secretary of the Navy shall transfer such funds to the following appropriations in the amounts specified: *Provided further*, That the amounts transferred shall be merged with and be available for the same purposes as the appropriations to which transferred:

To:  
 Under the heading, “Shipbuilding and Conversion, Navy, 1996/03”:

LPD–17 Amphibious Transport Dock Ship Program, \$300,681,000;  
 Under the heading, “Shipbuilding and Conversion, Navy, 1998/03”:

## 【(INCLUDING TRANSFER OF FUNDS)】—Continued

DDG-51 Destroyer Program, \$76,100,000;  
New SSN, \$190,882,000;

Under the heading, “Shipbuilding and Conversion, Navy, 1999/03”:

DDG-51 Destroyer Program, \$93,736,000;  
LPD-17 Amphibious Transport Dock Ship Program, \$82,000,000;  
New SSN, \$135,800,000;

Under the heading, “Shipbuilding and Conversion, Navy, 2000/03”:

DDG-51 Destroyer Program, \$51,724,000;  
LPD-17 Amphibious Transport Dock Ship Program, \$187,000,000;  
Under the heading, “Shipbuilding and Conversion, Navy, 2001/03”:

DDG-51 Destroyer Program, \$63,976,000; and  
Under the heading, “Shipbuilding and Conversion, Navy, 2002/03”:

DDG-51 Destroyer Program, \$98,000,000.】

SEC. 【8102】 8054. The Secretary of the Navy may settle, or compromise, and pay any and all admiralty claims under 10 U.S.C. 7622 arising out of the collision involving the U.S.S. GREENEVILLE and the EHIME MARU, in any amount and without regard to the monetary limitations in subsections (a) and (b) of that section: *Provided*, That such payments shall be made from funds available to the Department of the Navy for operation and maintenance.

【SEC. 8103. The total amount appropriated in title II of this Act is hereby reduced by \$97,000,000, to reflect savings attributable to improved supervision in determining appropriate purchases to be made using the Government purchase card, to be derived as follows:

“Operation and Maintenance, Army”, \$24,000,000;  
“Operation and Maintenance, Navy”, \$29,000,000;  
“Operation and Maintenance, Marine Corps”, \$3,000,000;  
“Operation and Maintenance, Air Force”, \$27,000,000; and  
“Operation and Maintenance, Defense-Wide”, \$14,000,000.】

【SEC. 8104. Funds provided for the current fiscal year or hereafter for Operation and maintenance for the Armed Forces may be used, notwithstanding any other provision of law, for the purchase of ultralightweight camouflage net systems as unit spares.】

## 【(INCLUDING TRANSFER OF FUNDS)】

【SEC. 8105. During the current fiscal year and for fiscal years 2004 and 2005, notwithstanding any other provision of law, the Secretary of Defense may transfer not more than \$20,000,000 of unobligated balances remaining in a Research, Development, Test and Evaluation, Army appropriation account during the last fiscal year before the account closes under section 1552 of title 31 United States Code, to a current Research, Development, Test and Evaluation, Army appropriation account to be used only for the continuation of the Venture Capital Fund demonstration, as originally approved in Section 8150 of Public Law 107-117, to pursue high payoff technology and innovations in science and technology: *Provided*, That any such transfer shall be made not later than July 31 of each year: *Provided further*, That funds so transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this section is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That no funds for programs, projects, or activities designated as special congressional interest items in DD Form 1414 shall be eligible for transfer under the authority of this section: *Provided further*, That any unobligated balances transferred under this authority may be restored to the original appropriation if required to cover unexpected upward adjustments: *Provided further*, That the Secretary of the Army shall provide an annual report to the House and Senate Appropriations Committees no later than 15 days prior to the annual transfer of funds under authority of this section describing the sources and amounts of funds proposed to be transferred, summarizing the projects funded under this demonstration program (including the name and location of project sponsors) to date, a description of the major program accomplishments to date, and an overall assessment of the benefits of this demonstration program compared to the goals expressed in the legislative history accompanying Section 8150 of Public Law 107-117.】

SEC. 【8106】 8055. Notwithstanding any other provision of law or regulation, the Secretary of Defense may exercise the provisions of 38 U.S.C. 7403(g) for occupations listed in 38 U.S.C. 7403(a)(2) as well as the following:

Pharmacists, Audiologists, and Dental Hygienists.

(A) The requirements of 38 U.S.C. 7403(g)(1)(A) shall apply.

(B) The limitations of 38 U.S.C. 7403(g)(1)(B) shall not apply.

SEC. 【8107】 8056. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 【2003】 2004 until the enactment of the Intelligence Authorization Act for fiscal year 【2003】 2004.

【SEC. 8108. In addition to funds made available elsewhere in this Act \$7,750,000 is hereby appropriated and shall remain available until expended to provide assistance, by grant or otherwise (such as, but not limited to, the provision of funds for repairs, maintenance, construction, and/or for the purchase of information technology, text books, teaching resources), to public schools that have unusually high concentrations of special needs military dependents enrolled: *Provided*, That in selecting school systems to receive such assistance, special consideration shall be given to school systems in States that are considered overseas assignments, and all schools within these school systems shall be eligible for assistance: *Provided further*, That up to \$2,000,000 shall be available for the Department of Defense to establish a non-profit trust fund to assist in the public-private funding of public school repair and maintenance projects, or provide directly to non-profit organizations who in return will use these monies to provide assistance in the form of repair, maintenance, or renovation to public school systems that have high concentrations of special needs military dependents and are located in States that are considered overseas assignments, and of which 2 percent shall be available to support the administration and execution of the funds: *Provided further*, That to the extent a federal agency provides this assistance, by contract, grant, or otherwise, it may accept and expend non-federal funds in combination with these federal funds to provide assistance for the authorized purpose, if the non-federal entity requests such assistance and the non-federal funds are provided on a reimbursable basis: *Provided further*, That \$2,750,000 shall be available for a grant to the Central Kitsap School District, Washington.】

【SEC. 8109. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by \$400,000,000, to reduce cost growth in information technology development, to be distributed as follows:

“Operation and Maintenance, Defense-Wide”, \$19,500,000;  
“Other Procurement, Army”, \$53,200,000;  
“Other Procurement, Navy”, \$20,600,000;  
“Procurement, Marine Corps”, \$3,400,000;  
“Other Procurement, Air Force”, \$12,000,000;  
“Procurement, Defense-Wide”, \$3,500,000;  
“Research, Development, Test and Evaluation, Army”, \$17,700,000;  
“Research, Development, Test and Evaluation, Navy”, \$25,600,000;  
“Research, Development, Test and Evaluation, Air Force”, \$27,200,000;  
“Research, Development, Test and Evaluation, Defense-Wide”, \$36,600,000;  
“Defense Working Capital Funds”, \$148,600,000; and  
“Defense Health Program”, \$32,100,000:

*Provided*, That these reductions shall be applied proportionally to each budget activity, activity group and subactivity group and each program, project, and activity within each appropriation account.】

【SEC. 8110. Notwithstanding section 1116(c) of title 10, United States Code, payments into the Department of Defense Medicare-Eligible Retiree Health Care Fund for fiscal year 2003 under section 1116(a) of such title shall be made from funds available in this Act for the pay of military personnel.】

SEC. 【8111】 8057. None of the funds in this Act may be used to initiate a new start program without prior notification to the Office of Secretary of Defense and the congressional defense committees.

【SEC. 8112. The amount appropriated in title II of this Act is hereby reduced by \$120,000,000, to reflect Working Capital Fund cash balance and rate stabilization adjustments, to be derived as follows:

“Operation and Maintenance, Navy”, \$120,000,000.】

【SEC. 8113. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by \$48,000,000, to reduce excess funded carryover, to be derived as follows:

“Operation and Maintenance, Army”, \$48,000,000.】

[SEC. 8114. Of the amounts appropriated in title II of this Act, not less than \$1,000,000,000 is available for operations of the Department of Defense to prosecute the war on terrorism.]

[SEC. 8115. (a) In addition to the amounts provided elsewhere in this Act, the amount of \$3,400,000 is hereby appropriated to the Department of Defense for "Operation and Maintenance, Army National Guard". Such amount shall be made available to the Secretary of the Army only to make a grant in the amount of \$3,400,000 to the entity specified in subsection (b) to facilitate access by veterans to opportunities for skilled employment in the construction industry.

(b) The entity referred to in subsection (a) is the Center for Military Recruitment, Assessment and Veterans Employment, a nonprofit labor-management co-operation committee provided for by section 302(c)(9) of the Labor-Management Relations Act, 1947 (29 U.S.C. 186(c)(9)), for the purposes set forth in section 6(b) of the Labor Management Cooperation Act of 1978 (29 U.S.C. 175a note).]

[SEC. 8116. (a) During the current fiscal year, funds available to the Secretary of a military department for Operation and Maintenance may be used for the purposes stated in subsection (b) to support chaplain-led programs to assist members of the Armed Forces and their immediate family members in building and maintaining a strong family structure.

(b) The purposes referred to in subsection (a) are costs of transportation, food, lodging, supplies, fees, and training materials for members of the Armed Forces and their family members while participating in such programs, including participation at retreats and conferences.]

[SEC. 8117. Section 8159 of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107–117; 115 Stat. 2284), is revised as follows:

(1) in subsection (c) by inserting at the end of paragraph (1) the following new sentence: "Notwithstanding the provisions of Section 3324 of Title 31, United States Code, payment for the acquisition of leasehold interests under this section may be made for each annual term up to one year in advance."

(2) by adding the following paragraph (g):

"(g) Notwithstanding any other provision of law, any payments required for a lease entered into under this Section, or any payments made pursuant to subsection (c)(3) above, may be made from appropriations available for operation and maintenance or for lease or procurement of aircraft at the time that the lease takes effect; appropriations available for operation and maintenance or for lease or procurement of aircraft at the time that the payment is due; or funds appropriated for those payments."

[SEC. 8118. (a) LIMITATION ON ADDITIONAL NMCI CONTRACT WORK STATIONS.—Notwithstanding section 814 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–215) or any other provision of law, the total number of work stations provided under the Navy-Marine Corps Intranet contract (as defined in subsection (i) of such section 814) may not exceed 160,000 work stations until the Under Secretary of Defense for Acquisition, Technology, and Logistics and the Chief Information Officer of the Department of Defense certify to the congressional defense committees that all of the conditions specified in subsection (b) have been satisfied.

(b) CONDITIONS.—The conditions referred to in subsection (a) are the following:

(1) The Commander of the Navy Operational Test and Evaluation Force conducts an operational assessment of the work stations that have been fully transitioned to the Navy-Marine Corps Intranet, as defined in the Test and Evaluation Strategy Plan for the Navy-Marine Corps Intranet approved on September 4, 2002.

(2) The results of the assessment are submitted to the Under Secretary of Defense for Acquisition, Technology, and Logistics and the Chief Information Officer of the Department of Defense, and they determine that the results of the assessment are acceptable.]

[SEC. 8119. None of the funds in this Act, excluding funds provided for advance procurement of fiscal year 2004 aircraft, may be obligated for acquisition of more than 16 F–22 aircraft until the Under Secretary of Defense for Acquisition, Technology, and Logistics has provided to the congressional defense committees:

(a) A formal risk assessment which identifies and characterizes the potential cost, technical, schedule or other significant risks resulting from increasing the F–22 procurement quantities prior to the conclusion of Dedicated Initial Operational Test and Evaluation (DIOT&E) of the aircraft: *Provided*, That such risk assessment shall evaluate, based on the best available current information: (1) the range of potential additional program costs (compared to the program

costs assumed in the President's fiscal year 2003 budget) that could result from retrofit modifications to F–22 production aircraft that are placed under contract or delivered to the government prior to the conclusion of DIOT&E; and (2) a cost-benefit analysis comparing, in terms of unit cost and total program cost, the cost advantages of increasing aircraft production at this time to the potential cost of retrofitting production aircraft once DIOT&E has been completed; and

(b) Certification that increasing the F–22 production quantity for fiscal year 2003 beyond 16 airplanes involves lower risk and lower total program cost than staying at that quantity, or he submits a revised production plan, funding plan and test schedule.]

[(INCLUDING TRANSFER OF FUNDS)]

[SEC. 8120. Section 305(a) of the Emergency Supplemental Act, 2002 (division B of Public Law 107–117; 115 Stat. 2300), is amended by adding at the end the following new sentences: "From amounts transferred to the Pentagon Reservation Maintenance Revolving Fund pursuant to the preceding sentence, not to exceed \$305,000,000 may be transferred to the Defense Emergency Response Fund, but only in amounts necessary to reimburse that fund (and the category of that fund designated as 'Pentagon Repair/Upgrade') for expenses charged to that fund (and that category) between September 11, 2001, and February 19, 2002, for reconstruction costs of the Pentagon Reservation. Funds transferred to the Defense Emergency Response Fund pursuant to this section shall be available only for reconstruction, recovery, force protection, or security enhancements for the Pentagon Reservation.".]

[SEC. 8121. FINANCING AND FIELDING OF KEY ARMY CAPABILITIES. The Department of Defense and the Department of the Army shall make future budgetary and programming plans to fully finance the Non-Line of Sight (NLOS) Objective Force cannon and resupply vehicle program in order to field this system in the 2008 timeframe. As an interim capability to enhance Army lethality, survivability, and mobility for light and medium forces before complete fielding of the Objective Force, the Army shall ensure that budgetary and programmatic plans will provide for no fewer than six Stryker Brigade Combat Teams to be fielded between 2003 and 2008.]

[SEC. 8122. (a) MANAGEMENT OF CHEMICAL DEMILITARIZATION ACTIVITIES AT BLUEGRASS ARMY DEPOT, KENTUCKY.—If a technology other than the baseline incineration program is selected for the destruction of lethal chemical munitions pursuant to section 142 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 1521 note), the program manager for the Assembled Chemical Weapons Assessment shall be responsible for management of the construction, operation, and closure, and any contracting relating thereto, of chemical demilitarization activities at Bluegrass Army Depot, Kentucky, including management of the pilot-scale facility phase of the alternative technology.

(b) MANAGEMENT OF CHEMICAL DEMILITARIZATION ACTIVITIES AT PUEBLO DEPOT, COLORADO.—The program manager for the Assembled Chemical Weapons Assessment shall be responsible for management of the construction, operation, and closure, and any contracting relating thereto, of chemical demilitarization activities at Pueblo Army Depot, Colorado, including management of the pilot-scale facility phase of the alternative technology selected for the destruction of lethal chemical munitions.]

[SEC. 8123. Of the total amount appropriated pursuant to this Act for any selected component of the Department of Defense that the Director of the Office of Management and Budget determines shall require audited financial statements under subsection (c) of section 3515 of title 31, United States Code, not more than 99 percent may be expended until the Inspector General of the Department of Defense certifies to the Congress of the United States that the head of the affected agency has made a formal decision as to whether to audit vouchers of the agency pursuant to section 3521(b) of title 31, United States Code: *Provided*, That such certification shall include a written assessment of the agency head's decision by the Inspector General.]

[SEC. 8124. Of the funds made available under the heading "Operation and Maintenance, Air Force", \$8,000,000 shall be available to realign railroad track on Elmendorf Air Force Base and Fort Richardson.]

[(TRANSFER OF FUNDS)]

[SEC. 8125. Upon enactment of this Act, the Secretary of the Navy shall make the following transfers of funds: *Provided*, That the amounts transferred shall be available for the same purpose as the

## [(TRANSFER OF FUNDS)]—Continued

appropriations to which transferred, and for the same time period as the appropriation from which transferred: *Provided further*, That the amounts shall be transferred between the following appropriations in the amount specified:

From:

Under the heading, “Shipbuilding and Conversion, Navy, 1994/2003”:

DDG-51 Destroyer program, \$7,900,000;  
LHD-1 Amphibious Assault Ship program, \$6,500,000;  
Oceanographic Ship program, \$3,416,000;  
Craft, outfitting, post delivery, first destination transportation, \$1,800,000;

Mine warfare command and control ship, \$604,000;

To:

Under the heading, “Shipbuilding and Conversion, Navy, 1999/2003”:

LPD-17 Amphibious Transport Dock Ship program, \$20,220,000.]

[SEC. 8126. Of the amounts appropriated in Public Law 107-206 under the heading “Defense Emergency Response Fund”, an amount up to the fair market value of the leasehold interest in adjacent properties necessary for the force protection requirements of Tooele Army Depot, Utah, may be made available to resolve any property disputes associated with Tooele Army Depot, Utah, and to acquire such leasehold interest as required: *Provided*, That none of these funds may be used to acquire fee title to the properties.]

[SEC. 8127. Up to \$3,000,000 of the funds appropriated under the heading “Operation and Maintenance, Navy” in this Act for the Pacific Missile Range Facility may be made available to contract for the repair, maintenance, and operation of adjacent off-base water, drainage, and flood control systems critical to base operations.]

[SEC. 8128. Of the total amount appropriated by this Act under the heading “Operation and Maintenance, Defense-Wide”, \$3,000,000 may be available for payments under section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106-398; 114 Stat. 1654A-77).]

[SEC. 8129. In addition to the amounts appropriated or otherwise made available in this Act, \$8,100,000, to remain available until September 30, 2003, is hereby appropriated to the Department of Defense: *Provided*, That the Secretary of Defense shall make grants in the amount of \$2,800,000 to the American Red Cross for Armed Forces Emergency Services; \$2,800,000 to the United Service Organizations, Incorporated; and \$2,500,000 to the Intrepid Sea-Air-Space Foundation.]

[SEC. 8130. None of the funds appropriated in this Act under the heading “Overseas Contingency Operations Transfer Fund” may be transferred or obligated for Department of Defense expenses not directly related to the conduct of overseas contingencies: *Provided*, That the Secretary of Defense shall submit a report no later than 30 days after the end of each fiscal quarter to the Committees on Appropriations of the Senate and House of Representatives that details any transfer of funds from the “Overseas Contingency Operations Transfer Fund”: *Provided further*, That the report shall explain any transfer for the maintenance of real property, pay of civilian personnel, base operations support, and weapon, vehicle or equipment maintenance.]

SEC. [8131] 8058. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading “Shipbuilding and Conversion, Navy” shall be considered to be for the same purpose as any subdivision under the heading “Shipbuilding and Conversion, Navy” appropriations in any prior year, and the 1 percent limitation shall apply to the total amount of the appropriation.

[SEC. 8132. The budget of the President for fiscal year 2004 submitted to the Congress pursuant to section 1105 of title 31, United States Code, and each annual budget request thereafter, shall include separate budget justification documents for costs of United States Armed Forces’ participation in contingency operations for the Military Personnel accounts, the Overseas Contingency Operations Transfer Fund, the Operation and Maintenance accounts, and the Procurement accounts: *Provided*, That these budget justification documents shall include a description of the funding requested for each anticipated contingency operation, for each military service, to include active duty and Guard and Reserve components, and for each appropriation account: *Provided further*, That these documents shall include estimated costs for each element of expense or object class, a reconciliation of increases and decreases for ongoing contingency operations,

and programmatic data including, but not limited to troop strength for each active duty and Guard and Reserve component, and estimates of the major weapons systems deployed in support of each contingency: *Provided further*, That these documents shall include budget exhibits OP-5 and OP-32, as defined in the Department of Defense Financial Management Regulation, for the Overseas Contingency Operations Transfer Fund for fiscal years 2002 and 2003.]

[SEC. 8133. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by \$59,260,000, to reduce cost growth in travel, to be distributed as follows:

“Operation and Maintenance, Army”, \$14,000,000;

“Operation and Maintenance, Navy”, \$9,000,000;

“Operation and Maintenance, Marine Corps”, \$10,000,000;

“Operation and Maintenance, Air Force”, \$15,000,000; and

“Operation and Maintenance, Defense-Wide”, \$11,260,000.]

[SEC. 8134. None of the funds in this Act may be used for research, development, test, evaluation, procurement or deployment of nuclear armed interceptors of a missile defense system.]

## [(INCLUDING RESCISSIONS)]

[SEC. 8135. (a) The total amount appropriated or otherwise made available in titles II, III, and IV of this Act is hereby reduced by \$1,374,000,000 to reflect revised economic assumptions: *Provided*, That the Secretary of Defense shall allocate this reduction proportionately to each budget activity, activity group, subactivity group, and each program, project, and activity within each applicable appropriation account: *Provided further*, That appropriations made available in this Act for the pay and benefits of military personnel are exempt from reductions under this provision.

(b) Of the funds provided in the Department of Defense Appropriations Act, 2002, (division A of Public Law 107-117), \$300,000,000 are rescinded from amounts made available under titles III and IV of that Act: *Provided*, That the Secretary of Defense shall allocate this rescission proportionately by program, project, and activity.]

[SEC. 8136. During the current fiscal year, section 2533a(f) of Title 10, United States Code, shall not apply to any fish, shellfish, or seafood product. This section is applicable to contracts and subcontracts for the procurement of commercial items notwithstanding section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430).]

[SEC. 8137. None of the funds appropriated by this Act may be used to convert the 939th Combat Search and Rescue Wing of the Air Force Reserve until the Secretary of the Air Force certifies to the Congress the following: (a) that a functionally comparable search and rescue capability is available in the 939th Search and Rescue Wing’s area of responsibility; (b) that any new aircraft assigned to the unit will comply with local environmental and noise standards; and (c) that the Air Force has developed a plan for the transition of personnel and manpower billets currently assigned to this unit.]

[SEC. 8138. NAVY DRY-DOCK AFDL-47 (a) REQUIREMENT FOR SALE.—Notwithstanding any other provision of law, the Secretary of the Navy shall sell the Navy Dry-dock AFDL-47, located in Charleston, South Carolina, to Detyens Shipyards, Inc., the current lessee of the dry-dock from the Navy.

(b) CONSIDERATION.—As consideration for the sale of the dry-dock under subsection (a), the Secretary shall receive an amount equal to the fair market value of the dry-dock at the time of the sale, as determined by the Secretary, taking into account amounts paid by, or due and owing from, the lessee.]

[SEC. 8139. From funds made available in this Act for the Office of Economic Adjustment under the heading “Operation and Maintenance, Defense-Wide”, \$100,000 shall be available for the elimination of asbestos at former Battery 204, Odiorne Point, New Hampshire.]

[SEC. 8140. The Secretary of Defense may, using amounts appropriated or otherwise made available by this Act, make a grant to the National D-Day Museum in the amount of \$3,000,000.]

[SEC. 8141. (a) PRELIMINARY STUDY AND ANALYSIS REQUIRED.—The Secretary of the Army shall carry out a preliminary engineering study and environmental analysis regarding the establishment of a connector road between United States Route 1 and Telegraph Road in the vicinity of Fort Belvoir, Virginia.

(b) FUNDING.—Of the amount appropriated by title II under the heading “OPERATION AND MAINTENANCE, ARMY”, up to \$5,000,000 may be available for the preliminary study and analysis required by subsection (a).]

[SEC. 8142. Of the amount appropriated by title V under the heading “NATIONAL DEFENSE SEALIFT FUND”, up to \$10,000,000 may be

available for implementing the recommendations resulting from the Navy's Non-Self Deployable Watercraft (NDSW) Study and the Joint Chiefs of Staff Focused Logistics Study, which are to determine the requirements of the Navy for providing lift support for mine warfare ships and other vessels.]

[SEC. 8143. (a) Congress finds that—

(1) the Medal of Honor is the highest award for valor in action against an enemy force which can be bestowed upon an individual serving in the Armed Forces of the United States;

(2) the Medal of Honor was established by Congress during the Civil War to recognize soldiers who had distinguished themselves by gallantry in action;

(3) the Medal of Honor was conceived by Senator James Grimes of the State of Iowa in 1861; and

(4) the Medal of Honor is the Nation's highest military honor, awarded for acts of personal bravery or self-sacrifice above and beyond the call of duty.

(b)(1) Chapter 9 of title 36, United States Code, is amended by adding at the end the following new section:

**“§ 903. Designation of Medal of Honor Flag**

“(a) DESIGNATION.—The Secretary of Defense shall design and designate a flag as the Medal of Honor Flag. In selecting the design for the flag, the Secretary shall consider designs submitted by the general public.

“(b) PRESENTATION.—The Medal of Honor Flag shall be presented as specified in sections 3755, 6257, and 8755 of title 10 and section 505 of title 14.”

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“903. Designation of Medal of Honor Flag.”

(c)(1)(A) Chapter 357 of title 10, United States Code, is amended by adding at the end the following new section:

**“§ 3755. Medal of honor: presentation of Medal of Honor Flag**

“The President shall provide for the presentation of the Medal of Honor Flag designated under section 903 of title 36 to each person to whom a medal of honor is awarded under section 3741 of this title after the date of the enactment of this section. Presentation of the flag shall be made at the same time as the presentation of the medal under section 3741 or 3752(a) of this title.”

(B) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“3755. Medal of honor: presentation of Medal of Honor Flag.”

(2)(A) Chapter 567 of such title is amended by adding at the end the following new section:

**“§ 6257. Medal of honor: presentation of Medal of Honor Flag**

“The President shall provide for the presentation of the Medal of Honor Flag designated under section 903 of title 36 to each person to whom a medal of honor is awarded under section 6241 of this title after the date of the enactment of this section. Presentation of the flag shall be made at the same time as the presentation of the medal under section 6241 or 6250 of this title.”

(B) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“6257. Medal of honor: presentation of Medal of Honor Flag.”

(3)(A) Chapter 857 of title 10, United States Code, is amended by adding at the end the following new section:

**“§ 8755. Medal of honor: presentation of Medal of Honor Flag**

“The President shall provide for the presentation of the Medal of Honor Flag designated under section 903 of title 36 to each person to whom a medal of honor is awarded under section 8741 of this title after the date of the enactment of this section. Presentation of the flag shall be made at the same time as the presentation of the medal under section 8741 or 8752(a) of this title.”

(B) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“8755. Medal of honor: presentation of Medal of Honor Flag.”

(4)(A) Chapter 13 of title 14, United States Code, is amended by inserting after section 504 the following new section:

**“§ 505. Medal of honor: presentation of Medal of Honor Flag**

“The President shall provide for the presentation of the Medal of Honor Flag designated under section 903 of title 36 to each person to whom a medal of honor is awarded under section 491 of this title after the date of the enactment of this section. Presentation of the flag shall be made at the same time as the presentation of the medal under section 491 or 498 of this title.”

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 504 the following new item:

“505. Medal of honor: presentation of Medal of Honor Flag.”

(d) The President shall provide for the presentation of the Medal of Honor Flag designated under section 903 of title 36, United States Code, as added by subsection (b), to each person awarded the Medal of Honor before the date of enactment of this Act who is living as of that date. Such presentation shall be made as expeditiously as possible after the date of the designation of the Medal of Honor Flag by the Secretary of Defense under such section.]

SEC. [8144] 8059. [(a) The conditions described in section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 22 U.S.C. 5952 note) shall not apply to the obligation and expenditure of funds for fiscal years 2000, 2001, 2002 and 2003 for the planning, design, or construction of a chemical weapons destruction facility in Russia if the President submits to Congress a written certification that includes—

(1) a statement as to why waiving the conditions is important to the national security interests of the United States;

(2) a full and complete justification for exercising this waiver; and

(3) a plan to promote a full and accurate disclosure by Russia regarding the size, content, status, and location of its chemical weapons stockpile.

(b) EXPIRATION OF AUTHORITY.—The authority under paragraph (a) shall expire on September 30, 2003. [(a) Section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 22 U.S.C. 5952 note) is amended—

(1) by inserting “(a) LIMITATION—” before “No fiscal year”; and

(2) by adding the following new subsection at the end:

(b) WAIVER.—(1) The limitation in subsection (a) shall not apply to funds appropriated for Cooperative Threat Reduction programs for a fiscal year if the President submits to the Speaker of the House of Representatives and the President pro tempore of the Senate a written certification that the waiver of the limitation in such fiscal year is important to the national security of the United States.

(2) A certification under paragraph (1) for any fiscal year shall cover funds appropriated for Cooperative Threat Reduction programs for that fiscal year and all the preceding fiscal years beginning with fiscal year 2000.

(3) A certification under paragraph (1) shall include a full and complete justification for the waiver of the limitation in subsection (a) for the fiscal year covered by the certification.

[SEC. 8145. Effective as of August 2, 2002, the 2002 Supplemental Appropriations Act for Further Recovery From and Response To Terrorist Attacks on the United States (Public Law 107–206) is amended—

(1) in section 305(a) (116 Stat. 840), by striking “fiscal year 2002” and inserting “fiscal years 2002 and 2003”; and

(2) in section 309 (116 Stat. 841), by striking “of” after “instead”.]

[SEC. 8146. The Secretary of Defense may modify the grant made to the State of Maine pursuant to section 310 of the 2002 Supplemental Appropriations Act for Further Recovery From and Response To Terrorist Attacks on the United States (Public Law 107–206) such that the modified grant is for purposes of supporting community adjustment activities relating to the closure of the Naval Security Group Activity, Winter Harbor, Maine (the naval base on Schoodic Point, within Acadia National Park), and the reuse of such Activity, including reuse as a research and education center the activities of which may be consistent with the purposes of Acadia National Park, as determined by the Secretary of the Interior. The grant may be so modified not later than 60 days after the date of the enactment of this Act.]

[SEC. 8147. None of the funds appropriated by this Act may be used for leasing of transport/VIP aircraft under any contract entered into under any procurement procedures other than pursuant to the Competition and Contracting Act.]

[(INCLUDING RESCISSIONS)]—Continued

**“§ 505. Medal of honor: presentation of Medal of Honor Flag—**  
Continued

[SEC. 8148. (a) Funds appropriated by title II under the heading “Operation and Maintenance, Defense-Wide” may be used by the Military Community and Family Policy Office of the Department of Defense for the operation of multidisciplinary, impartial domestic violence fatality review teams of the Department of Defense that operate on a confidential basis.

(b) Of the total amount appropriated by title II under the heading “Operation and Maintenance, Defense-Wide”, \$5,000,000 may be used for an advocate of victims of domestic violence to provide confidential assistance to victims of domestic violence at military installations.

(c) Not later than June 30, 2003, the Secretary of Defense shall submit to the Congress a report on the implementation of the recommendations included in the reports submitted to the Secretary by the Defense Task Force on Domestic Violence.]

[SEC. 8149. (a) LIMITATION ON NUMBER OF GOVERNMENT CHARGE CARD ACCOUNTS DURING FISCAL YEAR 2003.—The total number of accounts for government purchase charge cards and government travel charge cards for Department of Defense personnel during fiscal year 2003 may not exceed 1,500,000 accounts.

(b) REQUIREMENT FOR CREDITWORTHINESS FOR ISSUANCE OF GOVERNMENT CHARGE CARD.—(1) The Secretary of Defense shall evaluate the creditworthiness of an individual before issuing the individual a government purchase charge card or government travel charge card.

(2) An individual may not be issued a government purchase charge card or government travel charge card if the individual is found not credit worthy as a result of the evaluation under paragraph (1).

(c) DISCIPLINARY ACTION FOR MISUSE OF GOVERNMENT CHARGE CARD.—(1) The Secretary shall establish guidelines and procedures for disciplinary actions to be taken against Department personnel for improper, fraudulent, or abusive use of government purchase charge cards and government travel charge cards.

(2) The guidelines and procedures under this subsection shall include appropriate disciplinary actions for use of charge cards for purposes, and at establishments, that are inconsistent with the official business of the Department or with applicable standards of conduct.

(3) The disciplinary actions under this subsection may include—

(A) the review of the security clearance of the individual involved; and

(B) the modification or revocation of such security clearance in light of the review.

(4) The guidelines and procedures under this subsection shall apply uniformly among the Armed Forces and among the elements of the Department.

(d) REPORT.—Not later than June 30, 2003, the Secretary shall submit to the congressional defense committees a report on the implementation of the requirements and limitations in this section, including the guidelines and procedures established under subsection (c).]

[SEC. 8150. Notwithstanding any provision of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) or any other provision of law, the Secretary of the Navy shall transfer administrative jurisdiction of the portion of the former Charleston Naval Base, South Carolina, comprising a law enforcement training facility of the Department of Justice, together with any improvements thereon, to the head of the department of the Federal Government having jurisdiction of the Border Patrol as of the date of the transfer under this section.]

**[TITLE IX—COMMERCIAL REUSABLE IN-SPACE  
TRANSPORTATION]**

**[SEC. 901. SHORT TITLE.**

This title may be cited as the “Commercial Reusable In-Space Transportation Act of 2002”.]

**[SEC. 902. FINDINGS.**

Congress makes the following findings:

(1) It is in the national interest to encourage the production of cost-effective, in-space transportation systems, which would be built and operated by the private sector on a commercial basis.

(2) The use of reusable in-space transportation systems will enhance performance levels of in-space operations, enhance efficient and safe disposal of satellites at the end of their useful lives,

and increase the capability and reliability of existing ground-to-space launch vehicles.

(3) Commercial reusable in-space transportation systems will enhance the economic well-being and national security of the United States by reducing space operations costs for commercial and national space programs and by adding new space capabilities to space operations.

(4) Commercial reusable in-space transportation systems will provide new cost-effective space capabilities (including orbital transfers from low altitude orbits to high altitude orbits and return, the correction of erroneous satellite orbits, and the recovery, refurbishment, and refueling of satellites) and the provision of upper stage functions to increase ground-to-orbit launch vehicle payloads to geostationary and other high energy orbits.

(5) Commercial reusable in-space transportation systems can enhance and enable the space exploration of the United States by providing lower cost trajectory injection from earth orbit, transit trajectory control, and planet arrival deceleration to support potential National Aeronautics and Space Administration missions to Mars, Pluto, and other planets.

(6) Satellites stranded in erroneous earth orbit due to deficiencies in their launch represent substantial economic loss to the United States and present substantial concerns for the current backlog of national space assets.

(7) Commercial reusable in-space transportation systems can provide new options for alternative planning approaches and risk management to enhance the mission assurance of national space assets.

(8) Commercial reusable in-space transportation systems developed by the private sector can provide in-space transportation services to the National Aeronautics and Space Administration, the Department of Defense, the National Reconnaissance Office, and other agencies without the need for the United States to bear the cost of production of such systems.

(9) The availability of loan guarantees, with the cost of credit risk to the United States paid by the private-sector, is an effective means by which the United States can help qualifying private-sector companies secure otherwise unattainable private financing for the production of commercial reusable in-space transportation systems, while at the same time minimizing Government commitment and involvement in the development of such systems. ]

**[SEC. 903. LOAN GUARANTEES FOR PRODUCTION OF COMMERCIAL REUSABLE IN-SPACE TRANSPORTATION.**

(a) AUTHORITY TO MAKE LOAN GUARANTEES.—The Secretary may guarantee loans made to eligible United States commercial providers for purposes of producing commercial reusable in-space transportation services or systems.

(b) ELIGIBLE UNITED STATES COMMERCIAL PROVIDERS.—The Secretary shall prescribe requirements for the eligibility of United States commercial providers for loan guarantees under this section. Such requirements shall ensure that eligible providers are financially capable of undertaking a loan guaranteed under this section.

(c) LIMITATION ON LOANS GUARANTEED.—The Secretary may not guarantee a loan for a United States commercial provider under this section unless the Secretary determines that credit would not otherwise be reasonably available at the time of the guarantee for the commercial reusable in-space transportation service or system to be produced utilizing the proceeds of the loan.

(d) CREDIT SUBSIDY.—

(1) COLLECTION REQUIRED.—The Secretary shall collect from each United States commercial provider receiving a loan guarantee under this section an amount equal to the amount, as determined by the Secretary, to cover the cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of the loan guarantee.

(2) PERIODIC DISBURSEMENTS.—In the case of a loan guarantee in which proceeds of the loan are disbursed over time, the Secretary shall collect the amount required under this subsection on a pro rata basis, as determined by the Secretary, at the time of each disbursement.

(e) OTHER TERMS AND CONDITIONS.—

(1) PROHIBITION ON SUBORDINATION.—A loan guaranteed under this section may not be subordinated to another debt contracted by the United States commercial provider concerned, or to any other claims against such provider.

(2) RESTRICTION ON INCOME.—A loan guaranteed under this section may not—

(A) provide income which is excluded from gross income for purposes of chapter 1 of the Internal Revenue Code of 1986; or

(B) provide significant collateral or security, as determined by the Secretary, for other obligations the income from which is so excluded.

(3) TREATMENT OF GUARANTEE.—The guarantee of a loan under this section shall be conclusive evidence of the following:

(A) That the guarantee has been properly obtained.

(B) That the loan qualifies for the guarantee.

(C) That, but for fraud or material misrepresentation by the holder of the loan, the guarantee is valid, legal, and enforceable.

(4) OTHER TERMS AND CONDITIONS.—The Secretary may establish any other terms and conditions for a guarantee of a loan under this section, as the Secretary considers appropriate to protect the financial interests of the United States.

(f) ENFORCEMENT OF RIGHTS.—

(1) IN GENERAL.—The Attorney General may take any action the Attorney General considers appropriate to enforce any right accruing to the United States under a loan guarantee under this section.

(2) FORBEARANCE.—The Attorney General may, with the approval of the parties concerned, forbear from enforcing any right of the United States under a loan guaranteed under this section for the benefit of a United States commercial provider if such forbearance will not result in any cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, to the United States.

(3) UTILIZATION OF PROPERTY.—Notwithstanding any other provision of law and subject to the terms of a loan guaranteed under this section, upon the default of a United States commercial provider under the loan, the Secretary may, at the election of the Secretary—

(A) assume control of the physical asset financed by the loan; and

(B) complete, recondition, reconstruct, renovate, repair, maintain, operate, or sell the physical asset.

(g) CREDIT INSTRUMENTS.—

(1) AUTHORITY TO ISSUE INSTRUMENTS.—Notwithstanding any other provision of law, the Secretary may, subject to such terms and conditions as the Secretary considers appropriate, issue credit instruments to United States commercial providers of in-space transportation services or system, with the aggregate cost (as determined under the provisions of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.)) of such instruments not to exceed \$1,500,000,000, but only to the extent that new budget authority to cover such costs is provided in subsequent appropriations Acts or authority is otherwise provided in subsequent appropriations Acts.

(2) CREDIT SUBSIDY.—The Secretary shall provide a credit subsidy for any credit instrument issued under this subsection in accordance with the provisions of the Federal Credit Reform Act of 1990.

(3) CONSTRUCTION.—The eligibility of a United States commercial provider of in-space transportation services or systems for a credit instrument under this subsection is in addition to any eligibility of such provider for a loan guarantee under other provisions of this section.】

#### 【SEC. 904. DEFINITIONS.

In this title:

(1) SECRETARY.—The term “Secretary” means the Secretary of Defense.

(2) COMMERCIAL PROVIDER.—The term “commercial provider” means any person or entity providing commercial reusable in-orbit space transportation services or systems, primary control of which is held by persons other than the Federal Government, a State or local government, or a foreign government.

(3) IN-SPACE TRANSPORTATION SERVICES.—The term “in-space transportation services” means operations and activities involved in the direct transportation or attempted transportation of a payload or object from one orbit to another by means of an in-space transportation vehicle.

(4) IN-SPACE TRANSPORTATION SYSTEM.—The term “in-space transportation system” means the space and ground elements, including in-space transportation vehicles and support space systems, and ground administration and control facilities and associated equipment, necessary for the provision of in-space transportation services.

(5) IN-SPACE TRANSPORTATION VEHICLE.—The term “in-space transportation vehicle” means a vehicle designed—

(A) to be based and operated in space;

(B) to transport various payloads or objects from one orbit to another orbit; and

(C) to be reusable and refueled in space.

(6) UNITED STATES COMMERCIAL PROVIDER.—The term “United States commercial provider” means any commercial provider organized under the laws of the United States that is more than 50 percent owned by United States nationals.】

*SEC. 8060. Notwithstanding section 2465 of title 10 U.S.C., the Secretary of the Navy may use funds appropriated in title II of this Act under the heading, “Operation and Maintenance, Navy,” to liquidate the expenses incurred for private security guard services performed at the Naval Support Unit, Saratoga Springs, New York by Burns International Security Services, Albany, New York in the amount of \$29,323.35, plus accrued interest, if any.*

*SEC. 8061. Funds available to the Department of Defense under the heading, “Research, Development, Test and Evaluation, Defense-Wide,” may be used to develop and field an initial set of missile defense capabilities, and such fielding shall be considered to be system development and demonstration for purposes of any law governing the development and production of a major defense acquisition program. The initial set of missile defense capabilities is defined as the “Block 04” Ballistic Missile Defense system funded in fiscal years 2004 and 2005. Subsequent blocks of missile defense capabilities shall be subject to existing laws governing development and production of major defense acquisition programs.*

*SEC. 8062. Upon a determination by the Milestone Decision Authority that such action is necessary to continue development efforts when additional development of an acquisition program is needed before procurement can begin, up to \$20,000,000 per acquisition program and up to a total \$250,000,000 may be transferred from procurement P-1 line items of Acquisition Category I, II, III, and IV of a Procurement appropriation to the corresponding R-1 line items of a Research, Development, Test and Evaluation appropriation for the purpose of continuing development efforts: Provided, That upon a determination that all or part of the funds transferred under this section are not necessary for the purposes provided herein, such amounts may be transferred back to a Procurement appropriation for the purpose of beginning procurement of the acquisition program for which funds were transferred under this section.*

*SEC. 8063. Of the amounts provided in title II of this Act under the heading, “Operation and Maintenance, Defense-Wide,” \$20,000,000 is available for the Regional Defense Counter-terrorism Fellowship Program, to fund the education and training of foreign military officers, ministry of defense civilians, and other foreign security officials, to include United States military officers and civilian officials whose participation directly contributes to the education and training of these foreign students.*

*SEC. 8064. (a) Section 1115(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:*

*“(6) In determining single level dollar amounts in subparagraphs (1)(A) and (1)(B), the Secretary of Defense may, if the Secretary determines that it would produce a more accurate and appropriate actuarial valuation, determine a separate single level dollar amount under either or both subparagraphs for any individual participating uniformed service. If the Secretary makes any such determination, the Secretary (or in the case of a participating uniformed service under the jurisdiction of another administering Secretary, the administering Secretary concerned) shall make corresponding calculations under section 1116(a) of this title for the contributions applicable to the affected uniformed services.”*

*SEC. 8065. Section 721 of the Floyd D. Spence National Defense Authorization Act for fiscal year 2001 (as enacted into law by Public Law 106-398, and as amended by Public Law 107-107), is hereby repealed. (Department of Defense Appropriations Act, 2003.)*

## GENERAL PROVISIONS—MILITARY CONSTRUCTION

SEC. 101. None of the funds appropriated in Military Construction Appropriations Acts shall be expended for payments under a cost-plus-a-fixed-fee contract for construction, where cost estimates exceed \$25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

SEC. 102. Funds appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

SEC. 103. Funds appropriated to the Department of Defense for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 104. None of the funds appropriated in this Act may be used to begin construction of new bases inside the continental United States for which specific appropriations have not been made.

SEC. 105. No part of the funds provided in Military Construction Appropriations Acts shall be used for purchase of land or land easements in excess of 100 percent of the value as determined by the Army Corps of Engineers or the Naval Facilities Engineering Command, except: (1) where there is a determination of value by a Federal court; (2) purchases negotiated by the Attorney General or his designee; (3) where the estimated value is less than \$25,000; or (4) as otherwise determined by the Secretary of Defense to be in the public interest.

SEC. 106. None of the funds appropriated in Military Construction Appropriations Acts shall be used to: (1) acquire land; (2) provide for site preparation; or (3) install utilities for any family housing, except housing for which funds have been made available in annual Military Construction Appropriations Acts.

SEC. 107. None of the funds appropriated in Military Construction Appropriations Acts for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations.

SEC. 108. No part of the funds appropriated in Military Construction Appropriations Acts may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

SEC. 109. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

SEC. 110. None of the funds appropriated in Military Construction Appropriations Acts may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations.

[SEC. 111. None of the funds appropriated in Military Construction Appropriations Acts may be obligated for architect and engineer contracts estimated by the Government to exceed \$500,000 for projects to be accomplished in Japan, in any NATO member country, or in countries bordering the Arabian Sea, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.]

SEC. [112] 111. None of the funds appropriated in Military Construction Appropriations Acts for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll, or in countries bordering the Arabian Sea, may be used to award any contract estimated by the Government to exceed \$1,000,000 to a foreign contractor: *Provided*, That this section shall not be applicable to contract awards for which the lowest responsive and responsible bid of a United States contractor exceeds the lowest responsive and responsible bid of a foreign contractor by greater than 20 percent: *Provided further*, That this section shall not apply to contract awards for military construction on Kwajalein Atoll for which the lowest responsive and responsible bid is submitted by a Marshallese contractor.

SEC. [113] 113. The Secretary of Defense is to inform the appropriate committees of Congress, including the Committees on Appropriations, of the plans and scope of any proposed military exercise involving United States personnel 30 days prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed \$100,000.]

SEC. [114] 112. Not more than 20 percent of the appropriations in Military Construction Appropriations Acts which are limited for obligation during the current fiscal year shall be obligated during the last 2 months of the fiscal year.

## (TRANSFER OF FUNDS)

SEC. [115] 113. Funds appropriated to the Department of Defense for construction in prior years shall be available for construction authorized for each such military department by the authorizations enacted into law during the current session of Congress.

SEC. [116] 114. For military construction or family housing projects that are being completed with funds otherwise expired or lapsed for obligation, expired or lapsed funds may be used to pay the cost

of associated supervision, inspection, overhead, engineering and design on those projects and on subsequent claims, if any.

SEC. [117] 115. Notwithstanding any other provision of law, any funds appropriated to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were appropriated if the funds obligated for such project: (1) are obligated from funds available for military construction projects; and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law.

## (TRANSFER OF FUNDS)

SEC. [118] 116. During the 5-year period after appropriations available to the Department of Defense for military construction and family housing operation and maintenance and construction have expired for obligation, upon a determination that such appropriations will not be necessary for the liquidation of obligations or for making authorized adjustments to such appropriations for obligations incurred during the period of availability of such appropriations, unobligated balances of such appropriations may be transferred into the appropriation "Foreign Currency Fluctuations, Construction, Defense" to be merged with and to be available for the same time period and for the same purposes as the appropriation to which transferred.

[SEC. 119. The Secretary of Defense is to provide the Committees on Appropriations of the Senate and the House of Representatives with an annual report by February 15, containing details of the specific actions proposed to be taken by the Department of Defense during the current fiscal year to encourage other member nations of the North Atlantic Treaty Organization, Japan, Korea, and United States allies bordering the Arabian Sea to assume a greater share of the common defense burden of such nations and the United States.]

## (TRANSFER OF FUNDS)

SEC. [120] 117. During the current fiscal year, in addition to any other transfer authority available to the Department of Defense, proceeds deposited to the Department of Defense Base Closure Account established by section 207(a)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526) pursuant to section 207(a)(2)(C) of such Act, may be transferred to the account established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991, to be merged with, and to be available for the same purposes and the same time period as that account.

[SEC. 121. (a) No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

(b) No funds made available under this Act shall be made available to any person or entity who has been convicted of violating the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").]

[SEC. 122. (a) In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.]

## (TRANSFER OF FUNDS)

SEC. [123] 118. Subject to 30 days prior notification to the Committees on Appropriations, such additional amounts as may be determined by the Secretary of Defense may be transferred to the Department of Defense Family Housing Improvement Fund from amounts appropriated for construction in "Family Housing" accounts, to be merged with and to be available for the same purposes and for the same period of time as amounts appropriated directly to the Fund: *Provided*, That appropriations made available to the Fund shall be available to cover the costs, as defined in section 502(5) of the Congressional Budget Act of 1974, of direct loans or loan guarantees issued by the Department of Defense pursuant to the provisions of subchapter IV of chapter 169, title 10, United States

Code, pertaining to alternative means of acquiring and improving military family housing and supporting facilities.

**[SEC. 124.** None of the funds appropriated or made available by this Act may be obligated for Partnership for Peace Programs in the New Independent States of the former Soviet Union.]

**[SEC. 125. (a)** Not later than 60 days before issuing any solicitation for a contract with the private sector for military family housing the Secretary of the military department concerned shall submit to the congressional defense committees the notice described in subsection (b).

(b)(1) A notice referred to in subsection (a) is a notice of any guarantee (including the making of mortgage or rental payments) proposed to be made by the Secretary to the private party under the contract involved in the event of—

(A) the closure or realignment of the installation for which housing is provided under the contract;

(B) a reduction in force of units stationed at such installation; or

(C) the extended deployment overseas of units stationed at such installation.

(2) Each notice under this subsection shall specify the nature of the guarantee involved and assess the extent and likelihood, if any, of the liability of the Federal Government with respect to the guarantee.

(c) In this section, the term “congressional defense committees” means the following:

(1) The Committee on Armed Services and the Military Construction Subcommittee, Committee on Appropriations of the Senate.

(2) The Committee on Armed Services and the Military Construction Subcommittee, Committee on Appropriations of the House of Representatives.]

(TRANSFER OF FUNDS)

**SEC. [126] 119.** During the current fiscal year, in addition to any other transfer authority available to the Department of Defense, amounts may be transferred from the account established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991, to the fund established by section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) to pay for expenses associated with the Homeowners Assistance Program. Any amounts transferred shall be merged with and be available for the same purposes and for the same time period as the fund to which transferred.

**SEC. [127] 120.** Notwithstanding this or any other provision of law, funds appropriated in Military Construction Appropriations Acts for operations and maintenance of family housing shall be the exclusive source of funds for repair and maintenance of all family housing units, including general or flag officer quarters: *Provided*, That not more than \$35,000 per unit may be spent annually for the maintenance and repair of any general or flag officer quarters without 30 days advance prior notification to the appropriate committees of Congress, except that [an after-the-fact notification shall be submitted if the limitation is exceeded solely due to costs associated with environmental remediation that could not be reasonably anticipated at the time of the budget submission: *Provided further*, That the Under Secretary of Defense (Comptroller) is to report annually to the Committees on Appropriations all operations and maintenance expenditures for each individual general or flag officer quarters for the prior

fiscal year] *costs identified in sections 2825(b)(3) and 2853(d)(2) of title 10, United States Code are not subject to such limitation: Provided further, That nothing herein precludes the Secretary concerned from using funds pursuant to 10 U.S.C. 2601.*

**[SEC. 128.** Notwithstanding any other provision of law, the Secretary of the Navy is authorized to use funds received pursuant to section 2601 of title 10, United States Code, for the construction, improvement, repair, and maintenance of the historic residences located at Marine Corps Barracks, 8th and I Streets, Washington, D.C.: *Provided*, That the Secretary notifies the appropriate committees of Congress 30 days in advance of the intended use of such funds: *Provided further*, That this section remains effective until September 30, 2004.]

**[SEC. 129.** None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.]

**[SEC. 130.** Amounts appropriated for a military construction project at Camp Kyle, Korea, relating to construction of a physical fitness center, as authorized by section 8160 of the Department of Defense Appropriations Act, 2000 (Public Law 106–79; 113 Stat. 1274), shall be available instead for a similar project at Camp Bonifas, Korea.]

**[SEC. 131. (a) REQUESTS FOR FUNDS FOR ENVIRONMENTAL RESTORATION AT BRAC SITES IN FUTURE FISCAL YEARS.—**In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year after fiscal year 2003, the amount requested for environmental restoration, waste management, and environmental compliance activities in such fiscal year with respect to military installations approved for closure or realignment under the base closure laws shall accurately reflect the anticipated cost of such activities in such fiscal year.

(b) **BASE CLOSURE LAWS DEFINED.—**In this section, the term “base closure laws” means the following:

(1) Section 2687 of title 10, United States Code.

(2) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(3) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).]

**SEC. 121.** *Such additional amounts as may be determined by the Secretary of Defense under subsection (b) of section 2883a of title 10, United States Code, may be transferred from appropriations available for support of military family housing for the armed force concerned to appropriations available for pay and allowances of military personnel of that same armed force, to be merged with and to be available for the same purposes and for the same period of time as the account to which transferred.*

**SEC. 122.** *Of the amount appropriated under the heading “Military Construction, Air Force” in the Military Construction Appropriations Act, 2003 (Public Law 107–249), \$15,000,000 may be transferred to the Department of the Interior, United States Fish and Wildlife Service, in complete satisfaction of the obligations of the Department of the Air Force under the provisions of section 3011(b)(5)(F) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65). (Military Construction Appropriations Act, 2003.)*



# DEPARTMENT OF EDUCATION

## OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

### Federal Funds

#### General and special funds:

#### EDUCATION FOR THE DISADVANTAGED

For carrying out title I of the Elementary and Secondary Education Act of 1965 ("ESEA") and section 418A of the Higher Education Act of 1965, \$14,184,000,000, of which \$6,632,199,000 shall become available on July 1, 2004, and shall remain available through September 30, 2005, and of which \$7,383,301,000 shall become available on October 1, 2004, and shall remain available through September 30, 2005, for academic year 2004–2005: Provided, That \$7,172,971,000 shall be for basic grants under section 1124, of which up to \$3,500,000 shall be available to the Secretary of Education on October 1, 2003, to obtain updated educational-agency-level census poverty data from the Bureau of the Census: Provided further, That \$1,365,031,000 shall be for concentration grants under section 1124A: Provided further, That \$3,018,499,000 shall be for targeted grants under section 1125: Provided further, That \$793,499,000 shall be for education finance incentive grants under section 1125A: Provided further, That \$9,500,000 shall be to carry out part E of Title I, of which up to \$1,000,000 shall be available to the Secretary of Education to provide technical assistance to State and local educational agencies concerning part A of Title I.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 91–0900–0–1–501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
Grants to local educational agencies:			
Local educational agency formulas:			
00.01 Basic grants .....	8,655	7,211	7,173
00.02 Concentration grants .....	1,350	1,365	1,365
00.03 Targeted grants .....	2,018	2,018	3,018
00.04 Education finance incentive grants formula .....	794	794	794
Reading first:			
00.05 Reading first State grants .....	366	1,340	1,050
00.06 Early reading first .....	1	149	100
00.07 Even start .....	249	220	175
00.08 Literacy through school libraries .....	13	12	28
00.09 State agency programs .....	444	452	444
00.10 Comprehensive school reform .....	226	245	245
00.11 Evaluation .....	9	9	9
00.12 Close up fellowships .....	2	2	2
00.13 Advanced placement .....	22	22	22
00.14 Dropout prevention programs .....	10	10	10
00.16 Migrant education projects .....	38	38	28
10.00 Total new obligations .....	11,385	13,875	14,184
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	163	490	490
22.00 New budget authority (gross) .....	11,722	13,385	14,184
22.10 Resources available from recoveries of prior year obligations .....	2	2	2
23.90 Total budgetary resources available for obligation .....	11,887	13,875	14,184
23.95 Total new obligations .....	–11,385	–13,875	–14,184
23.98 Unobligated balance expiring or withdrawn .....	–12	–12	–12
24.40 Unobligated balance carried forward, end of year .....	490	490	490
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	4,964	6,002	6,801
55.00 Advance appropriation .....	6,758	7,383	7,383
70.00 Total new budget authority (gross) .....	11,722	13,385	14,184

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3,972	6,082	8,051
73.10 Total new obligations .....	11,385	13,875	14,184
73.20 Total outlays (gross) .....	–9,247	–11,906	–13,201
73.40 Adjustments in expired accounts (net) .....	–25	–25	–25
73.45 Recoveries of prior year obligations .....	–2	–2	–2
74.40 Obligated balance, end of year .....	6,082	8,051	9,034

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5,890	6,576	6,616
86.93 Outlays from discretionary balances .....	3,357	5,330	6,585
87.00 Total outlays (gross) .....	9,247	11,906	13,201

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	11,722	13,385	14,184
90.00 Outlays .....	9,248	11,906	13,201

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

Note.—Excludes \$22 million in budget authority in 2004 for activities transferred to Department of Education:

Office of Innovation and Improvement, Innovation and Improvement .....	2004 est. 22
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Comparable amounts for 2002 (\$22 million) and 2003 (\$22 million) are included above.

#### SUMMARY OF PROGRAM LEVEL

(in millions of dollars)

	2002–2003 academic year	2003–2004 academic year	2004–2005 academic year
New Budget Authority .....	4,964	6,002	6,801
Advance appropriation .....	7,383	7,383	7,383
Total program level .....	12,347	13,385	14,184

Change in advance appropriation from the previous year ..... +625 .....

**Grants to local educational agencies.**—Funds are allocated through four formulas—Basic Grants, Concentration Grants, Targeted Grants and Education Finance Incentive Grants—for local programs that provide extra academic support to help raise the achievement of eligible students in high-poverty communities, or, in the case of schoolwide programs, help all students in high-poverty schools to meet challenging State academic standards. States must annually assess participating students in at least reading and mathematics, and school districts must identify for improvement, and provide assistance to, schools that for two consecutive years fail to make adequate yearly progress toward helping all groups of students reach the proficient level on the State assessments. Districts must provide students attending such schools the choice of attending another public school that is not identified for improvement. After three years of failure, students who remain in the school would be permitted to use Title I funds to obtain supplemental educational services from a public- or private-sector provider. Schools that continue to fail to meet State standards would be subject to progressively stonger corrective actions and, after six years of failure, reconstitution under a restructuring plan.

**Reading first State grants.**—Funds provide assistance to State and local educational agencies in establishing reading programs for students in grades K–3 that are grounded in scientifically based reading research, in order to ensure that every student can read at grade level or above by the end of third grade.

**Early reading first.**—Funds provide assistance to support local efforts, through competitive grants, to enhance the school readiness of young children, particularly those from

General and special funds—Continued

EDUCATION FOR THE DISADVANTAGED—Continued

low-income families, through scientific, research-based strategies and professional development that are designed to enhance the verbal skills, phonological awareness, letter knowledge, pre-reading skills, and early language development of children ages three through five.

*Even start.*—Funds support formula grants to States, which award grants for local projects to partnerships of local educational agencies and other organizations to operate projects integrating early childhood education, adult literacy, parenting education, and interactive literacy activities between parents and their children into “family literacy” programs for low-income families with children under age eight.

*Literacy through school libraries.*—Funds support competitive grants to local educational agencies to provide students with increased access to up-to-date school library materials and professional certified library media specialists.

*State agency migrant program.*—Funds support formula grants to States for educational services to children of migratory farmworkers and fishers, with resources and services focused on children who have moved within the past 36 months.

*State agency neglected and delinquent program.*—Funds support formula grants to States for educational services to children and youth under age 21 in State neglected, delinquent, or adult correction facilities.

*Evaluation.*—Funds support national activities to evaluate Title I programs and a national assessment of Title I’s effectiveness in helping States, school districts, and schools raise the overall achievement of disadvantaged students and narrow the achievement gap. A portion of funds would support technical assistance to help States and local educational agencies carry out Part A of Title I.

*Migrant education projects.*—Funds support grants to institutions of higher education and other nonprofit agencies that assist migrant students to earn a high school equivalency certificate or to complete their first year of college.

Object Classification (in millions of dollars)

Identification code 91-0900-0-1-501	2002 actual	2003 est.	2004 est.
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	8	40	40
25.2 Other services .....	20	25	25
25.3 Other purchases of goods and services from Government accounts .....	3	3	3
41.0 Grants, subsidies, and contributions .....	11,353	13,806	14,115
99.9 Total new obligations .....	11,385	13,875	14,184

IMPACT AID

For carrying out programs of financial assistance to federally affected schools authorized by title VIII of the Elementary and Secondary Education Act of 1965, \$1,015,500,000, of which \$867,500,000 shall be for basic support payments under section 8003(b), \$40,000,000 shall be for payments for children with disabilities under section 8003(d), \$45,000,000 shall be for construction under section 8007 and shall remain available through September 30, 2005, \$55,000,000 shall be for Federal property payments under section 8002, and \$8,000,000, to remain available until expended, shall be for facilities maintenance under section 8008: Provided, That children described in section 8003(a)(1)(D)-(G) shall not be considered in determining the eligibility of a local educational agency for a payment, or the amount of such a payment, under section 8003(b) or (d).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 91-0102-0-1-501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Payments for federally connected children:			
00.01 Basic support payments .....	983	983	868
00.02 Supplemental payments for children with disabilities .....	50	50	40
00.03 Payments for heavily impacted districts .....	4		
00.91 Subtotal, payments for federally connected children .....	1,037	1,033	908
01.01 Facilities maintenance .....	12	12	8
02.01 Construction .....	15	52	45
03.01 Payments for Federal property .....	55	55	55
10.00 Total new obligations .....	1,119	1,152	1,016
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	14	38	27
22.00 New budget authority (gross) .....	1,144	1,141	1,016
23.90 Total budgetary resources available for obligation .....	1,158	1,179	1,043
23.95 Total new obligations .....	-1,119	-1,152	-1,016
24.40 Unobligated balance carried forward, end of year .....	38	27	27
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,144	1,141	1,016
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	215	202	162
73.10 Total new obligations .....	1,119	1,152	1,016
73.20 Total outlays (gross) .....	-1,125	-1,191	-1,036
73.40 Adjustments in expired accounts (net) .....	-7		
74.40 Obligated balance, end of year .....	202	162	142
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	981	999	886
86.93 Outlays from discretionary balances .....	144	192	150
87.00 Total outlays (gross) .....	1,125	1,191	1,036
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,144	1,141	1,016
90.00 Outlays .....	1,125	1,191	1,036

Impact Aid helps to replace the lost local revenue that would otherwise be available to educate federally connected children. The presence of certain students living on Federal property, such as students who are military dependents or who reside on Indian lands, can place a financial burden on local educational agencies that educate them. The property on which the children live and their parents work is exempt from local property taxes, denying local educational agencies access to the primary source of revenue used by most communities to finance education.

*Basic support payments.*—Payments will be made on behalf of approximately 270,000 federally connected students enrolled in about 750 local educational agencies to assist them in meeting their operation and maintenance costs. Average per-student payments will be approximately \$3,200.

*Payments for Children with Disabilities.*—Payments in addition to those provided under the Individuals with Disabilities Education Act will be provided on behalf of approximately 35,000 federally connected students with disabilities in about 740 local educational agencies. Average per-student payments will be approximately \$1,140.

*Facilities maintenance.*—Funds are used to provide emergency repairs for school facilities that serve military dependents and are owned by the Department of Education. Funds are also used to transfer the facilities to local educational agencies.

*Construction.*—Formula payments will be provided to approximately 170 local educational agencies with large proportions of federally connected students. Payments will be made on behalf of about 140,000 students who are military dependents or who reside on Indian lands. In addition, approxi-

mately 25 construction grants will be awarded competitively to local educational agencies.

**Payments for Federal Property.**—Payments are made to approximately 250 local educational agencies in which real property owned by the Federal Government represents 10 percent or more of the assessed value of real property in the local educational agency.

**Object Classification** (in millions of dollars)

Identification code 91-0102-0-1-501	2002 actual	2003 est.	2004 est.
21.0 Travel and transportation of persons .....	1	1	1
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
41.0 Grants, subsidies, and contributions .....	1,117	1,150	1,014
99.9 Total new obligations .....	1,119	1,152	1,016

**SCHOOL IMPROVEMENT PROGRAMS**

For carrying out school improvement activities authorized by titles II, part B of title IV, part A of title V, subpart 1 of part A of title VI, and parts B and C of title VII of the Elementary and Secondary Education Act of 1965 ("ESEA"); the McKinney-Vento Homeless Assistance Act; and the Civil Rights Act of 1964, \$5,042,834,000, of which \$3,540,500,000 shall become available on July 1, 2004, and remain available through September 30, 2005, and of which \$1,435,000,000 shall become available on October 1, 2004, and shall remain available through September 30, 2005, for academic year 2004-2005: Provided, That \$390,000,000 shall be for subpart 1 of part A of title VI of the ESEA.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 91-1000-0-1-501	2002 actual	2003 est.	2004 est.
<b>Direct program:</b>			
<b>Obligations by program activity:</b>			
Improving teacher quality:			
00.01 Improving teacher quality State grants .....	1,672	2,878	2,850
00.02 National activities .....	35	15	15
00.03 Mathematics and science partnerships .....	13	13	13
00.04 Troops-to-teachers .....	18	20	.....
00.05 Transition to teaching .....	35	39	.....
00.06 National writing project .....	14	.....	.....
00.07 Civic education .....	27	.....	.....
00.08 Teaching of traditional American history .....	100	50	.....
Educational technology:			
00.09 Educational technology State grants .....	682	716	701
00.10 Ready-to-learn television .....	22	22	.....
00.11 Preparing tomorrow's teachers to use technology .....	63	.....	.....
00.12 21st Century community learning centers .....	984	1,016	600
School choice and innovation:			
00.13 State grants for innovative programs .....	384	388	385
00.14 Charter schools grants .....	200	200	.....
00.15 Credit enhancement for charter school facilities .....	.....	100	.....
00.16 Voluntary public school choice .....	25	25	.....
00.17 Magnet schools assistance .....	110	110	.....
00.18 Choice demonstration fund .....	.....	50	.....
00.19 Fund for the Improvement of Education .....	618	224	.....
Safe and drug-free schools and communities:			
00.20 State grants .....	470	478	330
00.21 National programs .....	255	192	.....
00.22 State assessments .....	368	406	390
00.23 Education for homeless children and youth .....	50	51	50
00.24 Education for Native Hawaiians .....	31	18	18
00.26 Alaska Native education equity .....	24	14	14
00.27 Training and advisory services .....	7	7	7
00.28 Rural education .....	162	.....	.....
00.29 Class size reduction .....	1,154	.....	.....
00.30 School renovation grants .....	375	.....	.....
00.31 Eisenhower professional development State grants .....	1	.....	.....
00.32 Charter schools financing demonstrations .....	25	.....	.....
00.33 Consolidated technical assistance centers .....	9	.....	.....
00.34 Comprehensive school reform .....	74	1	.....
01.00 Total direct program .....	8,007	7,033	5,373
09.01 Reimbursable program .....	61	.....	.....

10.00 Total new obligations .....	8,068	7,033	5,373
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	414	249	.....
22.00 New budget authority (gross) .....	7,907	6,784	5,373
23.90 Total budgetary resources available for obligation .....	8,321	7,033	5,373
23.95 Total new obligations .....	-8,068	-7,033	-5,373
23.98 Unobligated balance expiring or withdrawn .....	-4	.....	.....
24.40 Unobligated balance carried forward, end of year .....	249	.....	.....

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	6,072	5,019	3,608
42.00 Transferred from other accounts .....	9	.....	.....
43.00 Appropriation (total discretionary) .....	6,081	5,019	3,608
55.00 Advance appropriation .....	1,765	1,765	1,765
68.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired) .....	61	.....	.....
70.00 Total new budget authority (gross) .....	7,907	6,784	5,373

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	3,771	8,142	7,422
73.10 Total new obligations .....	8,068	7,033	5,373
73.20 Total outlays (gross) .....	-3,609	-7,753	-7,070
73.40 Adjustments in expired accounts (net) .....	-27	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-61	.....	.....
74.40 Obligated balance, end of year .....	8,142	7,422	5,725

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1,261	1,575	1,488
86.93 Outlays from discretionary balances .....	2,348	6,178	5,582
87.00 Total outlays (gross) .....	3,609	7,753	7,070

**Offsets:**

Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-61	.....	.....

**Net budget authority and outlays:**

89.00 Budget authority .....	7,846	6,784	5,373
90.00 Outlays .....	3,609	7,753	7,070

Note.—Excludes \$1,201 million in budget authority in 2004 for activities transferred to Department of Education:

	(in millions of dollars)	2004 est
Office of Innovation and Improvement, Innovation and Improvement .....	.....	785
Office of Safe and Drug-Free Schools, Safe Schools and Citizenship Education .....	.....	416
Comparable amounts for 2002 (\$1,642 million) and 2003 (\$1,345 million) are included above.		

**SUMMARY OF PROGRAM LEVEL**

	(in millions of dollars)		
	2002-2003 Academic Year	2003-2004 Academic Year	2004-2005 Academic Year
New Budget Authority .....	6,072	5,019	3,608
Advance Appropriation .....	1,765	1,765	1,435
Total program level .....	7,837	6,784	5,043
Change in advance appropriation over previous year .....	.....	.....	-330

**Improving teacher quality.—**

**Improving teacher quality State grants.**—Funds support State and school district activities to prepare, train, and recruit high-quality teachers to improve student achievement.

**National activities.**—Funds support competitive grants to improve the knowledge and skills of early childhood educators who work in communities that have high concentrations of children living in poverty.

**Mathematics and science partnerships.**—Funds support State and local efforts to improve students' academic achievement in mathematics and science by promoting strong teaching skills for elementary and secondary

General and special funds—Continued

SCHOOL IMPROVEMENT PROGRAMS—Continued

school teachers, including integrating teaching methods based on scientifically-based research and technology into the curriculum.

*Educational technology State grants.*—Funds support formula grants to States, which target funds to high-poverty school districts, to acquire computers, connections, software, and teacher training to enable schools to integrate technology effectively into curricula.

*21st Century community learning centers.*—Funds support formula grants to States, which award subgrants to communities to provide academic enrichment opportunities and related services to students, primarily students who attend high-poverty schools, and their families during before-school, after-school, weekend, and summer hours.

*State grants for innovative programs.*—Funds support formula grants to States and local educational agencies to help implement innovative strategies for improving student achievement.

*State assessments.*—Funds support formula grants to States to develop and implement the new assessments, and related accountability efforts, that States would use to test all children annually in grades 3–8 in reading and mathematics.

*Education for homeless children and youth.*—Funds support formula grants to States to provide educational and support services that enable homeless children and youth to attend and achieve success in school.

*Education for Native Hawaiians.*—Funds provide supplemental education services to Native Hawaiians in areas such as family-based education, special education, gifted and talented education, higher education, curriculum development, teacher training and recruitment, and community-based learning.

*Alaska Native education equity.*—Funds provide supplemental education services to Alaska Natives in areas such as educational planning, curriculum development, teacher training, teacher recruitment, student enrichment, and home-based instruction for pre-school children. Grants also go to organizations specified in the law.

*Training and advisory services.*—Funds support grants to regional equity assistance centers that provide technical assistance to school districts in addressing equity in education related to issues of race, gender, and national origin.

Object Classification (in millions of dollars)				
Identification code	91–1000–0–1–501	2002 actual	2003 est.	2004 est.
Direct obligations:				
24.0	Printing and reproduction .....	1	1	1
25.1	Advisory and assistance services .....	9	49	20
25.2	Other services .....	50	75	21
25.3	Other purchases of goods and services from Government accounts .....	4		
41.0	Grants, subsidies, and contributions .....	7,943	6,908	5,331
99.0	Direct obligations .....	8,007	7,033	5,373
99.0	Reimbursable obligations .....	61		
99.9	Total new obligations .....	8,068	7,033	5,373

INDIAN EDUCATION

For expenses necessary to carry out, to the extent not otherwise provided, title VII, part A of the Elementary and Secondary Education Act of 1965, \$122,368,000.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)				
Identification code	91–0101–0–1–501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Grants to local educational agencies .....	97	97	97
00.02	Special programs for Indian children .....	20	20	20
00.03	National activities .....	3	5	5
10.00	Total new obligations .....	120	122	122
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	120	122	122
23.95	Total new obligations .....	–120	–122	–122
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	120	122	122
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	132	145	143
73.10	Total new obligations .....	120	122	122
73.20	Total outlays (gross) .....	–104	–124	–122
73.40	Adjustments in expired accounts (net) .....	–3		
74.40	Obligated balance, end of year .....	145	143	143
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....		6	6
86.93	Outlays from discretionary balances .....	104	118	116
87.00	Total outlays (gross) .....	104	124	122
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	120	122	122
90.00	Outlays .....	104	124	122

The Indian Education program supports the efforts of local educational agencies and tribal schools to improve teaching and learning for the Nation's American Indian and Alaska Native Children.

*Grants to local educational agencies.*—Formula grants support local educational agencies in their efforts to reform elementary and secondary school programs that serve Indian students, with the goal of ensuring that such programs assist participating students in meeting the same academic standards as all other students. In 2002, the Department made 1,189 formula grants to local educational agencies and tribal schools serving more than 465,000 students.

*Special programs for Indian Children.*—The Department makes competitive awards for demonstration projects in early childhood education, professional development grants, American Indian Teacher Corps grants, and grants for the American Indian Administrator Corps. The professional development awards in this activity are designed to improve the quality of teachers and administrators in school districts with concentrations of Indian students.

*National activities.*—Funds support research, evaluation, data collection, and related activities.

Object Classification (in millions of dollars)				
Identification code	91–0101–0–1–501	2002 actual	2003 est.	2004 est.
25.2	Other services .....	2	4	5
41.0	Grants, subsidies, and contributions .....	118	118	117
99.9	Total new obligations .....	120	122	122

READING EXCELLENCE

Program and Financing (in millions of dollars)				
Identification code	91–0011–0–1–501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Reading Excellence .....	201		
10.00	Total new obligations .....	201		
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	6		

22.00	New budget authority (gross)	195		
23.90	Total budgetary resources available for obligation	201		
23.95	Total new obligations	-201		

**New budget authority (gross), detail:**

Discretionary:				
55.00	Advance appropriation	195		

**Change in obligated balances:**

72.40	Obligated balance, start of year	449	447	137
73.10	Total new obligations	201		
73.20	Total outlays (gross)	-200	-310	-105
73.40	Adjustments in expired accounts (net)	-4		
74.40	Obligated balance, end of year	447	137	31

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	1		
86.93	Outlays from discretionary balances	199	310	105
87.00	Total outlays (gross)	200	310	105

**Net budget authority and outlays:**

89.00	Budget authority	195		
90.00	Outlays	200	310	105

*Reading Excellence.*—This program has been replaced by the Reading First program in the Education for the Disadvantaged account. Amounts in these schedules reflect balances that are spending out from prior-year appropriations.

**Object Classification** (in millions of dollars)

Identification code 91-0011-0-1-501	2002 actual	2003 est.	2004 est.
24.0	Printing and reproduction	2	
25.2	Other services	6	
25.3	Other purchases of goods and services from Government accounts	1	
41.0	Grants, subsidies, and contributions	192	
99.9	Total new obligations	201	

**EDUCATION REFORM**

**Program and Financing** (in millions of dollars)

Identification code 91-0500-0-1-501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01	Small learning communities	103	
10.00	Total new obligations	103	

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	103	
23.95	Total new obligations	-103	

**Change in obligated balances:**

72.40	Obligated balance, start of year	2,464	781	80
73.10	Total new obligations	103		
73.20	Total outlays (gross)	-1,768	-701	-80
73.40	Adjustments in expired accounts (net)	-18		
74.40	Obligated balance, end of year	781	80	

**Outlays (gross), detail:**

86.93	Outlays from discretionary balances	1,768	701	80
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**Net budget authority and outlays:**

89.00	Budget authority			
90.00	Outlays	1,768	701	80

Programs in this account have been transferred to the School Improvement account or discontinued. Amounts in these schedules reflect balances that are spending out from prior-year appropriations.

**Object Classification** (in millions of dollars)

Identification code 91-0500-0-1-501	2002 actual	2003 est.	2004 est.
25.1	Advisory and assistance services	2	

25.2	Other services	5	
41.0	Grants, subsidies, and contributions	96	
99.9	Total new obligations	103	

**CHICAGO LITIGATION SETTLEMENT**

**Program and Financing** (in millions of dollars)

Identification code 91-0220-0-1-501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Direct program activity		1
10.00	Total new obligations (object class 41.0)		1

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	1	1
23.95	Total new obligations		-1
24.40	Unobligated balance carried forward, end of year	1	

**Change in obligated balances:**

72.40	Obligated balance, start of year	2	1
73.10	Total new obligations		1
73.20	Total outlays (gross)	-1	-2
74.40	Obligated balance, end of year	1	

**Outlays (gross), detail:**

86.93	Outlays from discretionary balances	1	2
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**Net budget authority and outlays:**

89.00	Budget authority		
90.00	Outlays	1	2

Funds made available under this account were reappropriated by the Supplemental Appropriations Act, 1987 (Public Law 100-71) from funds enjoined in *United States of America v. Board of Education of the City of Chicago*. The funds were reappropriated for the specific purpose of settling this case. The funds are used by the Chicago Board of Education to implement Project CANAL (Creating A New Approach to Learning), the project approved by the court to support the Board's desegregation efforts.

**OFFICE OF INNOVATION AND IMPROVEMENT**

**Federal Funds**

**General and special funds:**

*INNOVATION AND IMPROVEMENT*

*For carrying out activities authorized by part G of title I, parts C and D of title II, and parts B, C, and D of title V of the Elementary and Secondary Education Act of 1965, \$807,400,000.*

**Program and Financing** (in millions of dollars)

Identification code 91-0204-0-1-501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Innovation for teacher quality:			
00.01	Troops-to-teachers		25
00.02	Transition to teaching		49
00.03	Teaching of traditional American history		100
School choice and flexibility:			
00.04	Charter schools grants		220
00.05	Credit enhancement for charter school facilities		100
00.06	Voluntary public school choice		25
00.07	Magnet schools assistance		110
00.08	Choice incentive fund		75
00.09	FIE programs of national significance		35
00.10	Reading is fundamental/inexpensive book distribution		24
00.11	Ready-to-learn television		22
00.12	Advanced placement		22
10.00	Total new obligations		807

**Budgetary resources available for obligation:**

22.00	New budget authority (gross)		807
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**General and special funds—Continued**

*INNOVATION AND IMPROVEMENT—Continued*

**Program and Financing** (in millions of dollars)—Continued

Identification code 91–0204–0–1–501	2002 actual	2003 est.	2004 est.
23.95 Total new obligations .....			–807
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			807
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			807
73.20 Total outlays (gross) .....			–40
74.40 Obligated balance, end of year .....			767
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			40
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			807
90.00 Outlays .....			40

*Improving teacher quality.—*

*Troops-to-teacher.*—Funds assist eligible members of the armed forces to obtain certification as teachers and to become highly qualified teachers.

*Transition to teaching.*—Funds support competitive grants to establish programs to recruit and retain highly qualified mid-career professionals and recent college graduates as teachers in high-need schools.

*Teaching of traditional American history.*—Funds support competitive grants to school districts for activities to improve history instruction and provide professional development for teachers in American history.

*School choice and flexibility.—*

*Charter school grants.*—Funds support competitive grants to State educational agencies and charter schools to support the planning, design, initial implementation, and dissemination of information regarding charter schools. These schools are created by teachers, parents, and members of the community, and are exempt from certain local, State, and Federal regulations.

*Credit enhancement for charter school facilities.*—Funds support competitive grants to State and local governments, nonprofit entities, and public and nonprofit consortia, to assist charter schools in acquiring, leasing, and renovating school facilities.

*Voluntary public school choice.*—Funds support competitive grants to State educational agencies and local educational agencies to implement programs that provide students, particularly students who attend low-performing schools, with expanded school choice options.

*Magnet schools assistance.*—Funds support competitive grants to local educational agencies to establish and operate magnet school programs that are part of an approved desegregation plan.

*Choice incentive fund.*—Funds will support grants to States, local educational agencies, and community-based nonprofit organizations with a proven record for securing educational opportunities for children. These grants will support efforts to increase the capacity of high-quality public and private schools to serve additional students through activities such as creating partnerships to fund private school choice programs; and designing incentives to provide tax benefits to individuals and organizations that donate funds to help low-income parents meet the costs of private school tuition.

*FIE programs of national significance.*—Funds support nationally significant projects to improve the quality of elementary and secondary education in order to help all children

meet challenging State content and student achievement standards.

*Reading is fundamental/inexpensive book distribution.*—Funds support reading motivation activities, including the distribution of free books to children.

*Ready-to-learn television.*—Funds support the development, distribution, and production of educational video and accompanying materials and services for preschool children, elementary school children, and their parents to facilitate student academic achievement.

*Advanced placement.*—Funds support grants to States to pay test fees for low-income students if they are enrolled in an Advanced Placement course and competitive grants to State educational agencies, local educational agencies, and national nonprofit educational entities to expand access for low-income individuals to Advanced Placement classes.

*Note.*—Includes \$807 million in budget authority in 2004 for activities previously financed from Department of Education:

	(in millions of dollars)	2002 actual	2003 est.
Office of Elementary and Secondary Education, School improvement programs .....		918	675
Office of Elementary and Secondary Education, Education for the disadvantaged .....		22	22

**Object Classification** (in millions of dollars)

Identification code 91–0204–0–1–501	2002 actual	2003 est.	2004 est.
25.1 Advisory and assistance services .....			2
25.2 Other services .....			25
25.3 Other purchases of goods and services from Government accounts .....			1
41.0 Grants, subsidies, and contributions .....			779
99.9 Total new obligations .....			807

**OFFICE OF SAFE AND DRUG-FREE SCHOOLS**

*Federal Funds*

**General and special funds:**

*SAFE SCHOOLS AND CITIZENSHIP EDUCATION*

*For carrying out civic and physical education activities, safe and drug-free schools and communities programs, and partnerships in character education programs authorized by subpart 3 of part C of title II, part A of title IV, and subparts 1 and 3 of part D of title V of the Elementary and Secondary Education Act of 1965, \$756,250,000, of which \$92,017,000 shall become available on July 1, 2004 and remain available through September 30, 2005, and of which \$330,000,000 shall become available on October 1, 2004 and shall remain available through September 20, 2005 for academic year 2004–2005: Provided, That of the funds available to carry out subpart 3 of part C of title II, up to \$11,500,000 may be used to carry out section 2345: Provided further, That \$422,017,000 shall be available for subpart 1 of part A of title IV and \$272,233,000 shall be available for subpart 2 of part A of title IV, of which \$10,000,000, to remain available until expended, shall be for the Project School Emergency Response to Violence program to provide education-related services to local educational agencies in which the learning environment has been disrupted due to a violent or traumatic crisis.*

**Program and Financing** (in millions of dollars)

Identification code 91–0203–0–1–501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Safe and drug-free schools and communities:			
00.01 State grants .....			92
National programs:			
00.02 Mentoring program .....			100
00.03 Other national programs .....			172
00.91 Subtotal, Safe and drug-free schools and communities .....			364
01.01 Character education .....			25
02.01 Civic education .....			27
03.01 Physical education initiative .....			10

10.00	Total new obligations .....	426
<b>Budgetary resources available for obligation:</b>		
22.00	New budget authority (gross) .....	426
23.95	Total new obligations .....	-426
<b>New budget authority (gross), detail:</b>		
Discretionary:		
40.00	Appropriation .....	426
<b>Change in obligated balances:</b>		
73.10	Total new obligations .....	426
73.20	Total outlays (gross) .....	-38
74.40	Obligated balance, end of year .....	388
<b>Outlays (gross), detail:</b>		
86.90	Outlays from new discretionary authority .....	38
<b>Net budget authority and outlays:</b>		
89.00	Budget authority .....	426
90.00	Outlays .....	38

Note.—Includes \$416 million in budget authority in 2004 for activities previously financed from Department of Education:

	(in millions of dollars)	2002 actual	2003 est.
Office of Elementary and Secondary Education, School Improvement Programs .....		724	669

**SUMMARY OF PROGRAM LEVEL**

	(in millions of dollars)	2002-2003 Academic Year	2003-2004 Academic Year	2004-2005 Academic Year
New budget authority .....			0	426
Advance appropriation .....			0	330
Total program level .....			0	756
Change in advance appropriation over previous year .....			0	+330

*Safe and drug-free schools and communities.*—  
*State Grants.*—Funds provide formula grants to States to support research-based drug and violence-prevention programs and to implement strategies to improve school safety.  
*National Programs.*—Funds support national activities to prevent violence and the illegal use of drugs among, and to promote safety and discipline for, students.  
*Mentoring program.*—Funds provide grants to local education agencies and community-based organizations for mentoring programs serving at-risk youth in conjunction with the efforts of the USA Freedom Corps.  
*Character Education.*—Funds provide grants to support the design and implementation of character education programs in the Nation's elementary and secondary schools.  
*Civic Education.*—Funds support a grant to the nonprofit Center for Civic Education to promote civic competence and responsibility and improve the quality of civics and government education through coursework and curricula on the history and principles of the Constitution of the United States; and grants to eligible organizations for cooperative education exchange programs to improve the quality of civic and economic education in emerging democracies through exemplary curriculum and teacher training programs for educators. These activities complement civics programs coordinated by the USA Freedom Corps.  
*Physical Education Initiative.*—Funds will support activities to promote increased physical fitness among youth.

**Object Classification (in millions of dollars)**

Identification code 91-0203-0-1-501	2002 actual	2003 est.	2004 est.
24.0 Printing and reproduction .....			1
25.1 Advisory and assistance services .....			3
25.2 Other services .....			12
41.0 Grants, subsidies, and contributions .....			410
99.9 Total new obligations .....			426

**OFFICE OF ENGLISH LANGUAGE ACQUISITION**

**Federal Funds**

**General and special funds:**

ENGLISH LANGUAGE ACQUISITION

*For carrying out title III, part A of the Elementary and Secondary Education Act of 1965, \$665,000,000, of which \$541,000,000 shall become available on July 1, 2004, and shall remain available through September 30, 2005.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 91-1300-0-1-501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Language acquisition State grants .....	403	482	541
00.02 Bilingual education instructional services .....	120	91	54
00.04 Bilingual education professional development .....	129	104	70
10.00 Total new obligations .....	652	677	665
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		12	
22.00 New budget authority (gross) .....	664	665	665
23.90 Total budgetary resources available for obligation .....	664	677	665
23.95 Total new obligations .....	-652	-677	-665
24.40 Unobligated balance carried forward, end of year .....	12		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	665	665	665
41.00 Transferred to other accounts .....	-1		
43.00 Appropriation (total discretionary) .....	664	665	665
<b>Change in obligated balances:</b>			
72.40 Unobligated balance, start of year .....	603	833	1,003
73.10 Total new obligations .....	652	677	665
73.20 Total outlays (gross) .....	-414	-507	-803
73.40 Adjustments in expired accounts (net) .....	-9		
74.40 Obligated balance, end of year .....	833	1,003	865
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	33	33
86.93 Outlays from discretionary balances .....	410	474	770
87.00 Total outlays (gross) .....	414	507	803
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	664	665	665
90.00 Outlays .....	414	507	803

*Language acquisition State grants.*—This program provides formula grants to States and discretionary professional development grants to improve services for limited English proficient and immigrant students. States are accountable for demonstrating that limited English proficient students are learning English and meeting the same high State standards as all other students. The statute also authorizes evaluation, and requires funding for a national information clearinghouse on English language acquisition. The statute also continues discretionary grants for bilingual instructional services and bilingual professional development grants made under the antecedent statute.

**Object Classification (in millions of dollars)**

Identification code 91-1300-0-1-501	2002 actual	2003 est.	2004 est.
25.2 Other services .....	2	5	5
41.0 Grants, subsidies, and contributions .....	650	672	660
99.9 Total new obligations .....	652	677	665

**OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES**

*Federal Funds*

**General and special funds:**

SPECIAL EDUCATION

For carrying out parts B, C, and D of the Individuals with Disabilities Education Act, \$10,690,104,000, of which \$5,337,533,000 shall become available for obligation on July 1, 2004, and shall remain available through September 30, 2005, and of which \$5,072,000,000 shall become available on October 1, 2004, and shall remain available through September 30, 2005, for academic year 2004–2005: Provided, That the amount for section 611(c) of the Act shall be equal to the amount available for that section during fiscal year 2003, increased by the amount of inflation as specified in section 611(f)(1)(B)(ii) of the Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 91–0300–0–1–501	2002 actual	2003 est.	2004 est.
<b>Direct program:</b>			
<b>Obligations by program activity:</b>			
State grants:			
00.01 Grants to States .....	7,530	8,546	9,529
00.02 Preschool grants .....	390	390	390
00.03 Grants for infants and families .....	435	474	447
00.91 Subtotal, State grants .....	8,355	9,410	10,366
National activities:			
01.01 State improvement .....	52	97	44
01.02 Research and innovation .....	78	78	78
01.03 Technical assistance and dissemination .....	53	53	53
01.04 Personnel preparation .....	90	90	90
01.05 Parent information centers .....	26	26	26
01.06 Technology and media services .....	37	33	33
01.91 Subtotal, National activities .....	336	377	324
02.00 Total Direct Program .....	8,691	9,787	10,690
10.00 Total new obligations .....	8,691	9,787	10,690
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	116	99	
22.00 New budget authority (gross) .....	8,673	9,688	10,690
22.10 Resources available from recoveries of prior year obligations .....	3		
23.90 Total budgetary resources available for obligation	8,792	9,787	10,690
23.95 Total new obligations .....	–8,691	–9,787	–10,690
23.98 Unobligated balance expiring or withdrawn .....	–1		
24.40 Unobligated balance carried forward, end of year .....	99		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3,601	4,616	5,618
55.00 Advance appropriation .....	5,072	5,072	5,072
70.00 Total new budget authority (gross) .....	8,673	9,688	10,690
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4,469	6,137	8,194
73.10 Total new obligations .....	8,691	9,787	10,690
73.20 Total outlays (gross) .....	–7,000	–7,730	–9,657
73.40 Adjustments in expired accounts (net) .....	–20		
73.45 Recoveries of prior year obligations .....	–3		
74.40 Obligated balance, end of year .....	6,137	8,194	9,227
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3,269	3,491	3,511
86.93 Outlays from discretionary balances .....	3,731	4,239	6,146
87.00 Total outlays (gross) .....	7,000	7,730	9,657
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	8,673	9,688	10,690
90.00 Outlays .....	7,000	7,730	9,657

**SUMMARY OF PROGRAM LEVEL**

(In millions of dollars)

	2002–2003 academic year	2003–2004 academic year	2004–2005 academic year
Current Budget Authority .....	3,601	4,616	5,618
Advance appropriation .....	5,072	5,072	5,072
Total program level .....	8,673	9,688	10,690
Change in advance appropriation from the previous year .....			

**State Grants:**

**Grants to States.**—Formula grants are provided to States to assist them in providing special education and related services to children with disabilities ages 3 through 21.

**Preschool grants.**—Formula grants provide additional funds to States to further assist them in providing special education and related services to children with disabilities ages 3 through 5 served under the Grants to States program.

The goal of both of these programs is to improve results for children with disabilities by assisting State and local educational agencies to provide children with disabilities with access to high quality education that will help them meet challenging standards and prepare them for employment and independent living.

**Grants for infants and families.**—Formula grants are provided to assist States to implement statewide systems of coordinated, comprehensive, multi-disciplinary interagency programs to provide early intervention services to children with disabilities, birth through age 2, and their families.

The goal of this program is to help States provide a comprehensive system of early intervention services that will enhance child and family outcomes.

**National activities:**

These activities include research, demonstration, personnel preparation, technical assistance, grants to States to promote systems change, and other activities to support State efforts to improve results for children with disabilities under the State Grants programs.

The goal of National Activities is to link States, school systems, and families to best practices to improve results for infants, toddlers, and children with disabilities.

The General Education Provisions Act extension for Grants for Infants and Families and National Activities programs applies through September 30, 2003; authorizing legislation is required.

Performance data related to program goals include:

Number of children served in first quarter of fiscal year (in thousands):	2002 actual	2003 est.	2004 est.
Ages 3 through 21 .....	6,483	6,580	6,672
Ages 3 through 5 .....	617	633	648
Birth through 2 .....	247	260	273

**Educational Environment**

Percent of children ages 6 through 21 provided special education in:	1998–1999 actual	1999–2000 actual	2000–2001 actual
Regular classrooms .....	47.4	47.3	46.5
Resource rooms .....	28.4	28.3	29.8
Separate classes .....	20.1	20.3	19.5
Separate schools .....	2.9	2.9	3.0
Residential facilities .....	.7	.7	.7
Home or hospital .....	.5	.5	.5

**Status of Exiting Students**

Percent of students with disabilities aged 14–21 leaving school:	1998–1999 actual	1999–2000 actual	2000–2001 actual
Graduated with a diploma .....	57.4	56.2	57.0
Graduated through certification .....	11.2	11.4	11.0
Dropped out of school .....	28.9	29.4	29.4
Reached maximum age and other .....	2.5	3.0	2.5

**Object Classification** (in millions of dollars)

Identification code 91–0300–0–1–501	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.2 Other services .....	23	21	21

25.3	Other purchases of goods and services from Government accounts .....	1		
41.0	Grants, subsidies, and contributions .....	8,666	9,766	10,669
99.0	Direct obligations .....	8,690	9,787	10,690
99.5	Below reporting threshold .....	1		
99.9	Total new obligations .....	8,691	9,787	10,690

86.97	Outlays from new mandatory authority .....	1,927	1,831	1,868
86.98	Outlays from mandatory balances .....	525	542	781
87.00	Total outlays (gross) .....	2,853	3,143	3,003

**Offsets:**

Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-2	-2	-2

**Net budget authority and outlays:**

89.00	Budget authority .....	2,946	3,002	3,003
90.00	Outlays .....	2,852	3,141	3,001

**REHABILITATION SERVICES AND DISABILITY RESEARCH**

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973 and the Helen Keller National Center Act, \$3,002,913,000: Provided, That funds available under the Vocational Rehabilitation State Grants program may be used by State Vocational Rehabilitation agencies to pay for the fiscal year 2004 continuation costs of projects funded in fiscal year 2002 under title VI, Part A of the Rehabilitation Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 91-0301-0-1-506	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Direct program:				
00.01	Vocational rehabilitation State grants .....	2,481	2,616	2,669
00.02	Vocational rehabilitation incentive grants .....		30	
00.03	Client assistance State grants .....	12	12	12
00.04	Training .....	40	42	43
00.05	Demonstration and training programs .....	21	17	24
00.06	Migrant and seasonal farmworkers .....	2		
00.07	Recreational programs .....	3		
00.08	Protection and advocacy of individual rights .....	15	15	18
00.09	Projects with industry .....	22		
00.10	Supported employment State grants .....	38		
00.11	Independent living .....	110	117	117
00.12	Program improvement .....	1	1	1
00.13	Evaluation .....	1	1	1
00.14	Helen Keller National Center .....	9	9	9
00.15	National Institute on Disability and Rehabilitation Research .....	110	110	110
00.16	Assistive technology .....	24	52	15
00.17	Access to Telework Fund .....		20	
01.00	Total direct program .....	2,889	3,042	3,019
09.01	Reimbursable program .....	2	2	2
10.00	Total new obligations .....	2,891	3,044	3,021
<b>Budgetary resources available for obligation:</b>				
Unobligated balance carried forward, start of year:				
21.40	Unobligated balance carried forward, start of year .....		56	16
21.40	Unobligated balance carried forward, start of year .....			
22.00	New budget authority (gross) .....	2,948	3,004	3,005
23.90	Total budgetary resources available for obligation .....	2,948	3,060	3,021
23.95	Total new obligations .....	-2,891	-3,044	-3,021
24.40	Unobligated balance carried forward, end of year .....	56	16	
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	464	386	334
Mandatory:				
60.00	Appropriation .....	2,482	2,616	2,669
Discretionary:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	2	2	2
70.00	Total new budget authority (gross) .....	2,948	3,004	3,005
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1,043	1,070	971
73.10	Total new obligations .....	2,891	3,044	3,021
73.20	Total outlays (gross) .....	-2,853	-3,143	-3,003
73.40	Adjustments in expired accounts (net) .....	-11		
74.40	Obligated balance, end of year .....	1,070	971	989
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	77	271	235
86.93	Outlays from discretionary balances .....	324	499	119

Vocational rehabilitation State grants.—The basic State grants program provides Federal matching funds to State vocational rehabilitation (VR) agencies to assist individuals with physical or mental impairments to become gainfully employed. Services are tailored to the specific needs of the individual. Priority is given to serving those with the most significant disabilities. Current law requires that between 1.0 percent and 1.5 percent of the funds appropriated for the VR State grants program be set aside for Grants for Indians in 2004.

The table below presents national data on selected performance measures for the VR State grants program. The data are based on the number of individuals whose service records were closed in fiscal years 2000 (377,170) and 2001 (385,235).

**CONSUMER OUTCOMES (CASES CLOSED)**

	2000 actual	2001 actual
Individuals achieving employment outcomes .....	236,137	233,692
Percent with significant disabilities .....	87.0%	88.0%
Employment outcomes as a percent all of individuals receiving services .....	62.6%	60.7%

The 2004 budget request reflects a multi-year Administration effort to reform job training programs, target resources to programs with documented effectiveness, and eliminate funding for duplicative and overlapping programs. Consistent with this crosscutting reform, the budget consolidates funding for three programs in this account (Supported Employment State Grants, Projects with Industry, and the Migrant and Seasonal Farmworkers program) within the Vocational Rehabilitation State Grants program.

Vocational rehabilitation incentive grants.—Incentive grants will be used to encourage State VR agencies to improve their performance in helping individuals with disabilities obtain competitive employment. Grants will be awarded to State VR agencies based on program performance. The Administration plans to carry out 2004 activities with any remaining 2003 funds.

Client assistance State grants.—Formula grants are made to States to provide assistance in informing and advising clients and applicants of benefits available under the Rehabilitation Act and, if requested, to pursue legal or administrative remedies to ensure the protection of the rights of individuals with disabilities.

Training.—Grants are made to States and public or non-profit agencies and organizations, including institutions of higher education, to increase the number of skilled personnel available for employment in the field of rehabilitation and to upgrade the skills of those already employed.

Demonstration and training programs.—Grants are made for programs that expand and improve the provision of rehabilitation services or that further the purposes of the Rehabilitation Act.

Protection and advocacy of individual rights.—Formula grants are made to State protection and advocacy systems to protect the legal and human rights of individuals with disabilities.

Independent living.—Grants are awarded to States and non-profit agencies to assist individuals with significant disabilities in their achievement of self-determined independent living goals. Grants are also awarded to provide support services

**General and special funds—Continued**

REHABILITATION SERVICES AND DISABILITY RESEARCH—Continued

to older blind individuals to increase their ability to care for their own needs.

*Program improvement.*—Funds are used to promote broad-based planning and coordination, improve accountability, and enhance the Department’s ability to address critical areas of national significance in achieving the goals of the Rehabilitation Act. Examples of program improvement activities include technical assistance, dissemination, and performance measurement activities.

*Evaluation.*—Studies are conducted to evaluate the impact and effectiveness of various programs authorized under the Rehabilitation Act.

*Helena Keller National Center for Deaf-Blind Youths and Adults.*—The Center provides services to deaf-blind youths and adults and provides training and technical assistance to professional and allied personnel at its national headquarters center and through its regional representatives and affiliate agencies.

*National Institute on Disability and Rehabilitation Research.*—The Institute carries out a comprehensive and coordinated program of rehabilitation research and related activities. Through grants and contracts, it supports the conduct and dissemination of research aimed at improving the lives of individuals with disabilities. The Institute also promotes the development and utilization of new technologies to assist these individuals in achieving greater independence and integration into society.

*Assistive technology loan program.*—Grants are made to States to establish alternative financing programs to increase access to assistive technology for individuals with disabilities. The Administration plans to carry out 2004 activities with the remaining fiscal year 2003 funds.

*Access to telework fund.*—Federal matching funds are awarded to States to provide loans for individuals with disabilities to purchase computers and other equipment so that they can telework from home.

**Object Classification** (in millions of dollars)

Identification code 91–0301–0–1–506	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.1 Advisory and assistance services .....	8	8	8
25.2 Other services .....	2	2	2
25.5 Research and development contracts .....	2	1	1
41.0 Grants, subsidies, and contributions .....	2,876	3,031	3,009
99.0 Direct obligations .....	2,888	3,042	3,019
99.0 Reimbursable obligations .....	2	2	2
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	2,891	3,044	3,021

**SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES**

AMERICAN PRINTING HOUSE FOR THE BLIND

*For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101 et seq.), \$14,000,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 91–0600–0–1–501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	14	14	14
10.00 Total new obligations (object class 41.0) .....	14	14	14

<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	14	14	14
23.95 Total new obligations .....	–14	–14	–14
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	14	14	14
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	6	1
73.10 Total new obligations .....	14	14	14
73.20 Total outlays (gross) .....	–13	–19	–14
74.40 Obligated balance, end of year .....	6	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	9	13	13
86.93 Outlays from discretionary balances .....	4	6	1
87.00 Total outlays (gross) .....	13	19	14
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	14	14	14
90.00 Outlays .....	13	19	14

The Federal appropriation supports the production of free educational materials for students below the college level who are blind, research related to developing and improving products, and advisory services to consumer organizations on the availability and use of materials. In 2002, the portion of the Federal appropriation allocated to educational materials represented approximately 62.6 percent of the Printing House’s total sales. The full appropriation represented approximately 60.9 percent of the Printing House’s total budget.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

*For the National Technical Institute for the Deaf under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), \$50,781,000, of which \$367,000 shall be for construction and shall remain available until expended, and of which not less than \$1,000,000, to remain available until expended, shall be used for the endowment program as authorized under section 207.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 91–0601–0–1–502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operations .....	50	49	50
00.02 Construction .....	5	2	
00.03 Endowment .....		1	1
10.00 Total new obligations (object class 41.0) .....	55	52	51
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	55	52	51
23.95 Total new obligations .....	–55	–52	–51
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	55	52	51
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			4
73.10 Total new obligations .....	55	52	51
73.20 Total outlays (gross) .....	–55	–47	–51
74.40 Obligated balance, end of year .....		4	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	55	47	48
86.93 Outlays from discretionary balances .....			3
87.00 Total outlays (gross) .....	55	47	51
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	55	52	51

90.00	Outlays .....	55	47	51
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This residential program provides postsecondary technical and professional education for people who are deaf to prepare them for employment, provides training, and conducts applied research into employment related aspects of deafness. In 2002, Federal appropriations represented 81 percent of the Institute's operating budget. The request includes funds for the Endowment Grant program. The request also includes funds for a construction project to upgrade academic facilities and enhance dormitory facilities.

GALLAUDET UNIVERSITY

*For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), \$94,446,000, of which not less than \$1,000,000 shall be used for the endowment program as authorized under section 207: Provided, That such \$1,000,000 is available until expended.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing** (in millions of dollars)

Identification code 91-0602-0-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operations .....	97	93	93
00.02 Endowment .....		1	1
10.00 Total new obligations (object class 41.0) .....	97	94	94
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	97	94	94
23.95 Total new obligations .....	-97	-94	-94
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	97	94	94
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			6
73.10 Total new obligations .....	97	94	94
73.20 Total outlays (gross) .....	-97	-88	-94
74.40 Obligated balance, end of year .....		6	6
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	97	88	88
86.93 Outlays from discretionary balances .....			6
87.00 Total outlays (gross) .....	97	88	94
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	97	94	94
90.00 Outlays .....	97	88	94

This institution provides undergraduate and continuing education programs for persons who are deaf, and graduate programs related to deafness for students who are deaf and students who are hearing. The University also conducts basic and applied research and provides public service programs for persons who are deaf and persons who work with them.

Gallaudet operates two elementary and secondary education programs on the main campus of the University. The Kendall Demonstration Elementary School serves students who are deaf from infancy through age 15, and the Model Secondary School for the Deaf serves high school age students who are deaf. Both schools also develop and disseminate information on effective educational techniques and strategies for teachers and professionals working with students who are deaf or hard of hearing.

In 2002, the Federal appropriation represented 65.6 percent of the University's total revenue, which also includes Federal

financial aid, vocational rehabilitation, Endowment Grant income, and competitive grants and contracts, and 97.3 percent of the revenue related to the elementary and secondary schools. The request also includes funds for the Endowment Grant program.

**OFFICE OF VOCATIONAL AND ADULT EDUCATION**

*Federal Funds*

**General and special funds:**

VOCATIONAL AND ADULT EDUCATION

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing** (in millions of dollars)

Identification code 91-0400-0-1-501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Vocational education:			
Annual appropriations:			
Vocational education:			
00.01 State grants .....	1,179	1,182	791
00.02 National programs .....	18	12	12
00.03 Occupational and employment information .....	9	2	
00.04 Tribally controlled postsecondary vocational institutions .....	6	7	
00.05 Tech-prep education State grants .....	108	108	
00.06 Tech-prep demonstration .....	5	5	
00.91 Total, Vocational education .....	1,325	1,316	803
Adult education:			
01.01 State grants .....	571	589	
01.02 National Institute for Literacy .....	6	7	6
01.03 National leadership activities .....	14	9	9
01.91 Total, adult education .....	591	605	15
02.01 State grants for incarcerated youth offenders .....	20		
03.01 Literacy programs for prisoners .....	5	5	
10.00 Total new obligations .....	1,941	1,926	818
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	65	56	27
22.00 New budget authority (gross) .....	1,934	1,898	791
23.90 Total budgetary resources available for obligation .....	1,999	1,954	818
23.95 Total new obligations .....	-1,941	-1,926	-818
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	56	27	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,143	1,107	
55.00 Advance appropriation .....	791	791	791
70.00 Total new budget authority (gross) .....	1,934	1,898	791
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,496	1,652	1,650
73.10 Total new obligations .....	1,941	1,926	818
73.20 Total outlays (gross) .....	-1,778	-1,929	-1,803
73.40 Adjustments in expired accounts (net) .....	-7		
74.40 Obligated balance, end of year .....	1,652	1,650	666
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	814	651	554
86.93 Outlays from discretionary balances .....	964	1,278	1,249
87.00 Total outlays (gross) .....	1,778	1,929	1,803
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,934	1,898	791
90.00 Outlays .....	1,778	1,929	1,803

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	1,934	1,898	791

**General and special funds—Continued**

VOCATIONAL AND ADULT EDUCATION—Continued

**Summary of Budget Authority and Outlays—Continued**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Outlays .....	1,778	1,929	1,803
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			800
Outlays .....			82
<b>Total:</b>			
Budget Authority .....	1,934	1,898	1,591
Outlays .....	1,778	1,929	1,885

**SUMMARY OF PROGRAM LEVEL**

(in millions of dollars)

	2002–2003 academic year	2003–2004 academic year	2004–2005 academic year
New Budget Authority .....	1,143	1,107	800
Advance appropriation .....	791	791	791
<b>Total program level .....</b>	<b>1,934</b>	<b>1,898</b>	<b>1,591</b>

Change in advance appropriation from the previous year .....

*Vocational and adult education.*—The Administration is working with Congress to develop legislation reauthorizing programs included in the Carl D. Perkins Vocational and Technical Education Act of 1998 and the Adult Education and Family Literacy Act. When new authorizing legislation is enacted resources for the affected programs will be requested.

**Object Classification (in millions of dollars)**

Identification code 91–0400–0–1–501	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.3 Personnel compensation: Other than full-time permanent .....	1	1	1
25.1 Advisory and assistance services .....	3	3	3
25.2 Other services .....	4	3	3
25.3 Other purchases of goods and services from Government accounts .....	16	14	9
25.5 Research and development contracts .....	18	17	10
41.0 Grants, subsidies, and contributions .....	1,898	1,887	791
99.0 Direct obligations .....	1,940	1,925	817
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	1,941	1,926	818

**Personnel Summary**

Identification code 91–0400–0–1–501	2002 actual	2003 est.	2004 est.
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	16	20	18

VOCATIONAL AND ADULT EDUCATION

(Legislative proposal, not subject to PAYGO)

The resources in this schedule are proposed for later transmittal under proposed legislation to reform the Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins) and the Adult Education and Family Literacy Act (AEFLA). The reforms would promote stronger accountability for results by linking grantee funding to success in achieving student outcomes.

*Secondary and technical education.*—The proposed reforms to Perkins would create a coordinated high school and technical education improvement program. The program would support and extend the goals of Title I of the Elementary and Secondary Education Act (ESEA) by requiring States and LEAs to focus more intensively on improving student outcomes, such as academic achievement, and ensuring that students are being taught the necessary skills to make successful

transitions from high school to college and college to the workforce. States would reserve a portion of their formula allocations to, among other things, implement assessments consistent with ESEA Title I accountability requirements to track academic performance and ensure that high school students are graduating with the necessary proficiency in core academic areas. States would have the flexibility to transfer funds to support education-related activities under ESEA Title I. States would also make competitive grants to community and technical colleges to help raise student academic achievement and provide students with high-quality training leading to successful employment outcomes.

*Adult literacy.*—The proposal would amend the current statute to increase the focus on building stronger skills in basic reading, math, and English acquisition for adults who need to strengthen weak literacy skills or want to earn their high school diploma or its recognized equivalent (the GED). Proposed amendments would revise current accountability provisions to create specific local accountability requirements for demonstrating student gains in reading, math, and English language acquisition, with rewards for high performing programs. Each State would develop and implement educational standards to guide local programs in creating a clear sequence of adult literacy activities leading to high school-level proficiency. The proposal would require that teachers be trained in the use of research-validated instructional practices in reading, math and English fluency, and that programs integrate the use of technology-facilitated learning to accelerate student learning. In addition, the proposal would strengthen employer partnerships and the participation of community- and faith-based organizations to expand availability of essential reading, math, and English acquisition instruction, particularly for low-wage working adults.

**Program and Financing (in millions of dollars)**

Identification code 91–0400–2–1–501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Secondary and technical education State grants .....			209
00.02 Adult basic and literacy education State grants .....			584
10.00 Total new obligations (object class 41.0) .....			793
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			800
23.95 Total new obligations .....			–793
24.40 Unobligated balance carried forward, end of year .....			7
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			800
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			793
73.20 Total outlays (gross) .....			–82
74.40 Obligated balance, end of year .....			712
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			82
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			800
90.00 Outlays .....			82

**OFFICE OF POSTSECONDARY EDUCATION**

**Federal Funds**

**General and special funds:**

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, section 121 and titles II, III, IV, V, VI, and VII of the Higher Education Act of 1965, as amended (“HEA”), section 117 of the Carl D. Perkins

*Vocational and Technical Education Act, and the Mutual Educational and Cultural Exchange Act of 1961, \$1,904,438,000, of which \$2,000,000 for interest subsidies authorized by section 121 of the HEA shall remain available until expended: Provided, That \$10,000,000, to remain available through September 30, 2005, shall be available to fund fellowships for academic year 2005–2006 under part A, subpart 1 of title VII of said Act, under the terms and conditions of part A, subpart 1: Provided further, That \$1,000,000 is for data collection and evaluation activities for programs under the HEA, including such activities needed to comply with the Government Performance and Results Act of 1993: Provided further, That notwithstanding any other provision of law, funds made available in this Act to carry out title VI of the HEA and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961 may be used to support visits and study in foreign countries by individuals who are participating in advanced foreign language training and international studies in areas that are vital to United States national security and who plan to apply their language skills and knowledge of these countries in the fields of government, the professions, or international development: Provided further, That up to one percent of the funds referred to in the preceding proviso may be used for program evaluation, national outreach, and information dissemination activities: Provided further, That the funds provided for title II of the HEA shall be allocated notwithstanding section 210 of said Act: Provided further, That the funds provided for part B of title VII of the HEA may be used, at the discretion of the Secretary of Education, to fund continuation awards under title VII, part D of said Act.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 91–0201–0–1–502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Aid for institutional development:			
00.01	74	76	76
00.02	18	18	19
00.03	6	7	4
00.04	206	213	224
00.05	49	51	53
00.06	9	8	8
00.91	362	373	384
Other aid for institutions:			
01.01	86	89	94
01.02	98	103	103
01.03	181	39	39
01.04	7		
01.05	7	10	2
01.06			6
01.91	379	241	244
Assistance for students:			
02.01	803	803	803
02.02	285	285	285
02.03	41	41	41
02.04	10	10	10
02.05	31	31	31
02.06	4		
02.07	1		
02.08	22	15	15
02.91	1,197	1,185	1,185
03.01	88	90	90
04.01	1	1	1
05.01	2		
10.00	2,029	1,890	1,904
<b>Budgetary resources available for obligation:</b>			
21.40	19	17	10

22.00	New budget authority (gross)	2,028	1,883	1,904
23.90	Total budgetary resources available for obligation	2,047	1,900	1,914
23.95	Total new obligations	–2,029	–1,890	–1,904
23.98	Unobligated balance expiring or withdrawn	–2		
24.40	Unobligated balance carried forward, end of year	17	10	10
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	2,031	1,883	1,904
41.00	Transferred to other accounts	–3		
43.00	Appropriation (total discretionary)	2,028	1,883	1,904
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	2,396	2,702	2,491
73.10	Total new obligations	2,029	1,890	1,904
73.20	Total outlays (gross)	–1,687	–2,100	–1,905
73.40	Adjustments in expired accounts (net)	–34		
74.40	Obligated balance, end of year	2,702	2,491	2,491
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	68	97	97
86.93	Outlays from discretionary balances	1,619	2,003	1,808
87.00	Total outlays (gross)	1,687	2,100	1,905
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	2,028	1,883	1,904
90.00	Outlays	1,687	2,100	1,905

*Note.*—Includes \$6 million in budget authority in 2004 for activities previously financed from the Department of Education:

	(in millions of dollars)	2002 actual	2003 est.
Office of Vocational and Adult Education		6	6

*Aid for institutional development.—*

*Strengthening institutions.*—Funds support planning and development grants for improving academic programs and financial management at schools that enroll high proportions of disadvantaged students and have low per-student expenditures.

*Strengthening tribally controlled colleges and universities.*—Funds support grants to American Indian tribally controlled colleges and universities with scarce resources to enable them to improve and expand their capacity to serve Indian students.

*Strengthening Alaska Native and Native Hawaiian-serving institutions.*—Funds support Alaska Native and Native Hawaiian-serving institutions to enable them to improve and expand their capacity to serve Alaska Native and Native Hawaiian students.

*Strengthening historically black colleges and universities.*—Funds support grants to help historically black undergraduate institutions to improve and expand their capacity to serve students, and to strengthen management and fiscal operations.

*Strengthening historically black graduate institutions.*—Funds support grants to help historically black graduate institutions to improve and expand their capacity to serve students, and to strengthen management and fiscal operations.

*Minority science and engineering improvement.*—Funds support grants to predominantly minority institutions to help them make long-range improvements in science and engineering education and to increase the participation of minorities in scientific and technological careers.

*Other aid for institutions.—*

*Developing Hispanic-serving institutions.*—Funds support Hispanic-serving institutions to enable them to improve and expand their capacity to serve students.

*International education and foreign language studies programs.*—Funds promote the development and improvement of international and foreign language programs.

*Fund for the improvement of postsecondary education.*—Funds support a broad range of postsecondary reform and improvement projects, as well as international consortia pro-

**General and special funds—Continued**

**HIGHER EDUCATION—Continued**

grams and projects previously funded under HEA Title VII, Part D to improve education for students with disabilities.

*Interest subsidy grants.*—Funds meet mandatory interest subsidy costs of construction loan commitments made prior to 1974.

*Tribally controlled postsecondary vocational and technical institutions.*—Funds support the operation and improvement of tribally controlled postsecondary vocational institutions, to ensure continued and expanded educational opportunities for Indian students.

*Assistance for students.*—

*Federal TRIO programs.*—Funds support postsecondary education outreach and student support services through 5 major programs designed to help individuals from disadvantaged backgrounds enter and complete college and graduate studies.

*Gaining early awareness and readiness for undergraduate programs.*—Funds support early college preparation and awareness activities at the State and local levels to ensure that low-income elementary and secondary school students are prepared for and pursue postsecondary education.

*Byrd honors scholarships.*—Funds support merit-based scholarships to students who have demonstrated outstanding academic achievement and who show promise of continued academic excellence for study at an institution of higher education.

*Javits fellowships.*—Funds support fellowships to students of superior ability who have financial need and who are pursuing doctoral degrees in the arts, humanities, and social sciences.

*Graduate assistance in areas of national need.*—Funds support fellowships to graduate students of superior ability who have financial need and who are from traditionally underrepresented backgrounds for study in areas of national need.

*Child care access means parents in school.*—Funds support a program designed to bolster the participation of low-income parents in postsecondary education through the provision of campus-based child care services.

*Other aid.*—

*Teacher quality enhancement.*—Funds support programs that seek to make lasting changes in the ways our Nation recruits, prepares, licenses, and supports teachers.

*GPRA data/HEA program evaluation.*—Funds support data collection and evaluation activities for programs under the Higher Education Act of 1965, including such activities needed to comply with the Government Performance and Results Act of 1993.

**Object Classification (in millions of dollars)**

Identification code 91-0201-0-1-502	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.1 Advisory and assistance services .....	3	4	4
25.2 Other services .....	5	5	5
25.3 Other purchases of goods and services from Government accounts .....	2	2	2
41.0 Grants, subsidies, and contributions .....	2,018	1,879	1,893
99.0 Direct obligations .....	2,028	1,890	1,904
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	2,029	1,890	1,904

**HOWARD UNIVERSITY**

For partial support of Howard University (20 U.S.C. 121 et seq.), \$237,474,000, of which not less than \$3,600,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act (Public Law 98-480) and shall remain available until expended.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 91-0603-0-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 General support .....	207	211	207
00.02 Howard University Hospital .....	30	30	30
10.00 Total new obligations (object class 41.0) .....	237	241	237
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	4	
22.00 New budget authority (gross) .....	237	237	237
23.90 Total budgetary resources available for obligation .....	241	241	237
23.95 Total new obligations .....	-237	-241	-237
24.40 Unobligated balance carried forward, end of year .....	4		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	237	237	237
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		4	15
73.10 Total new obligations .....	237	241	237
73.20 Total outlays (gross) .....	-234	-230	-237
74.40 Obligated balance, end of year .....	4	15	15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	234	223	223
86.93 Outlays from discretionary balances .....		7	14
87.00 Total outlays (gross) .....	234	230	237
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	237	237	237
90.00 Outlays .....	234	230	237

Howard University is a private, nonprofit educational institution consisting of 12 schools and colleges. Federal funds are used to provide partial support for university programs as well as for the teaching hospital facilities. In 2002, direct Federal appropriations for general support represented approximately 59 percent of the university's revenue.

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT**

For Federal administrative expenses authorized under section 121 of the Higher Education Act of 1965, \$774,000 to carry out activities related to existing facility loans entered into under the Higher Education Act of 1965.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING PROGRAM ACCOUNT**

The aggregate principal amount of outstanding bonds insured pursuant to section 344 of title III, part D of the Higher Education Act of 1965 shall not exceed \$355,000,000, and the cost, as defined in section 502 of the Congressional Budget Act of 1974, of such bonds shall not exceed zero.

For administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to title III, part D of the Higher Education Act of 1965, as amended, \$210,000.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 91-0241-0-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.09 Federal administration .....	1	1	1
10.00 Total new obligations (object class 99.5) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1	1	1
23.95 Total new obligations .....	-1	-1	-1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	1	1
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		1	
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1
74.40 Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 91-0241-0-1-502	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Historically Black Colleges and Universities .....	44	268	227
115901 Total direct loan levels .....	44	268	227
<b>Direct loan subsidy (in percent):</b>			
132001 Historically Black Colleges and Universities .....	0.00	0.00	0.00
132901 Weighted average subsidy rate .....	0.00	0.00	0.00
<b>Direct loan subsidy budget authority:</b>			
133001 Historically Black Colleges and Universities .....			
133901 Total subsidy budget authority .....			
<b>Direct loan subsidy outlays:</b>			
134001 Historically Black Colleges and Universities .....			
134901 Total subsidy outlays .....			
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 Downward reestimates subsidy budget authority .....			
137901 Total downward reestimate budget authority .....			
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 Downward reestimates subsidy outlays .....			
138901 Total downward reestimate subsidy outlays .....			
<b>Administrative expense data:</b>			
351001 Budget authority .....	1	1	
358001 Outlays from balances .....			
359001 Outlays from new authority .....	1		

The College Housing and Academic Facilities Loans Program and the Historically Black College and University Capital Financing Program are administered separately, but are consolidated for presentation purposes.

*College Housing and Academic Facilities Loans Program.*—Funds for this activity pay the Federal costs for administering the College Housing and Academic Facilities Loans (CHAFL), College Housing Loans (CHL), and Higher Education Facilities Loans (HEFL) programs. Prior to 1994, these programs provided financing for the construction, reconstruction, and renovation of housing, academic, and other educational facilities. Although no new loans have been awarded since fiscal year 1993, costs for administering the outstanding loans will remain through 2030.

*Historically Black College and University Capital Financing Program.*—The Historically Black College and University (HBCU) Capital Financing Program provides HBCUs with access to capital financing for the repair, renovation, and construction of classrooms, libraries, laboratories, dormitories, instructional equipment, and research instrumentation. The Higher Education Amendments of 1992 granted the Department authority to enter into insurance agreements with a private for-profit Designated Bonding Authority to guarantee no more than \$375,000,000 in outstanding principal and unpaid accrued interest combined. The bonding authority issues the loans and maintains an escrow account in which 5 percent of each institution's principal is deposited. This amount is estimated to be sufficient to cover all potential delinquencies and defaults. No subsidy appropriations are required. The 2004 budget provides funds for continuing Federal administrative activities only.

**Personnel Summary**

Identification code 91-0241-0-1-502	2002 actual	2003 est.	2004 est.
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	7	7	7

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 91-4252-0-3-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Interest paid to Treasury .....	2	1	1
10.00 Total new obligations (object class 43.0) .....	2	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....	2	1	1
23.95 Total new obligations .....	-2	-1	-1
<b>New financing authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	3	2	2
69.47 Portion applied to repay debt .....	-1	-1	-1
69.90 Spending authority from offsetting collections (total mandatory) .....	2	1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	2	1	1
73.20 Total financing disbursements (gross) .....	-2	-1	-1
87.00 Total financing disbursements (gross) .....	2	1	1
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-1		
Non-Federal sources:			
88.40 Interest repayments .....	-1	-1	-1
88.40 Principal repayments .....	-1	-1	-1
88.90 Total, offsetting collections (cash) .....	-3	-2	-2
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	-1	-1	-1
90.00 Financing disbursements .....	-1	-1	-1

The College Housing and Academic Facilities Loans Financing Account records all cash flows to and from the Government resulting from direct loans made in fiscal years 1992 and 1993.

**General and special funds—Continued**

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS FINANCING ACCOUNT—Continued**

**Status of Direct Loans (in millions of dollars)**

Identification code 91-4252-0-3-502	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1150 Total direct loan obligations			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	25	25	24
1251 Repayments: Repayments and prepayments		-1	
1290 Outstanding, end of year	25	24	24

**Balance Sheet (in millions of dollars)**

Identification code 91-4252-0-3-502	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	25	25	24	24
1405 Allowance for subsidy cost (-)	-2	-2	-2	-2
1499 Net present value of assets related to direct loans	23	23	22	22
1999 Total assets	23	23	22	22
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt	23	23	22	22
2999 Total liabilities	23	23	22	22
4999 Total liabilities and net position	23	23	22	22

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 91-0242-0-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Interest paid to Treasury	14	14	13
10.00 Total new obligations (object class 43.0)	14	14	13
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3	5	
22.00 New budget authority (gross)	13	7	13
22.10 Resources available from recoveries of prior year obligations	3	11	
22.40 Capital transfer to general fund		-1	
22.60 Portion applied to repay debt		-8	
23.90 Total budgetary resources available for obligation	19	14	13
23.95 Total new obligations	-14	-14	-13
24.40 Unobligated balance carried forward, end of year	5		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation	2	7	5
69.00 Offsetting collections (cash)	56	43	40
69.27 Capital transfer to general fund	-2	-3	-1
69.47 Portion applied to repay debt	-43	-40	-31
69.90 Spending authority from offsetting collections (total mandatory)	11		8
70.00 Total new budget authority (gross)	13	7	13
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	21	12	
73.10 Total new obligations	14	14	13
73.20 Total outlays (gross)	-20	-14	-13
73.45 Recoveries of prior year obligations	-3	-11	
74.40 Obligated balance, end of year	12		

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority	13	7	13
86.98 Outlays from mandatory balances	7	7	
87.00 Total outlays (gross)	20	14	13

**Offsets:**

Against gross budget authority and outlays:

Offsetting collections (cash) from:

Non-Federal sources:

88.40 Repayments of principal	-41	-29	-27
88.40 Interest received on loans	-15	-14	-13
88.90 Total, offsetting collections (cash)	-56	-43	-40

**Net budget authority and outlays:**

89.00 Budget authority	-43	-36	-27
90.00 Outlays	-36	-29	-27

The College Housing and Academic Facilities Loans Liquidating Account records all cash flows to and from the Government resulting from direct loans made prior to 1992. This account includes loans made under the College Housing and Academic Facilities Loans, College Housing Loans, and Higher Education Facilities Loans programs, which continue to be administered separately.

**Status of Direct Loans (in millions of dollars)**

Identification code 91-0242-0-1-502	2002 actual	2003 est.	2004 est.
<b>CHAFL LIQUIDATING</b>			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	117	109	106
1231 Disbursements: Direct loan disbursements	1		
1251 Repayments: Repayments and prepayments	-9	-3	-3
1290 Outstanding, end of year	109	106	103

**HIGHER EDUCATION FACILITIES LOANS**

Cumulative balance of direct loans outstanding:

1210 Outstanding, start of year	24	22	21
1251 Repayments: Repayments and prepayments	-2	-1	-2
1290 Outstanding, end of year	22	21	19

**COLLEGE HOUSING LOANS**

Cumulative balance of direct loans outstanding:

1210 Outstanding, start of year	284	254	230
1251 Repayments: Repayments and prepayments	-30	-24	-22
1290 Outstanding, end of year	254	230	208

**Statement of Operations (in millions of dollars)**

Identification code 91-0242-0-1-502	2001 actual	2002 actual	2003 est.	2004 est.
<b>CHAFL LIQUIDATING:</b>				
0111 Revenue	9	15	9	9
0112 Expense	-35	-17	-21	-14
0115 Net income or loss (-)	-26	-2	-12	-5
<b>HIGHER EDUCATION FACILITIES LOANS:</b>				
0121 Revenue	3	3	3	2
0122 Expense	-2	-1	-1	-1
0125 Net income or loss (-)	1	2	2	1
<b>COLLEGE HOUSING LOANS:</b>				
0131 Revenue	40	38	31	29
0132 Expense	-91	-39	-40	-29
0135 Net income or loss (-)	-51	-1	-9	
0191 Total revenues	52	56	43	40
0192 Total expenses	-128	-57	-62	-44
0195 Total income or loss (-)	-76	-1	-19	-4
0199 Total comprehensive income	-76	-1	-19	-4

**Balance Sheet** (in millions of dollars)

Identification code 91-0242-0-1-502	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	425	385	357	330
1602 Interest receivable .....	6	6	6	5
1699 Value of assets related to direct loans .....	431	391	363	335
1999 Total assets .....	431	391	363	335
<b>LIABILITIES:</b>				
Federal liabilities:				
2103 Debt .....	236	192	143	112
2104 Resources payable to Treasury .....	195	199	220	223
2999 Total liabilities .....	431	391	363	335
4999 Total liabilities and net position .....	431	391	363	335

**HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 91-4255-0-3-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Loan Awards .....	44	40	40
00.02 Interest paid to Treasury .....	2	2	5
10.00 Total new obligations (object class 43.0) .....	46	42	45
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....	54	42	45
22.10 Resources available from recoveries of prior year obligations .....	14		
22.60 Portion applied to repay debt .....	-2		
22.70 Balance of authority to borrow withdrawn .....	-20		
23.90 Total budgetary resources available for obligation .....	46	42	45
23.95 Total new obligations .....	-46	-42	-45
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	50	40	40
69.00 Offsetting collections (cash) .....	4	3	6
69.47 Portion applied to repay debt .....		-1	-1
69.90 Spending authority from offsetting collections (total mandatory) .....	4	2	5
70.00 Total new financing authority (gross) .....	54	42	45
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	30	20	39
73.10 Total new obligations .....	46	42	45
73.20 Total financing disbursements (gross) .....	-42	-23	-46
73.45 Recoveries of prior year obligations .....	-14		
74.40 Obligated balance, end of year .....	20	39	38
87.00 Total financing disbursements (gross) .....	42	23	46
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Interest repayments .....	-2	-2	-5
88.40 Principal repayments .....	-2	-1	-1
88.90 Total, offsetting collections (cash) .....	-4	-3	-6
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	50	39	39
90.00 Financing disbursements .....	37	20	40

The Federal Financing Bank (FFB) purchases bonds issued by the HBCU Designated Bonding Authority. Under the policies governing Federal credit programs, bonds purchased by

the FFB and supported by the Department of Education with a letter of credit create the equivalent of a Federal direct loan. HBCU bonds are also available for purchase by the private sector, and these will be treated as loan guarantees. However, the Department anticipates that all HBCU loans will be financed by the FFB.

**Status of Direct Loans** (in millions of dollars)

Identification code 91-4255-0-3-502	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	296	268	227
1142 Unobligated direct loan limitation (-) .....	-252	-228	
1150 Total direct loan obligations .....	44	40	227
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	31	69	89
1231 Disbursements: Direct loan disbursements .....	40	21	41
1251 Repayments: Repayments and prepayments .....	-2	-1	-1
1290 Outstanding, end of year .....	69	89	129

**Balance Sheet** (in millions of dollars)

Identification code 91-4255-0-3-502	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets: Fund balances with Treasury .....				
	30	20	39	38
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	31	69	89	129
1402 Interest receivable .....	3	3		4
1499 Net present value of assets related to direct loans .....	31	72	92	133
1999 Total assets .....	61	92	131	171
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....		3	3	4
2103 Debt .....	61	89	128	167
2999 Total liabilities .....	61	92	131	171
4999 Total liabilities and net position .....	61	92	131	171

**Trust Funds**

**NATIONAL SECURITY EDUCATION TRUST FUND**  
(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 91-8261-2-7-054	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 National Security Education Trust Fund .....			8
10.00 Total new obligations .....			8
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			8
23.95 Total new obligations .....			-8
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....			8
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			8
73.20 Total outlays (gross) .....			-2
74.40 Obligated balance, end of year .....			6
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			8

NATIONAL SECURITY EDUCATION TRUST FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-8261-2-7-054	2002 actual	2003 est.	2004 est.
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90.00 Outlays			2
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The budget proposes moving this program from the Department of Defense.

Object Classification (in millions of dollars)

Identification code 91-8261-2-7-054	2002 actual	2003 est.	2004 est.
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11.1 Personnel compensation: Full-time permanent			1
25.2 Other services			1
41.0 Grants, subsidies, and contributions			6
99.9 Total new obligations			8

Personnel Summary

Identification code 91-8261-2-7-054	2002 actual	2003 est.	2004 est.
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Total compensable workyears:			
1001 Civilian full-time equivalent employment			7

OFFICE OF STUDENT FINANCIAL ASSISTANCE

Federal Funds

General and special funds:

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1, and 3 of part A, part C and part E of title IV of the Higher Education Act of 1965, as amended, \$14,518,500,000, which shall remain available through September 30, 2005.

The maximum Pell Grant for which a student shall be eligible during award year 2004-2005 shall be \$4,000: Provided, That notwithstanding section 401(g) of the Act, if the Secretary determines, prior to publication of the payment schedule for such award year, that the amount included within this appropriation for Pell Grant awards in such award year, and any funds available from the fiscal year 2003 appropriation for Pell Grant awards, are insufficient to satisfy obligations, the Secretary may reduce the amount paid for each such award by either a fixed or variable percentage, or by a fixed dollar amount, as determined in accordance with a schedule of reductions established by the Secretary for this purpose.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 91-0200-0-1-502	2002 actual	2003 est.	2004 est.
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Obligations by program activity:

Federal Pell grants:			
01.01 Federal Pell grants	11,639	9,980	10,805
Campus-based aid:			
02.01 Federal supplemental educational opportunity grants (SEOG)	727	726	725
02.02 Federal work-study	1,024	1,012	1,011
02.03 Federal Perkins loans: Federal capital contributions	102	100	
02.05 Federal Perkins loans: Loan cancellations	68	68	68
02.91 Subtotal, Campus-based activities	1,921	1,906	1,804
03.01 Leveraging educational assistance partnership	67		
04.01 Loan forgiveness for child care providers	1	1	
10.00 Total new obligations (object class 41.0)	13,628	11,887	12,609

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	1,288	1,026	1,906
22.00 New budget authority (gross)	13,286	12,768	14,519
22.10 Resources available from recoveries of prior year obligations	81		

23.90 Total budgetary resources available for obligation	14,655	13,794	16,425
23.95 Total new obligations	-13,628	-11,887	-12,609
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	1,026	1,906	3,816

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	13,286	12,768	14,519

Change in obligated balances:

72.40 Obligated balance, start of year	7,153	8,226	6,761
73.10 Total new obligations	13,628	11,887	12,609
73.20 Total outlays (gross)	-12,369	-13,352	-13,366
73.40 Adjustments in expired accounts (net)	-103		
73.45 Recoveries of prior year obligations	-81		
74.40 Obligated balance, end of year	8,226	6,761	6,004

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	4,250	4,389	4,985
86.93 Outlays from discretionary balances	8,119	8,963	8,381
87.00 Total outlays (gross)	12,369	13,352	13,366

Net budget authority and outlays:

89.00 Budget authority	13,286	12,768	14,519
90.00 Outlays	12,369	13,352	13,366

Status of Direct Loans (in millions of dollars)

Identification code 91-0200-0-1-502	2002 actual	2003 est.	2004 est.
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Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	384	321	284
1251 Repayments: Repayments and prepayments	-78	-39	-42
Write-offs for default:			
1263 Direct loans	-20	-22	-23
1264 Other adjustments, net	35	24	24
1290 Outstanding, end of year	321	284	243

<sup>1</sup>Includes in all years institutional matching share of defaulted notes assigned from institutions to the Education Department.

The Administration's 2004 budget for the SFA account is \$14.519 billion. Together with matching funds (less allowable administrative costs), this level of funding would provide nearly 7.5 million awards totalling more than \$17 billion in available aid.

**Federal Pell Grants.**—Undergraduate students establish eligibility for these grants under award and need determination rules set out in the authorizing statute and the annual appropriations act.

The Administration proposes \$12.715 billion for Pell Grants in the 2004 Budget.

In recent years, the number of Pell Grant recipients has grown much faster than historical trends would predict (as has college enrollment overall). Specifically, from 2000 to 2002, the number of Pell recipients increased by nearly 25 percent, compared with a 5 percent growth rate from 1997 to 1999. Much of this unanticipated increase was due to more independent students receiving Pell Grants (generally, independent students are older students who do not depend on their parent or guardian to pay for college). Many of these students attend community colleges and career training institutions and predominantly use Pell Grants and other student aid to help pay for job training or retraining. So, while Pell Grants remain the single largest source of grant aid for traditional college students, they are also the single largest source of federal support for persons in need of training or retraining for new careers.

As a result of this unexpected growth, as well as a \$700 increase in the maximum grant from 2000 to 2002, Pell Grant appropriations for the past few years have been insufficient to fully cover annual program costs. This budget provides \$12.7 billion for Pell Grants to retire the shortfall related to the 2002-2003 award year and maintain a \$4,000 maximum award for the growing numbers of students eligible for Pell Grants.

As part of the Administration's efforts to keep the Pell Grant program on a solid financial foundation, the budget also proposes to allow the Internal Revenue Service to match income data on student aid applications with the applicant's tax data to ensure that students do not receive awards in excess of the amount for which they are eligible. This is one component of the Administration's effort to reduce erroneous payments government-wide. This proposal is projected to save \$638 million in Pell Grant costs over 2003–2004, significantly reducing existing funding shortfalls.

**Campus-based programs.**—The Federal Supplemental Educational Opportunity Grants, Federal Work-Study, and Federal Perkins Loan programs are called the "campus-based" programs because participating institutions are responsible for administering the programs on their own campuses. These programs provide aid administrators with considerable flexibility in the packaging of financial aid awards to best meet the needs of students.

**Federal Supplemental Educational Opportunity Grants (SEOG).**—Federal funds are awarded by formula to qualifying institutions, which use these funds to award grants to undergraduate students. While institutions have discretion in awarding these funds, they are required to give priority to Pell Grant recipients and other students with exceptional need. The Federal share of such grants may not exceed 75 percent of the total grant. The Administration proposes \$725 million for the SEOG program in 2004. This level of funding would provide approximately \$918 million in available aid to an estimated 1.2 million needy students.

**Federal Work-Study.**—Federal funds are awarded by formula to qualifying institutions, which develop and provide part-time jobs for eligible undergraduate and graduate students with demonstrated need. Hourly earnings under the program must be at least equal to the Federal minimum wage. Federal funding in most cases pays 75 percent of a student's hourly wages, with the remaining 25 percent paid by the employer. The Administration proposes \$1.011 billion for the Work-Study program, which will provide \$1.2 billion in aid to over one million students.

**Perkins Loan Program.**—Institutions award low-interest loans from institutional revolving funds, which are comprised of Federal Capital Contributions, institutional matching funds, and student repayments on outstanding loans. The Administration proposes no new budget authority for the Perkins loan program in 2004. Repayments of existing Perkins Loans into Federal revolving funds held at institutions will continue to support more than \$1 billion in new Perkins Loans in 2004. In addition, given the existence of the Federal Family Education Loan and Ford Direct Student Loan programs, as well as the current interest rate environment, including the statutory shift to a fixed rate of 6.8 percent for most student loans beginning in 2006, additional Federal capital contributions are not necessary to assure the availability of affordable aid for students.

**Perkins Loan Program—Cancellations.**—Under the Perkins Loan cancellation program, institutional revolving funds are reimbursed for indebtedness canceled as a result of a borrower engaging in certain public service activities, as specified in the Higher Education Act. Amendments to the Higher Education Act in 1992 and 1998 greatly expanded the number of borrowers with loans eligible for cancellation. The Administration's budget proposal for Perkins Loan cancellations is \$67.5 million.

**Funding Tables.**—The following tables display student aid funds available, the number of aid awards, average awards, and the unduplicated count of recipients from any Federal student aid program. The tables include the aid from programs in the Student Financial Assistance account, as well as aid from the Federal Family Education Loan (FFEL) program, and the William D. Ford Federal Direct Loan program.

Loan amounts reflect the capital actually loaned, not the Federal cost of those loans. The data in these tables include the effects of matching funds wherever applicable.

**AID FUNDS AVAILABLE FOR POSTSECONDARY EDUCATION AND TRAINING**

	(in thousands)		
	2002	2003	2004
Pell grants .....	11,619,188	11,479,134	11,405,127
Student loans:			
Guaranteed student loans:			
Stafford loans .....	13,441,179	14,559,712	15,340,294
Unsubsidized Stafford loans .....	11,975,791	13,440,125	14,673,794
PLUS .....	3,188,637	3,536,521	3,930,767
Direct student loans:			
Stafford loans .....	5,764,737	6,177,087	6,476,364
Unsubsidized Stafford loans .....	4,480,553	4,988,117	5,394,484
PLUS .....	1,443,527	1,598,059	1,765,358
Consolidation:			
FFEL .....	22,693,425	16,985,715	12,998,927
Direct Loans .....	8,844,598	7,425,136	6,097,974
Student loans, subtotal .....	71,832,446	68,710,471	66,677,961
Work-study .....	1,212,993	1,212,993	1,212,993
Supplemental educational opportunity grants .....	917,722	917,722	917,722
Perkins loans .....	1,264,889	1,264,889	1,136,684
Leveraging educational assistance partnership .....	171,000	.....	.....
Loan forgiveness for child care providers .....	1,000	1,000	.....
<b>Total aid available .....</b>	<b>87,019,237</b>	<b>83,586,208</b>	<b>81,350,486</b>

**NUMBER OF AID AWARDS**

	(In thousands)		
	2002	2003	2004
Pell grants .....	4,639	4,740	4,814
Guaranteed student loans:			
Stafford loans .....	3,084	3,269	3,269
Unsubsidized Stafford loans .....	2,199	2,330	2,330
PLUS .....	334	353	353
Consolidation .....	308	222	222
Direct student loans:			
Stafford loans .....	1,324	1,399	1,399
Unsubsidized Stafford loans .....	878	929	929
PLUS .....	153	161	161
Consolidation .....	357	256	256
Work-study .....	1,073	1,073	1,073
Supplemental educational opportunity grants .....	1,189	1,189	1,189
Perkins loans .....	707	707	635
Leveraging Educational Assistance Partnership .....	171	0	0
<b>Total awards .....</b>	<b>16,416</b>	<b>16,626</b>	<b>16,628</b>

Note: Detail may not add to totals due to rounding.

\*Fewer than 500 recipients

**AVERAGE AID AWARDS**

	(In whole dollars)		
	2002	2003	2004
Pell grants .....	2,505	2,422	2,369
Guaranteed student loans:			
Stafford loans .....	3,391	3,402	3,414
Unsubsidized Stafford loans .....	4,120	4,180	4,219
PLUS .....	7,894	8,359	8,854
SLS .....	0	0	0
Consolidation .....	31,246	29,712	29,845
Direct student loans:			
Stafford loans .....	3,603	3,680	3,693
Unsubsidized Stafford loans .....	3,999	4,114	4,144
PLUS .....	7,692	8,181	8,659
Consolidation .....	24,286	21,926	21,996
Work-study .....	1,135	1,135	1,135
Supplemental educational opportunity grants .....	772	772	772
Perkins loans .....	1,790	1,790	1,790
Leveraging Educational Assistance Partnership .....	1,000	0	0

**NUMBER OF STUDENTS AIDED**

	(In thousands)		
Unduplicated student count .....	8,385	8,855	9,241

The following table displays institutional administrative costs paid from program funds.

**General and special funds—Continued**

**STUDENT FINANCIAL ASSISTANCE—Continued**

**ADMINISTRATIVE PAYMENTS TO INSTITUTIONS**

(In thousands of dollars)

	2002	2003	2004
Pell grants .....	23,195	23,700	24,070
Work-study .....	75,815	75,815	75,815
Supplemental educational opportunity grants .....	36,709	36,709	36,709
Perkins loans .....	50,596	50,596	45,467

The following table displays the status of defaulted Perkins loans held by the Department and by institutions.

**DEFAULTED PERKINS LOANS**

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
Outstanding defaulted loans, beginning of year:			
Assigned defaulted loans <sup>1</sup> .....	384	321	284
Unassigned defaulted loans <sup>2</sup> .....	956	960	963
New defaulted loans .....	155	149	155
Collections on assigned loans .....	-78	-39	-42
Collections on unassigned loans .....	-107	-112	-117
Write-offs for assigned loans .....	-20	-22	-23
Write-offs for unassigned loans .....	-10	-10	-9
Outstanding defaulted loans, end of year .....	1,280	1,247	1,210

<sup>1</sup> Permanently assigned to the Federal Government for collection.

<sup>2</sup> Unassigned loans at institutions.

**STUDENT AID ADMINISTRATION**

For Federal administrative expenses to carry out part D of title I, subparts 1, 3, and 4 of part A; and parts B, C, D, and E of title IV of the Higher Education Act of 1965, as amended, \$947,010,000, which shall remain available through September 30, 2005, of which not more than \$195,000,000 shall be for account maintenance fees for fiscal year 2004 that are payable to guaranty agencies under part B and are calculated in accordance with section 458 of the Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 91-0202-0-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Student aid administration .....		932	947
10.00 Total new obligations .....		932	947
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		932	947
23.95 Total new obligations .....		-932	-947
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		932	947
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			333
73.10 Total new obligations .....		932	947
73.20 Total outlays (gross) .....		-599	-834
74.40 Obligated balance, end of year .....		333	446
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		599	608
86.93 Outlays from discretionary balances .....			226
87.00 Total outlays (gross) .....		599	834
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		932	947
90.00 Outlays .....		599	834
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....		4	4
99.01 Outlays .....		4	4

The Department of Education manages Federal student aid programs that will provide over \$67 billion in Federal student aid grants and loans to over 8 million students and parents in 2004. Primary responsibility for administering these programs lies with the Office of Postsecondary Education and the performance-based Office of Student Financial Assistance (SFA). SFA was created by Congress in 1998 with a mandate to improve service to students and other student aid program participants, reduce the cost of student aid administration, and improve accountability and program integrity.

The Department's student aid administrative activities are funded from four main sources: (1) funds appropriated on a permanent basis under section 458 of the Higher Education Act; (2) a portion of the Department's general Program Administration funds; (3) a discretionary appropriation partially supporting administrative activities associated with the Federal Family Education Loan (FFEL) program; and (4) permanent funds from the Direct Loan program subsidy account supporting the origination of Direct Consolidation Loans. Student aid administrative funds totaled \$932 million in the 2003 President's Budget, \$195 million of which supported the payment of account maintenance fees to FFEL guaranty agencies.

The budget for 2004 includes \$947 million for student aid administration. In order to improve accountability and simplify program oversight and operations, the Administration is proposing to consolidate funding for student aid administrative activities into a single discretionary account. Funding levels for this account will be based on a workload-based methodology consistent with the goals of the performance-based organization.

**Object Classification (in millions of dollars)**

Identification code 91-0202-0-1-502	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....		83	86
11.5 Other personnel compensation .....		2	3
11.9 Total personnel compensation .....		85	89
12.1 Civilian personnel benefits .....		19	19
21.0 Travel and transportation of persons .....		3	4
23.1 Rental payments to GSA .....		16	16
23.3 Communications, utilities, and miscellaneous charges .....		53	55
24.0 Printing and reproduction .....		9	9
25.1 Advisory and assistance services .....		7	7
25.2 Other services .....		31	39
25.3 Other purchases of goods and services from Government accounts .....		7	9
25.7 Operation and maintenance of equipment .....		502	499
26.0 Supplies and materials .....		1	1
31.0 Equipment .....		3	3
32.0 Land and structures .....		1	2
41.0 Grants, subsidies, and contributions .....		195	195
99.9 Total new obligations .....		932	947

**Personnel Summary**

Identification code 91-0202-0-1-502	2002 actual	2003 est.	2004 est.
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....		1,115	1,115

**FEDERAL STUDENT LOAN RESERVE FUND**

**Program and Financing (in millions of dollars)**

Identification code 91-4257-0-3-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.02 Obligations, non-federal .....	4,477	4,911	5,780
10.00 Total new obligations .....	4,477	4,911	5,780
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2,462	1,169	1,071

22.00	New budget authority (gross) .....	4,269	4,813	5,684
22.40	Capital transfer to general fund .....	-1,085		
23.90	Total budgetary resources available for obligation .....	5,646	5,982	6,755
23.95	Total new obligations .....	-4,477	-4,911	-5,780
24.40	Unobligated balance carried forward, end of year .....	1,169	1,071	975

**New budget authority (gross), detail:**

69.00	Mandatory: Offsetting collections (cash) .....	4,269	4,813	5,684
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**Change in obligated balances:**

73.10	Total new obligations .....	4,477	4,911	5,780
73.20	Total outlays (gross) .....	-4,477	-4,911	-5,780

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority .....	4,269	4,813	5,684
86.98	Outlays from mandatory balances .....	208	98	96
87.00	Total outlays (gross) .....	4,477	4,911	5,780

**Offsets:**

Against gross budget authority and outlays:  
Offsetting collections (cash) from:

88.00	Federal sources .....	-3,919	-4,497	-5,300
88.40	Non-Federal sources .....	-350	-316	-384
88.90	Total, offsetting collections (cash) .....	-4,269	-4,813	-5,684

**Net budget authority and outlays:**

89.00	Budget authority .....			
90.00	Outlays .....	209	98	96

The Higher Education Amendments of 1998 clarified that reserve funds held by public and non-profit guaranty agencies participating in the Federal Family Education Loan (FFEL) program are Federal property. These reserves are used to pay default claims from FFEL lenders and fees to support agency efforts to successfully avert defaults. The Federal Government reimburses these reserves for default claim payments. In addition, optional borrower guarantee fees are deposited into the reserves (agencies may charge borrowers up to 1 percent of loan principal as a guarantee fee). The following schedules reflect the balances in these guaranty agency funds.

**Statement of Operations (in millions of dollars)**

Identification code 91-4257-0-3-502	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	3,826	4,269	4,813	5,684
0102 Expense .....	-3,595	-4,477	-4,911	-5,780
0105 Net income or loss (-) .....	231	-208	-98	-96

**Balance Sheet (in millions of dollars)**

Identification code 91-4257-0-3-502	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	2,462	1,169	1,071	975
1999 Total assets .....	2,462	1,169	1,071	975
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	2,462	1,169	1,071	975
3999 Total net position .....	2,462	1,169	1,071	975
4999 Total liabilities and net position .....	2,462	1,169	1,071	975

**Object Classification (in millions of dollars)**

Identification code 91-4257-0-3-502	2002 actual	2003 est.	2004 est.
41.0 Grants, subsidies, and contributions .....	418	253	271
42.0 Insurance claims and indemnities .....	4,059	4,658	5,509
99.9 Total new obligations .....	4,477	4,911	5,780

**Credit accounts:**

**FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 91-0243-0-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Upward Restimate Principal .....		3,721	
00.06 Interest on Upward Reestimate .....		870	
00.09 Student Loan Administrative Expenses .....	800		
10.00 Total new obligations .....	800	4,591	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	15	14	
22.00 New budget authority (gross) .....	780	4,591	
22.10 Resources available from recoveries of prior year obligations .....	19		
22.40 Capital transfer to general fund .....		-14	
23.90 Total budgetary resources available for obligation .....	814	4,591	
23.95 Total new obligations .....	-800	-4,591	
24.40 Unobligated balance carried forward, end of year .....	14		

**New budget authority (gross), detail:**

Discretionary:

40.00 Appropriation .....		-795	-795
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Mandatory:

60.00 Appropriation:			
60.00 Appropriation .....	780	795	795
60.00 Appropriation (indefinite)—Upward reestimate .....		4,591	
62.50 Appropriation (total mandatory) .....	780	5,386	795
69.00 Offsetting collections (cash) .....	722	488	919
69.27 Capital transfer to general fund .....	-722	-488	-919
69.90 Spending authority from offsetting collections (total mandatory) .....			
70.00 Total new budget authority (gross) .....	780	4,591	

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	340	302	70
73.10 Total new obligations .....	800	4,591	
73.20 Total outlays (gross) .....	-819	-4,822	-80
73.45 Recoveries of prior year obligations .....	-19		
74.40 Obligated balance, end of year .....	302	70	-10

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....		-510	-511
86.93 Outlays from discretionary balances .....			-193
86.97 Outlays from new mandatory authority .....	578	5,100	511
86.98 Outlays from mandatory balances .....	241	232	273
87.00 Total outlays (gross) .....	819	4,822	80

**Offsets:**

Against gross budget authority and outlays:

88.00 Offsetting collections (cash) from: Federal sources .....	-722	-488	-919
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**Net budget authority and outlays:**

89.00 Budget authority .....	58	4,103	-919
90.00 Outlays .....	97	4,334	-839

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....			
99.01 Outlays .....			

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	58	4,103	-919
Outlays .....	97	4,334	-839
Legislative proposal, subject to PAYGO:			
Budget Authority .....			53
Outlays .....			53
Total:			
Budget Authority .....	58	4,103	-866
Outlays .....	97	4,334	-786

**Credit accounts—Continued****FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT—  
Continued****Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in  
millions of dollars)**

Identification code 91-0243-0-1-502	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Stafford .....	5,722	6,613	6,933
115002 Unsubsidized Stafford .....	4,626	5,497	5,946
115003 PLUS .....	1,491	1,732	1,914
115004 Consolidated .....	9,325	7,497	6,161
115901 Total direct loan levels .....	21,164	21,339	20,954
Direct loan subsidy (in percent):			
132001 Stafford .....	3.63	0.29	-0.12
132002 Unsubsidized Stafford .....	-12.05	-12.38	-14.91
132003 PLUS .....	-8.89	-12.83	-14.72
132004 Consolidated .....	-3.78	2.59	1.13
132901 Weighted average subsidy rate .....	-3.95	-3.23	-5.28
Direct loan subsidy budget authority:			
133001 Stafford .....	208	19	-8
133002 Unsubsidized Stafford .....	-557	-681	-887
133003 PLUS .....	-133	-222	-282
133004 Consolidated .....	-353	194	70
133901 Total subsidy budget authority .....	-835	-690	-1,107
Direct loan subsidy outlays:			
134001 Stafford .....	247	73	.....
134002 Unsubsidized Stafford .....	-501	-578	-748
134003 PLUS .....	-119	-175	-241
134004 Consolidated .....	-349	191	70
134901 Total subsidy outlays .....	-722	-489	-919
Direct loan upward reestimate subsidy budget authority:			
135001 Stafford .....	.....	1,538	.....
135002 Unsubsidized Stafford .....	.....	3,141	.....
135003 PLUS .....	.....	603	.....
135004 Consolidated .....	.....	73	.....
135901 Total upward reestimate budget authority .....	.....	5,355	.....
Direct loan upward reestimate subsidy outlays:			
136001 Stafford .....	.....	1,538	.....
136002 Unsubsidized Stafford .....	.....	3,141	.....
136003 PLUS .....	.....	603	.....
136004 Consolidated .....	.....	73	.....
136901 Total upward reestimate outlays .....	.....	5,355	.....
Direct loan downward reestimate subsidy budget authority:			
137001 Stafford .....	.....	-32	.....
137004 Consolidated .....	.....	-732	.....
137901 Total downward reestimate budget authority .....	.....	-764	.....
Direct loan downward reestimate subsidy outlays:			
138001 Stafford .....	.....	-32	.....
138004 Consolidated .....	.....	-732	.....
138901 Total downward reestimate subsidy outlays .....	.....	-764	.....
Student loan administrative expense data:			
351001 Budget authority .....	804	.....	.....
359001 Outlays .....	819	232	80

The Federal Government operates two major student loan programs: the Federal Family Education Loan (FFEL) program—formerly the Guaranteed Student Loan (GSL) program—and the William D. Ford Federal Direct Loan (Direct Loan) program. For 2004, the President is committed to improving the efficiency of both programs and allowing individual institutions to choose which of these two programs best meets their needs and the needs of their students.

This summary section outlines the structure of these two programs, highlights their differences and similarities, and provides text tables displaying program cost data; loan volume, subsidy, default, and interest rates; and other descriptive information. As part of his 2004 budget, the President is proposing a change to the loan forgiveness provisions of the Direct Loan and FFEL programs. This proposal is discussed as part of this program description.

From its inception in 1965 through 2001, the FFEL program has provided over \$347 billion in loans to postsecondary students and their parents. Since July 1, 1994, the Direct Loan program has provided \$92 billion in new and consolidation loans to students and parents. Taken together, the FFEL and Direct Loan programs will make more than \$44 billion in new loans available in 2003. Because funding for these two programs is provided on a permanent indefinite basis, for budget purposes they are considered separately from other Federal student financial assistance programs. The FFEL and Direct Loan programs should be viewed in combination with these other programs, however as part of the overall Federal effort to ensure access to higher education.

Loan capital in the FFEL program is provided by private lenders. State and private nonprofit guaranty agencies act as agents of the Federal Government, providing a variety of services including collection of some defaulted loans, default avoidance activities, and counseling to schools, students, and lenders. The Government provides substantial payments to these guaranty agencies. The Government also pays interest subsidies to lenders for certain borrowers, as well as most costs associated with loan defaults and other write-offs.

The Direct Loan program was created by the Student Loan Reform Act of 1993. Under this program, the Federal Government provides loan funds to postsecondary institutions directly or through an alternative originator. The Direct Loan program began operation in academic year 1994–1995 with 7 percent of overall loan volume and is expected to account for 30 percent in academic year 2002–2003. All eligible institutions are free to participate in either the Direct Loan or FFEL program.

The Direct Loan and FFEL programs share many basic elements. Each program offers four types of loans: Stafford, Unsubsidized Stafford, PLUS for parents, and Consolidation. Evidence of financial need is required for a student to receive a subsidized Stafford loan. The other three loan programs are available to borrowers at all income levels. Loans can be used only to meet qualified educational expenses.

The borrower interest rate for new Stafford Loans equals the 91-day Treasury bill rate plus 1.7 percent during in-school, grace, and deferment periods, and the 91-day Treasury bill plus 2.3 percent at all other times, with a cap of 8.25 percent, adjusted annually. Interest payments for these loans are fully subsidized by the Government while a student is in school and during grace and deferment periods. Unsubsidized Stafford loans carry the same borrower interest rate as Stafford loans, but have no interest subsidy. For new PLUS loans, the borrower interest rate equals the 91-day Treasury bill rate plus 3.1 percent, with a cap of 9 percent and no interest subsidy.

In the FFEL program, lenders may receive an interest subsidy, called a special allowance, from the Government to ensure a guaranteed rate of return on their loans. Special allowance payments vary by loan type, are determined quarterly, and are based on current borrower interest rates and market-yield formulas. For new Stafford and Unsubsidized Stafford loans, for example, the Federal Government must pay lenders a special allowance if the average 3-month commercial paper rate for a given quarter plus 2.34 percent—or 1.74 percent during in-school, grace, or deferment periods—is higher than the current interest rate charged borrowers.

Consolidation loans allow borrowers to combine loans made under Title IV of the Higher Education Act—FFEL, Direct Loans, and Perkins Loans—as well as some loans made under the Public Health Service Act. The interest rate for new FFEL and Direct Consolidation loans equals the weighted average of the interest rate on the loans consolidated, rounded up to the nearest one-eighth of one percent. Lenders may choose to offer a lower rate. Interest rates for all new FFEL and Direct Consolidation Loans are capped at 8.25 percent.

FFEL borrowers pay an origination fee to the Government equal to 3 percent of principal, and are also liable for a guaranty agency insurance premium of up to 1 percent of principal. Guaranty agencies have the option of waiving this premium and FFEL lenders have the option of paying some or all of a borrower's origination fee for Stafford Loan borrowers. Direct Loan borrowers are charged an origination fee equal to 3 percent of principal, which partially offsets Federal program operation costs. Borrowers in both programs may be offered financial incentives to encourage prompt repayment.

Loan limits are also identical across the two programs. In addition, loans made under both programs are discharged when borrowers die, are totally and permanently disabled, or, under some circumstances, declare bankruptcy.

Under both programs, new borrowers after October 1, 1998, who are employed as teachers in schools serving low-income populations for five consecutive, complete school years, qualify for up to \$5,000 in loan forgiveness. The Administration is proposing to increase this benefit to a maximum of \$17,500 for mathematics, science, and special education teachers considered highly qualified under criteria established in the No Child Left Behind Act of 2001.

Borrowers under Direct Loans may choose from among five repayment plans including income-contingent repayment ("pay-as-you-can"), under which annual repayment amounts vary based on the income of the borrower and the amount borrowed, and payments can be made over 25 years. Borrowers may switch between repayment plans at any time. (Income-contingent repayment is not available to Direct PLUS borrowers).

FFEL borrowers may choose from among four repayment plans. Repayment periods under standard, graduated, and income-sensitive repayment may not exceed 10 years. An extended repayment plan of up to 25 years is available for new borrowers with outstanding loans totalling more than \$30,000. FFEL borrowers may change repayment plans annually.

Student loan program administration activities are supported from a variety of sources, including a permanent appropriation authorized under Section 458 of the Higher Education Act, a small discretionary appropriation partially supporting FFEL program administration, a portion of funds appropriated under the Department's discretionary Program Administration account, and subsidy funds associated with the origination of Direct Consolidation Loans. In order to improve accountability and simplify the funding process for these administrative activities, the President is proposing to create a unified, discretionary Student Aid Administration account.

The following tables display performance indicators and program data; including projected overall Direct Loan and FFEL costs; loan volume, number of loans, and average loan amount; descriptive data, and program activity under the President's budget and legislative request.

Consolidation .....	(348,767)	191,199	69,623
Reestimate of Prior Year Costs .....	0	4,590,922	0
Non-Contractual Modifications <sup>2</sup> .....	0	0	44,167
Total, Direct Loans .....	(721,929)	4,102,790	(865,900)
Administration			
FFEL <sup>3</sup> .....	48,836	0	0
Student Aid <sup>4</sup> .....	780,063	0	0
Subtotal, Administration .....	828,899	0	0
Total, FFEL and Direct Loans .....	3,890,834	6,851,267	4,857,339
<b>Program Cost Outlays</b>			
FFEL			
Liquidating <sup>1</sup> .....	(1,493,940)	(675,015)	(548,878)
Program:			
Regular .....	2,806,338	3,161,836	3,505,515
Consolidation .....	984,049	2,596,007	2,049,157
Reestimate of Prior Year Costs .....	0	(2,979,866)	0
Non-Contractual Modifications <sup>2</sup> .....	0	0	103,057
Subtotal, Program .....	3,790,387	2,777,976	5,657,728
Total, FFEL .....	2,296,447	2,102,961	5,108,851
Direct Loans			
Program			
Regular .....	(373,162)	(679,331)	(979,690)
Consolidation .....	(348,767)	191,199	69,623
Reestimate of Prior Year Costs .....		4,590,922	
Non-Contractual Modifications <sup>2</sup> .....			44,167
Total, Direct Loans .....	(721,929)	4,102,790	(865,900)
Administration			
FFEL <sup>3</sup> .....	46,382	12,410	3,403
Student Aid <sup>4</sup> .....	819,233	231,602	80,402
Subtotal, Administration .....	865,615	244,012	83,805
Total, FFEL and Direct Loans .....	2,440,133	6,449,764	4,326,755

<sup>1</sup> Liquidating account reflects loans made prior to 1992.  
<sup>2</sup> Reflects the cost or savings associated with policy changes that would affect the terms of existing loans.  
<sup>3</sup> Reflects annual discretionary appropriation.  
<sup>4</sup> Supports account maintenance fee payments to FFEL guaranty agencies, Direct Loan origination and servicing, and a range of administrative activities such as application printing, mailing, and processing that are common to all Federal student financial assistance programs.

**Summary of Loans Available (net commitments in millions of dollars)<sup>1</sup>**

	2002 actual	2003 est.	2004 est.
FFEL:			
Stafford .....	13,441	14,560	15,340
Unsubsidized Stafford .....	11,976	13,440	14,674
PLUS .....	3,189	3,537	3,931
Subtotal .....	28,606	31,536	33,945
Consolidation .....	22,693	16,986	12,999
Total, FFEL .....	51,299	48,522	46,944
Direct Loans:			
Stafford .....	5,765	6,177	6,476
Unsubsidized Stafford .....	4,481	4,988	5,394
PLUS .....	1,444	1,598	1,765
Subtotal .....	11,689	12,763	13,636
Consolidation .....	8,845	7,425	6,098
Total, Direct Loans .....	20,533	20,188	19,734
Total, All Loans .....	71,832	68,710	66,678

<sup>1</sup> Net commitments equal gross commitments minus loan cancellations.

**Number of Loans (In thousands)**

	2002 actual	2003 est.	2004 est.
FFEL:			
Stafford .....	3,964	4,280	4,493
Unsubsidized Stafford .....	2,907	3,215	3,478
PLUS .....	404	423	444
Subtotal .....	7,274	7,919	8,415
Consolidation .....	726	572	436
Total, FFEL .....	8,001	8,490	8,851
Direct Loans:			
Stafford .....	1,600	1,678	1,754
Unsubsidized Stafford .....	1,120	1,213	1,302
PLUS .....	188	195	204
Subtotal .....	2,908	3,086	3,259
Consolidation .....	364	339	277
Total, Direct Loans .....	3,272	3,425	3,537

**Funding Levels (in thousands of dollars)**

	2002 actual	2003 est.	2004 est.
<b>Program Cost</b>			
FFEL			
Liquidating <sup>1</sup> .....	(527,874)	(673,304)	(548,878)
Program:			
Regular .....	3,324,164	3,769,228	4,093,939
Consolidation .....	987,575	2,632,419	2,075,121
Reestimate of Prior Year Costs .....	0	(2,979,866)	0
Non-Contractual Modifications <sup>2</sup> .....	0	0	103,057
Subtotal, Program .....	4,311,738	3,421,781	6,272,117
Total FFEL .....	3,783,864	2,748,477	5,723,239
Direct Loans			
Program			
Regular .....	(373,162)	(679,331)	(979,690)

**Credit accounts—Continued**

**FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT—Continued**

**Number of Loans (In thousands)—Continued**

	2002 actual	2003 est.	2004 est.
Total, All Loans	11,273	11,915	12,387

**Average Loan Size (in whole dollars)**

	2002 actual	2003 est.	2004 est.
<b>FFEL:</b>			
Stafford	3,391	3,402	3,414
Unsubsidized Stafford	4,120	4,180	4,219
PLUS	7,894	8,359	8,854
Weighted Average, without Consolidations	3,932	3,982	4,034
Consolidation	31,246	29,711	29,845
Weighted Average, FFEL	6,412	5,715	5,304
<b>Direct Loans:</b>			
Stafford	3,603	3,680	3,693
Unsubsidized Stafford	3,999	4,114	4,144
PLUS	7,692	8,181	8,659
Weighted Average, Without Consolidations	4,020	4,135	4,184
Consolidation	24,286	21,926	21,996
Weighted Average, Direct Loans	6,275	5,894	5,580
Weighted Average, All Loans	6,372	5,766	5,383

**Summary of Subsidy Rates, Default and Interest Rates**

	2002 actual	2003 est.	2004 est.
<b>Subsidy Rates (in percent)<sup>1</sup></b>			
<b>FFEL:</b>			
Stafford	16.41%	16.55%	17.75%
Unsubsidized Stafford	6.21%	5.70%	5.03%
PLUS	4.72%	3.61%	3.26%
Consolidation	5.73%	15.30%	15.76%
Weighted Average, FFEL	8.96%	12.00%	11.85%
<b>Direct Loans:</b>			
Stafford	3.63%	0.29%	-0.02%
Unsubsidized Stafford	-12.05%	-12.38%	-14.79%
PLUS	-8.89%	-12.83%	-14.72%
Consolidation	-3.78%	2.59%	1.13%
Weighted Average, Direct Loans	-3.94%	-3.23%	-5.22%
<b>Default Rates (in percent)<sup>2</sup></b>			
<b>FFEL:</b>			
Stafford	16.26	16.38	16.46
Unsubsidized Stafford	14.31	14.37	14.47
PLUS	9.52	9.49	9.53
Consolidated	20.53	20.52	20.51
Weighted Average, FFEL	17.27	16.77	16.38
<b>Direct Loans:</b>			
Stafford	14.48	14.60	14.66
Unsubsidized Stafford	13.17	13.26	13.36
PLUS	8.89	8.88	8.89
Consolidation	31.09	31.98	33.31
Weighted Average, Direct Loans	20.95	20.21	19.55
<b>Borrower Interest Rates (in percent)<sup>3</sup></b>			
<b>FFEL:</b>			
Stafford	6.62	6.66	6.68
Unsubsidized Stafford	6.62	6.66	6.68
PLUS	6.31	6.39	6.84
Consolidation (reflects Sub and Unsub Stafford Only)	5.50	4.10	4.40
<b>Direct Loans:</b>			
Stafford	6.62	6.66	6.68
Unsubsidized Stafford	6.62	6.66	6.68
PLUS	6.31	6.39	6.84
Consolidation (reflects Sub and Unsub Stafford only)	5.48	4.10	4.43

<sup>1</sup>Subsidy rates represent the Federal portion of non-administrative costs—principally interest subsidies and defaults—associated with each borrowed dollar. For example, a \$1,000 loan with Federal subsidy costs of \$100 would have a subsidy rate of 10 percent.

<sup>2</sup>Default rates displayed in this table, which reflect projected defaults over the life of a loan cohort, are used in developing program cost estimates. The Department uses other rates based on defaults occurring in the first three years of repayment to determine institutional eligibility to participate in Federal loan programs. These three-year rates tend to be lower than those included in this table.

<sup>3</sup>These represent average borrower interest rates during repayment for a typical borrower under standard repayment over the life of the loan.

**Composition of Loan Collections (In thousands of dollars)**

	2002 actual	2003 est.	2004 est.
<b>FFEL:</b>			
Collections by Guaranty Agencies <sup>1</sup>	2,611,594	1,404,685	1,616,222
Collections by Department of Education <sup>2</sup>	956,991	741,378	723,687
Internal Revenue Service Tax Refund Offsets	723,283	757,509	837,102
Total, FFEL	4,291,868	2,903,571	3,177,011
<b>Direct Loans:</b>			
Collections by Department of Education <sup>2</sup>	362,890	589,264	768,158
Internal Revenue Service Tax Refund Offsets	42,387	127,483	176,377
Total, Direct Loans	405,278	716,747	944,535
Total, FFEL and Direct Loan	4,697,146	3,620,318	4,121,546

<sup>1</sup>These figures show collections net of the amount agencies are allowed to retain under the provisions of the Higher Education Act of 1965. Agencies may retain 24 percent of most collections, and 18.5 percent of amounts collected through the consolidation of existing defaulted loans.

<sup>2</sup>These figures include amounts subsequently paid to Department contract collections agencies; contract collection costs total \$158 million for 2002 (\$102 million for FFEL and \$56 million for Direct Loans); \$211 million for 2003 (\$117 million for FFEL and \$94 million for Direct Loans); and \$237 million for 2004 (\$115 million for FFEL and \$122 million for Direct Loans).

**Projected Participation in Repayment Plans<sup>1</sup> (in percent)**

	2002 actual	2003 est.	2004 est.
<b>Direct Loans<sup>1</sup></b>			
<b>Standard</b>			
Percent of Loan Volume <sup>2</sup>			
Stafford	73.25	73.25	73.25
Unsubsidized Stafford	69.96	69.96	69.96
PLUS	73.52	73.52	73.52
Consolidation	19.81	19.40	18.80
Subsidy Rate (in percent)			
Stafford	4.21	1.46	1.14
Unsubsidized Stafford	-11.56	-11.11	-13.52
PLUS	-7.23	-10.33	-12.18
Consolidation	0.92	4.19	2.70
<b>Graduated<sup>3</sup></b>			
Percent of Loan Volume <sup>2</sup>			
Stafford	19.02	19.02	19.02
Unsubsidized Stafford	20.65	20.65	20.65
PLUS	20.12	20.12	20.12
Consolidation	17.74	17.40	16.91
Subsidy Rate (in percent)			
Stafford	2.08	-2.93	-3.27
Unsubsidized Stafford	-14.09	-16.10	-18.64
PLUS	-14.37	-20.09	-22.08
Consolidation	2.96	10.44	7.19
<b>Extended<sup>3</sup></b>			
Percent of Loan Volume <sup>2</sup>			
Stafford	6.18	6.18	6.18
Unsubsidized Stafford	7.73	7.73	7.73
PLUS	6.36	6.36	6.36
Consolidation	20.10	19.62	18.92
Subsidy Rate (in percent)			
Stafford	2.53	-2.26	-2.59
Unsubsidized Stafford	-13.56	-15.36	-17.88
PLUS	-12.83	-18.80	-20.79
Consolidation	2.71	9.97	6.82
<b>Income-Contingent</b>			
Percent of Loan Volume <sup>2</sup>			
Stafford	1.55	1.55	1.55
Unsubsidized Stafford	1.67	1.67	1.67
Consolidation	42.35	43.58	45.38
Subsidy Rate (in percent)			
Stafford	0.15	-5.66	-5.57
Unsubsidized Stafford	-0.13	-5.84	-5.73
Consolidation	-12.13	-4.58	-4.14

<sup>1</sup>For modeling purposes, all FFEL borrowers are assumed to have chosen Standard repayment. For Direct Loans, no data is included for the Alternative repayment plan, since borrowers are not expected to participate in this plan due to the flexibility available under the other options. Income-contingent repayment is not available for Direct PLUS borrowers.

<sup>2</sup>Percent of Loan Volume represents aggregate data. Individual borrowers may move between plans over time.

<sup>3</sup>Maximum terms under the Extended and Graduated repayment plans reflect the following "classes" based on borrower debt levels.

Debt Level	Maximum Term (in years)	Percent of Volume Within Direct Extended and Graduated Plans (Stafford) FY 03
Below \$10,000	12	13.00
\$10,000-\$20,000	15	34.97
\$20,000-\$40,000	20	36.81
\$40,000-\$60,000	25	10.65
Above \$60,000	30	4.57

The Higher Education Amendments of 1998 broadened the availability of alternative repayment plans in the FFEL pro-

gram. As noted in the table above, data on the extent to which FFEL borrowers will take advantage of these plans is not yet available.

Consistent with the Federal Credit Reform Act of 1990, the Office of Management and Budget establishes procedures for the estimation of subsidy rates for the Federal student loan programs. Subsidy costs for each loan type are estimated separately and, because costs can vary widely within a program depending on the characteristics of the individual borrower, cost estimates are aggregated from data for homogeneous groups within risk categories.

Risk categories for Stafford and Unsubsidized Stafford Loans are based on the type of school attended by the borrower. Since PLUS loan borrowers are all parents, they are assumed to share similar risk profiles and are grouped together in a single category. For Consolidation Loans, risk categories distinguish between standard Consolidation Loans—in which borrowers in repayment consolidate a number of outstanding loans—and loans consolidated out of default.

Default rates are a major cause of differences in subsidy between risk categories. The default rates in the following tables reflect estimates of the percent of borrowers who will default over the lifetime of the loans. These estimates are revised annually based on an analysis of default trends. Within each risk group, it is assumed that borrowers choosing similar repayment plans will have similar default rates, regardless of whether they borrow under the FFEL or Direct Loan program.

**FFEL RISK CATEGORIES: STAFFORD LOANS**

Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:	2002 actual	2003 est.	2004 est.
Category 1: 4 year college, 1st and 2nd year students	20.06	21.21	22.63
Category 2: 4 year college, 3rd and 4th year students	14.86	15.26	16.56
Category 3: 2 year college, all students	17.80	17.75	18.83
Category 4: Proprietary school, all students	12.78	9.74	10.47
Category 5: Graduate students	15.89	15.80	16.94

Gross Default Rates (in percent)			
Risk Categories:	2002 actual	2003 est.	2004 est.
Category 1: 4 year college, 1st and 2nd year students	20.35	20.38	20.38
Category 2: 4 year college, 3rd and 4th year students	12.63	12.62	12.62
Category 3: 2 year college, all students	31.41	31.43	31.48
Category 4: Proprietary school, all students	45.51	45.36	45.39
Category 5: Graduate students	8.12	8.11	8.12

**UNSUBSIDIZED STAFFORD LOANS**

Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:	2002 actual	2003 est.	2004 est.
Category 1: 4 year college, 1st and 2nd year students	7.65	7.10	6.59
Category 2: 4 year college, 3rd and 4th year students	5.57	5.49	4.97
Category 3: 2 year college, all students	10.79	8.16	7.45
Category 4: Proprietary school, all students	10.48	5.89	5.17
Category 5: Graduate students	4.63	4.83	4.01

Gross Default Rates (in percent)			
Risk Categories:	2002 actual	2003 est.	2004 est.
Category 1: 4 year college, 1st and 2nd year students	20.30	20.39	20.32
Category 2: 4 year college, 3rd and 4th year students	11.70	11.69	11.69
Category 3: 2 year college, all students	27.68	27.66	27.68
Category 4: Proprietary school, all students	35.56	35.45	35.43
Category 5: Graduate students	8.21	8.20	8.20

**PLUS LOANS**

Subsidy Rate (as a percentage of loan commitments)			
	2002 actual	2003 est.	2004 est.
All PLUS Loans	4.72	3.61	3.26

Gross Default Rates (in percent)			
	2002 actual	2003 est.	2004 est.
All PLUS Loans	9.52	9.49	9.53

**DIRECT LOAN RISK CATEGORIES: STAFFORD LOANS**

Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:	2002 actual	2003 est.	2004 est.
Category 1: 4 year college, 1st and 2nd year students	6.92	4.28	4.14
Category 2: 4 year college, 3rd and 4th year students	2.13	-1.17	-1.41
Category 3: 2 year college, all students	5.64	2.88	2.22
Category 4: Proprietary school, all students	2.97	-1.97	-3.07
Category 5: Graduate students	3.16	-0.69	-1.05

Gross Default Rates (in percent)			
Risk Categories:	2002 actual	2003 est.	2004 est.
Category 1: 4 year college, 1st and 2nd year students	19.75	19.84	19.85
Category 2: 4 year college, 3rd and 4th year students	12.35	12.34	12.34
Category 3: 2 year college, all students	31.40	31.37	31.41
Category 4: Proprietary school, all students	44.94	44.82	44.84
Category 5: Graduate students	7.95	7.94	7.95

**UNSUBSIDIZED STAFFORD LOANS**

Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:	2002 actual	2003 est.	2004 est.
Category 1: 4 year college, 1st and 2nd year students	-10.58	-11.38	-13.63
Category 2: 4 year college, 3rd and 4th year students	-12.58	-12.68	-15.03
Category 3: 2 year college, all students	-5.36	-8.33	-11.06
Category 4: Proprietary school, all students	-3.24	-8.15	-11.14
Category 5: Graduate students	-13.95	-13.48	-15.95

Gross Default Rates (in percent)			
Risk Categories:	2002 actual	2003 est.	2004 est.
Category 1: 4 year college, 1st and 2nd year students	19.56	19.56	19.59
Category 2: 4 year college, 3rd and 4th year students	11.44	11.43	11.43
Category 3: 2 year college, all students	27.36	27.34	27.36
Category 4: Proprietary school, all students	34.93	34.81	34.79
Category 5: Graduate students	8.05	8.05	8.05

**PLUS LOANS**

Subsidy Rate (as a percentage of loan commitments)			
	2002 actual	2003 est.	2004 est.
All PLUS Loans	-8.89	-12.83	-14.72

Gross Default Rates (in percent)			
	2002 actual	2003 est.	2004 est.
All PLUS Loans	8.89	8.88	8.89

**Selected Program Costs and Offsets<sup>1</sup> (in thousands of dollars)**

	2002 actual	2003 est.	2004 est.
<b>FFEL:</b>			
<b>Interest costs:</b>			
Interest benefits:			
FFEL Liquidating	40,896	463	0
FFEL Program	2,129,956	1,060,641	1,274,592
<b>Total</b>	<b>2,170,852</b>	<b>1,061,104</b>	<b>1,274,592</b>
<b>Special allowance</b>			
FFEL Liquidating	19,418	12,282	6,065
FFEL Program	201,410	688,624	2,542,307
<b>Total</b>	<b>220,827</b>	<b>700,906</b>	<b>2,548,372</b>
<b>Default costs and offsets:</b>			
Default claims:			
FFEL Liquidating	76,997	24,203	4,899
FFEL Program	2,796,593	4,045,386	4,804,998
<b>Total</b>	<b>2,873,571</b>	<b>4,069,589</b>	<b>4,809,898</b>
<b>Net default collections:</b>			
FFEL Liquidating	1,796,498	791,883	619,794
FFEL Program	2,495,370	2,111,688	2,557,217
<b>Total</b>	<b>4,291,868</b>	<b>2,903,571</b>	<b>3,177,011</b>
<b>Contract collection costs:</b>			
FFEL Liquidating	82,896	57,190	44,185
FFEL Program	19,345	60,196	71,025
<b>Total</b>	<b>102,240</b>	<b>117,386</b>	<b>115,210</b>
<b>Death, disability, and bankruptcy costs:</b>			
FFEL Liquidating	24,849	30,793	18,874
FFEL Program	421,474	557,375	659,644
<b>Total</b>	<b>446,323</b>	<b>588,168</b>	<b>678,518</b>
<b>Fees:</b>			
Borrower origination fees	776,458	917,090	997,342
Lender origination fee	210,694	237,915	231,238
Sallie Mae offset fee	41,065	43,400	39,300

**Credit accounts—Continued**

**FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT—Continued**

**Selected Program Costs and Offsets<sup>1</sup> (in thousands of dollars)—Continued**

	2002 actual	2003 est.	2004 est.
Consolidation loan holder fees .....	382,578	668,261	748,847
<b>Direct Loans</b>			
Borrower origination fees .....	333,810	388,502	418,860
Net default Collections .....	405,278	716,747	944,535
Contact Collection Costs .....	56,202	93,808	122,288
<b>Administrative Costs<sup>2</sup></b>			
<b>Federal administration:</b>			
FFEL .....	48,836	0	0
Student Aid Management (SAM) <sup>3</sup> .....	780,063	0	0
<b>Guaranty agency administrative payments:</b>			
Account Maintenance Fee (included in SAM) .....	180,000	195,000	195,000
Loan Issuance and Processing Fee .....	194,206	234,795	155,589

Details may not sum to totals due to rounding.

<sup>1</sup> This table represents explicit cash flows in the FFEL and Direct Loan financing accounts. Examples of these flows would include payments of FFEL interest benefits, default claims, and discharge claims, or collections on FFEL or Direct Loan defaults, all of which involve explicit events that are reflected in the Department's financial systems as they occur. Non-events, such as Direct Loan interest benefits, defaults, or discharges, involve payments that are not received, and hence not recorded in the Department's financial systems in the same way. For that reason, these non-events are not included in this table.

<sup>2</sup> For 2003, no funds are requested for loan administration, as these costs would be part of the proposed discretionary Student Aid Administration account.

<sup>3</sup> A number of expenses related to the administration of the student assistance programs are paid out of Student Aid Management funds. One of these expenses, account maintenance fee payments to guaranty agencies, is shown as a separate line.

**Object Classification (in millions of dollars)**

Identification code 91-0243-0-1-502	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	43		
11.3 Other than full-time permanent .....	1		
11.5 Other personnel compensation .....	2		
11.9 Total personnel compensation .....	46		
12.1 Civilian personnel benefits .....	10		
21.0 Travel and transportation of persons .....	4		
23.1 Rental payments to GSA .....	11		
23.3 Communications, utilities, and miscellaneous charges .....	46		
24.0 Printing and reproduction .....	7		
25.1 Advisory and assistance services .....	4		
25.2 Other services .....	31		
25.3 Other purchases of goods and services from Government accounts .....	8		
25.6 Training .....	5		
25.7 Operation and maintenance of equipment .....	445		
26.0 Supplies and materials .....	1		
31.0 Equipment .....	3		
32.0 Land and structures .....	3		
41.0 Grants, subsidies, and contributions .....	176	4,591	
99.9 Total new obligations .....	800	4,591	

**Personnel Summary**

Identification code 91-0243-0-1-502	2002 actual	2003 est.	2004 est.
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	621		

**FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT  
(Legislative proposal, subject to PAYGO)**

**Program and Financing (in millions of dollars)**

Identification code 91-0243-4-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 Modification .....			44
10.00 Total new obligations (object class 41.0) .....			44
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			44
23.95 Total new obligations .....			-44

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.00	Appropriation (modification) .....		44
69.00	Offsetting collections (cash) .....		-9
69.27	Capital transfer to general fund .....		9
69.90	Spending authority from offsetting collections (total mandatory) .....		
70.00	Total new budget authority (gross) .....		44

**Change in obligated balances:**

73.10	Total new obligations .....		44
73.20	Total outlays (gross) .....		-44

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority .....		44
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**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00	Offsetting collections (cash) from: Federal sources .....		9

**Net budget authority and outlays:**

89.00	Budget authority .....		53
90.00	Outlays .....		53

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....		
99.01	Outlays .....		

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 91-0243-4-1-502	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001	Stafford .....		
115002	Unsubsidized Stafford .....		
115003	PLUS .....		
115004	Consolidated .....		
115901	Total direct loan levels .....		
<b>Direct loan subsidy (in percent):</b>			
132001	Stafford .....		0.03
132002	Unsubsidized Stafford .....		0.03
132003	PLUS .....		0.00
132004	Consolidated .....		0.00
132901	Weighted average subsidy rate .....		0.06
<b>Direct loan subsidy budget authority:</b>			
133001	Stafford .....		7
133002	Unsubsidized Stafford .....		7
133003	PLUS .....		
133004	Consolidated .....		
133005	Modification .....		44
133901	Total subsidy budget authority .....		58
<b>Direct loan subsidy outlays:</b>			
134001	Stafford .....		4
134002	Unsubsidized Stafford .....		5
134003	PLUS .....		
134004	Consolidated .....		
134005	Modification .....		44
134901	Total subsidy outlays .....		53
<b>Student loan administrative expense data:</b>			
351001	Budget authority .....		
359001	Outlays .....		

**FEDERAL DIRECT STUDENT LOAN PROGRAM, FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 91-4253-0-3-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct loans:</b>			
01.01	Stafford .....	5,709	6,613
01.02	Unsubsidized Stafford .....	4,560	5,497
01.03	PLUS .....	1,454	1,732
01.04	Consolidated .....	9,195	7,496
01.91	Subtotal, direct loans obligations .....	20,918	21,338
<b>Payment for consolidations:</b>			
02.01	Interest rate rebate, Stafford .....	80	91
			96

02.02	Interest rate rebate, Unsubsidized Stafford .....	62	72	79
02.03	Interest rate rebate, PLUS .....	19	23	26
02.91	Direct Program by Activities—Subtotal (1 level)	161	186	201
03.01	Consolidation loans—Payment of Orig. Services .....	28	24	22
04.01	Payment of contract collections .....	56	94	122
05.01	Interest payment to Treasury .....	5,716	5,297	6,042
08.01	Other obligations:			
	Obligation of negative subsidy .....	835	689	1,107
10.00	Total new obligations .....	27,714	27,628	28,447
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	3	499	
22.00	New financing authority (gross) .....	28,210	27,130	28,447
22.10	Resources available from recoveries of prior year obligations .....	8		
22.60	Portion applied to repay debt .....	-8		
23.90	Total budgetary resources available for obligation	28,213	27,629	28,447
23.95	Total new obligations .....	-27,714	-27,628	-28,447
24.40	Unobligated balance carried forward, end of year .....	499		
<b>New financing authority (gross), detail:</b>				
Mandatory:				
67.10	Authority to borrow .....	21,996	21,529	22,060
69.00	Offsetting collections (cash) .....	14,502	15,538	13,118
69.47	Portion applied to repay debt .....	-8,288	-9,937	-6,731
69.90	Spending authority from offsetting collections (total mandatory) .....	6,214	5,601	6,387
70.00	Total new financing authority (gross) .....	28,210	27,130	28,447
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	4,240	5,404	4,532
73.10	Total new obligations .....	27,714	27,628	28,447
73.20	Total financing disbursements (gross) .....	-26,542	-28,501	-28,191
73.45	Recoveries of prior year obligations .....	-8		
74.40	Obligated balance, end of year .....	5,404	4,532	4,788
87.00	Total financing disbursements (gross) .....	26,542	28,501	28,191
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
Payments from program account:				
88.00	Upward reestimate .....		-3,721	
88.00	Upward reestimate, interest .....		-870	
88.25	Interest on uninvested funds .....		-972	
Non-Federal sources:				
Stafford loans:				
88.40	Repayment of principal, Stafford .....	-4,207	-2,455	-2,945
88.40	Interest received on loans, Stafford .....	-504	-1,022	-1,226
88.40	Origination Fees, Stafford .....	-164	-182	-192
88.40	Other fees, Stafford .....	-14		
88.40	Repayment of principal, Unsubsidized Stafford .....	-3,196	-1,681	-2,077
88.40	Interest received on loans, Unsubsidized Stafford .....	-475	-722	-898
88.40	Origination Fees, Unsubsidized Stafford .....	-125	-145	-159
88.40	Other fees, Unsubsidized Stafford .....	-10		
88.40	Repayment of principal, PLUS .....	-1,156	-616	-739
88.40	Interest received on loans, PLUS .....	-241	-308	-384
88.40	Origination Fees, PLUS .....	-45	-62	-68
88.40	Other fees, PLUS .....	-4		
88.40	Payment of principal, Consolidation .....	-2,522	-1,616	-2,023
88.40	Interest received on loans, Consolidation .....	-859	-2,138	-2,407
88.40	Other fees, Consolidation .....	-8		
88.90	Total, offsetting collections (cash) .....	-14,502	-15,538	-13,118
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....	13,708	11,592	15,329
90.00	Financing disbursements .....	12,039	12,963	15,073

**Status of Direct Loans (in millions of dollars)**

Identification code 91-4253-0-3-502		2002 actual	2003 est.	2004 est.
<b>STAFFORD</b>				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....			
1131	Direct loan obligations exempt from limitation .....	5,709	6,613	6,933

1150	Total direct loan obligations .....	5,709	6,613	6,933
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	26,488	27,470	31,023
1231	Disbursements: Direct loan disbursements .....	5,059	6,062	6,397
1251	Repayments: Repayments and prepayments .....	-4,207	-2,455	-2,945
1261	Adjustments: Capitalized interest .....	169		
1264	Write-offs for default: Other adjustments, net .....	-39	-54	-59
1290	Outstanding, end of year .....	27,470	31,023	34,416

**UNSUBSIDIZED STAFFORD**

Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....			
1131	Direct loan obligations exempt from limitation .....	4,560	5,497	5,946
1150	Total direct loan obligations .....	4,560	5,497	5,946

Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	17,170	18,515	22,120
1231	Disbursements: Direct loan disbursements .....	3,951	4,827	5,288
1251	Repayments: Repayments and prepayments .....	-3,196	-1,682	-2,077
1261	Adjustments: Capitalized interest .....	618	495	445
1264	Write-offs for default: Other adjustments, net .....	-28	-35	-40
1290	Outstanding, end of year .....	18,515	22,120	25,736

**PLUS**

Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....			
1131	Direct loan obligations exempt from limitation .....	1,454	1,732	1,914
1150	Total direct loan obligations .....	1,454	1,732	1,914

Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	4,003	4,279	5,175
1231	Disbursements: Direct loan disbursements .....	1,225	1,546	1,708
1251	Repayments: Repayments and prepayments .....	-1,156	-616	-739
1261	Adjustments: Capitalized interest .....	226		
1264	Write-offs for default: Other adjustments, net .....	-19	-34	-39
1290	Outstanding, end of year .....	4,279	5,175	6,105

**CONSOLIDATED**

Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....			
1131	Direct loan obligations exempt from limitation .....	9,195	7,497	6,161
1150	Total direct loan obligations .....	9,195	7,497	6,161

Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	22,884	29,807	35,524
1231	Disbursements: Direct loan disbursements .....	9,228	7,436	6,106
1251	Repayments: Repayments and prepayments .....	-2,522	-1,617	-2,023
1261	Adjustments: Capitalized interest .....	312		
1264	Write-offs for default: Other adjustments, net .....	-95	-102	-127
1290	Outstanding, end of year .....	29,807	35,524	39,480

**Balance Sheet (in millions of dollars)**

Identification code 91-4253-0-3-502		2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	603	970	4,532	4,788
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross .....	70,313	80,070	93,842	105,737
1402	Interest receivable .....	2,616	2,661	6,088	7,047
1405	Allowance for subsidy cost (-) .....	1,739	2,115	2,158	2,119
1499	Net present value of assets related to direct loans .....	74,668	84,846	102,088	114,903
1901	Other Federal assets: Other assets .....	2,497	3,769		
1999	Total assets .....	77,768	89,585	106,620	119,691
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....	579	87	5,531	3,272
2103	Debt .....	77,189	89,498	101,089	116,419
2999	Total liabilities .....	77,768	89,585	106,620	119,691
<b>NET POSITION:</b>					

**Credit accounts—Continued**

**FEDERAL DIRECT STUDENT LOAN PROGRAM, FINANCING ACCOUNT—Continued**

**Balance Sheet (in millions of dollars)—Continued**

Identification code 91-4253-0-3-502	2001 actual	2002 actual	2003 est.	2004 est.
3999 Total net position				
4999 Total liabilities and net position	77,768	89,585	106,620	119,691

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from Direct Loans. The amounts in this account are a means of financing and are not included in the budget totals.

**FEDERAL DIRECT STUDENT LOAN PROGRAM, FINANCING ACCOUNT  
(Legislative proposal, subject to PAYGO)**

**Program and Financing (in millions of dollars)**

Identification code 91-4253-4-3-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
05.01 Interest payment to Treasury			-1
Other obligations:			
08.01 Obligation of negative subsidy			-14
10.00 Total new obligations			-15
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross)			-18
23.95 Total new obligations			15
24.40 Unobligated balance carried forward, end of year			-3
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow			-14
69.00 Offsetting collections (cash)			44
69.27 Capital transfer to general fund			-3
69.47 Portion applied to repay debt			-45
69.90 Spending authority from offsetting collections (total mandatory)			-4
70.00 Total new financing authority (gross)			-18
<b>Change in obligated balances:</b>			
73.10 Total new obligations			-15
73.20 Total financing disbursements (gross)			15
87.00 Total financing disbursements (gross)			-15
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Payments from program account:			
88.00 Offsetting collections (cash) from: Modification			-44
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority			-62
90.00 Financing disbursements			-59

**FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 91-0231-0-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Guaranteed Loan Net Subsidy	4,312	6,402	6,131
Administrative expenses:			
00.09 Administrative expenses due to limitations	49		
10.00 Total new obligations	4,361	6,402	6,131
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2	2	

22.00 New budget authority (gross)	4,361	6,402	6,131
22.40 Capital transfer to general fund		-2	
23.90 Total budgetary resources available for obligation	4,363	6,402	6,131
23.95 Total new obligations	-4,361	-6,402	-6,131
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	2		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation	50		
40.71 Reduction pursuant to P.L. XXX-XX	-1		
43.00 Appropriation (total discretionary)	49		
<b>Mandatory:</b>			
60.00 Appropriation	4,312	6,402	6,131
69.00 Offsetting collections (cash)—downward reestimate		2,980	
69.27 Capital transfer to general fund		-2,980	
69.90 Spending authority from offsetting collections (total mandatory)			
70.00 Total new budget authority (gross)	4,361	6,402	6,131

**Change in obligated balances:**

72.40 Obligated balance, start of year	870	1,393	2,024
73.10 Total new obligations	4,361	6,402	6,131
73.20 Total outlays (gross)	-3,837	-5,770	-5,536
73.40 Recoveries of prior yr obligations	-1		
74.40 Obligated balance, end of year	1,393	2,024	2,619

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	38		
86.93 Outlays from discretionary balances	9	12	3
86.97 Outlays from new mandatory authority	2,935	4,794	4,425
86.98 Outlays from mandatory balances	855	964	1,108
87.00 Total outlays (gross)	3,837	5,770	5,536

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-2,980	

**Net budget authority and outlays:**

89.00 Budget authority	4,361	3,422	6,131
90.00 Outlays	3,837	2,790	5,536

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority	4,361	3,422	6,131
Outlays	3,837	2,790	5,536
Legislative proposal, subject to PAYGO:			
Budget Authority			141
Outlays			125
<b>Total:</b>			
Budget Authority	4,361	3,422	6,272
Outlays	3,837	2,790	5,661

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 91-0231-0-1-502	2002 actual	2003 est.	2004 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Stafford	14,305	16,534	17,423
215002 Unsubsidized Stafford	13,092	15,584	17,023
215003 PLUS	3,470	4,004	4,451
215004 Consolidated	17,235	17,205	13,167
215901 Total loan guarantee levels	48,102	53,327	52,064
<b>Guaranteed loan subsidy (in percent):</b>			
232001 Stafford	16.41	16.55	17.64
232002 Unsubsidized Stafford	6.21	5.70	4.92
232003 PLUS	4.72	3.61	3.26
232004 Consolidated	5.73	15.30	15.76
232901 Weighted average subsidy rate	8.96	12.00	11.78
<b>Guaranteed loan subsidy budget authority:</b>			
233001 Stafford	2,347	2,736	3,073
233002 Unsubsidized Stafford	813	888	838
233003 PLUS	164	145	145

233004 Consolidated .....	988	2,632	2,075
233901 Total subsidy budget authority .....	4,312	6,401	6,131
Guaranteed loan subsidy outlays:			
234001 Stafford .....	2,054	2,287	2,616
234002 Unsubsidized Stafford .....	632	740	740
234003 PLUS .....	120	135	128
234004 Consolidated .....	984	2,596	2,049
234901 Total subsidy outlays .....	3,790	5,758	5,533
Guaranteed loan upward reestimate subsidy budget authority:			
235002 Unsubsidized Stafford .....		343	
235003 PLUS .....		80	
235004 Consolidated .....		32	
235901 Total upward reestimate budget authority .....		455	
Guaranteed loan upward reestimate subsidy outlays:			
236002 Unsubsidized Stafford .....		343	
236003 PLUS .....		80	
236004 Consolidated .....		32	
236901 Total upward reestimate subsidy outlays .....		455	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Stafford .....		-2,643	
237002 Unsubsidized Stafford .....		-207	
237003 PLUS .....		-5	
237004 Consolidated .....		-509	
237005 SLS .....		-71	
237901 Total downward reestimate subsidy budget authority .....		-3,435	
Guaranteed loan downward reestimate subsidy outlays:			
238001 Stafford .....		-2,643	
238002 Unsubsidized Stafford .....		-207	
238003 PLUS .....		-5	
238004 Consolidated .....		-509	
238005 SLS .....		-71	
238901 Total downward reestimate subsidy outlays .....		-3,435	
Administrative expense data:			
351001 Budget authority .....	49		
359001 Outlays .....	46	12	3

As required by the Federal Credit Reform Act of 1990, this program account records the subsidy costs associated with Federal Family Education Loans (FFEL), formerly guaranteed student loans (GSL), committed in 1992 and beyond, as well as certain administrative expenses of the program. Administrative expenses include discretionary expenses for salaries, expenses and overhead of employees working directly on the program. Consistent with the Administration's proposal to consolidate student aid administrative activities in a single discretionary account, these expenses are not reflected for 2003 and 2004. For a discussion of this proposal, see the narrative description above in the Student Aid Administration account. Beginning with the 1993 cohort, mandatory administrative costs, specifically contract collection costs, are included in the FFEL subsidy estimates of each year's cohort. Subsidy amounts are estimated on a net present value basis. A description of the FFEL program and accompanying tables are included under the Federal Direct Student Loan program account.

**Object Classification** (in millions of dollars)

Identification code 91-0231-0-1-502	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	23		
11.5 Other personnel compensation .....	1		
11.9 Total personnel compensation .....	24		
12.1 Civilian personnel benefits .....	5		
23.1 Rental payments to GSA .....	3		
23.3 Communications, utilities, and miscellaneous charges .....	2		
25.2 Other services .....	1		
25.3 Other purchases of goods and services from Government accounts .....	1		
25.7 Operation and maintenance of equipment .....	12		

31.0 Equipment .....	1		
41.0 Grants, subsidies, and contributions .....	4,312	6,402	6,131
99.9 Total new obligations .....	4,361	6,402	6,131

**Personnel Summary**

Identification code 91-0231-0-1-502	2002 actual	2003 est.	2004 est.
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	320		

**FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT**  
(Legislative proposal, subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 91-0231-4-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Guaranteed Loan Net Subsidy .....			141
10.00 Total new obligations (object class 41.0) .....			141
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			141
23.95 Total new obligations .....			-141
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....			141
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			141
73.20 Total outlays (gross) .....			-125
74.40 Obligated balance, end of year .....			16
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			125
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			141
90.00 Outlays .....			125

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 91-0231-4-1-502	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Stafford .....			
215002 Unsubsidized Stafford .....			
215003 PLUS .....			
215004 Consolidated .....			
215901 Total loan guarantee levels .....			
Guaranteed loan subsidy (in percent):			
232001 Stafford .....			0.03
232002 Unsubsidized Stafford .....			0.04
232003 PLUS .....			0.00
232004 Consolidated .....			0.00
232901 Weighted average subsidy rate .....			0.07
Guaranteed loan subsidy budget authority:			
233001 Stafford .....			19
233002 Unsubsidized Stafford .....			19
233003 PLUS .....			
233004 Consolidated .....			
233005 Modification .....			103
233901 Total subsidy budget authority .....			141
Guaranteed loan subsidy outlays:			
234001 Stafford .....			11
234002 Unsubsidized Stafford .....			11
234003 PLUS .....			
234004 Consolidated .....			
234005 Modification .....			103
234901 Total subsidy outlays .....			125
Guaranteed loan upward reestimate subsidy budget authority:			
235002 Unsubsidized Stafford .....			

**Credit accounts—Continued**

**FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT—Continued**

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program**  
(in millions of dollars)—Continued

Identification code 91-0231-4-1-502	2002 actual	2003 est.	2004 est.
235003 PLUS			
235004 Consolidated			
235901 Total upward reestimate budget authority			
Guaranteed loan upward reestimate subsidy outlays:			
236002 Unsubsidized Stafford			
236003 PLUS			
236004 Consolidated			
236901 Total upward reestimate subsidy outlays			
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Stafford			
237002 Unsubsidized Stafford			
237003 PLUS			
237004 Consolidated			
237005 Downward reestimate			
237901 Total downward reestimate subsidy budget authority			
Guaranteed loan downward reestimate subsidy outlays:			
238001 Stafford			
238002 Unsubsidized Stafford			
238003 PLUS			
238004 Consolidated			
238005 Downward reestimate subsidy outlays			
238901 Total downward reestimate subsidy outlays			
Administrative expense data:			
351001 Budget authority			
359001 Outlays			

**FEDERAL FAMILY EDUCATION LOAN PROGRAM, FINANCING ACCOUNT**

Note.—The financing account includes all cash flows to and from the Government from guaranteed student loans committed after 1991.

**Program and Financing (in millions of dollars)**

Identification code 91-4251-0-3-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Stafford loans:</b>			
01.01 Interest benefits	2,130	1,061	1,275
01.02 Special allowance	97	344	1,089
01.03 Default claims	1,363	1,525	1,691
01.04 Death, disability, and bankruptcy claims	144	148	160
01.05 Teacher loan forgiveness, other write-offs		3	3
01.07 Contract collection costs	11	36	41
01.08 Loan Processing Fee	120	107	70
01.09 Vol Flex Agree Perf. Fee	50		
01.91 Subtotal, Stafford loans	3,915	3,224	4,329
<b>Unsubsidized Stafford loans:</b>			
02.02 Special allowance	66	272	911
02.03 Default claims	752	894	1,104
02.04 Death, disability, and bankruptcy claims	88	89	103
02.05 Teacher loan forgiveness, other write-offs		3	3
02.07 Contract collection costs	4	8	11
02.08 Loan Processing Fee	66	101	68
02.09 Vol Flex Agree Perf. Fee	25		
02.91 Subtotal, Unsubsidized Stafford loans	1,001	1,367	2,200
<b>PLUS loans:</b>			
03.02 Special allowance	4	33	33
03.03 Default claims	94	201	225
03.04 Death, disability, and bankruptcy claims	53	77	88
03.07 Contract Collection Costs	1	1	1
03.08 Loan Processing Fee	8	26	18
03.09 Vol Flex Agree Perf. Fee	8		
03.91 Subtotal, PLUS loans	168	338	365
<b>SLS loans:</b>			
04.02 Special allowance		1	
04.03 Default claims	66	15	6
04.04 Death, disability and bankruptcy claims	10	6	5

04.07 Contract collection costs	1	6	7
04.08 Vol Flex Agree Perf. Fee	2		
04.91 Subtotal, SLS loans	79	28	18
<b>Consolidation loans:</b>			
05.02 Special allowance	34	40	509
05.03 Default claims	522	1,410	1,779
05.04 Death, disability, and bankruptcy claims	126	237	303
05.07 Contract collection costs	2	9	12
05.08 Vol Flex Agree Perf. Fee	50		
05.91 Subtotal, Consolidations loans	734	1,696	2,603
08.02 Payment of downward reestimate to Program acct		2,206	
08.04 Interest on downward reestimate		774	
08.91 Downward Reestimate- Subtotal (1 level)		2,980	
10.00 Total new obligations	5,897	9,633	9,515

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	5,092	7,305	7,964
22.00 New financing authority (gross)	8,110	10,292	10,742
23.90 Total budgetary resources available for obligation	13,202	17,597	18,706
23.95 Total new obligations	-5,897	-9,633	-9,515
24.40 Unobligated balance carried forward, end of year	7,305	7,964	9,191

**New financing authority (gross), detail:**

<b>Mandatory:</b>			
69.00 Offsetting collections (cash)	8,110	10,292	10,742

**Change in obligated balances:**

72.40 Obligated balance, start of year	1,252	1,382	2,257
73.10 Total new obligations	5,897	9,633	9,515
73.20 Total financing disbursements (gross)	-5,767	-8,758	-9,542
74.40 Obligated balance, end of year	1,382	2,257	2,230
87.00 Total financing disbursements (gross)	5,767	8,758	9,542

**Offsets:**

Against gross financing authority and financing disbursements:

**Offsetting collections (cash) from:**

**Federal sources:**

**Payments from program account:**

88.00 Stafford loans	-2,054	-2,287	-2,616
88.00 Unsubsidized Stafford	-632	-740	-740
88.00 PLUS loans	-120	-135	-128
88.00 Consolidated loans	-984	-2,596	-2,049
88.25 Interest on uninvested funds	-416	-556	-636

**Non-Federal sources:**

**Student Loans: Stafford, Unsubsidized Stafford, PLUS, SLS & Consolidation:**

88.40 Stafford recoveries on defaults	-1,304	-1,101	-1,245
88.40 Stafford origination fees	-420	-498	-529
88.40 Stafford Sallie Mae offset fees	-21	-22	-19
88.40 Stafford Other Fees	-62		
88.40 Unsubsidized Stafford recoveries on defaults	-488	-397	-508
88.40 Unsubsidized Stafford origination fees	-375	-453	-502
88.40 Unsubsidized Stafford Sallie Mae offset fees	-13	-16	-15
88.40 Unsubsidized Stafford Other Fees	-24		
88.40 PLUS recoveries on defaults	-117	-95	-113
88.40 PLUS origination fees	-101	-119	-132
88.40 PLUS Sallie Mae offset fees	-5	-5	-5
88.40 PLUS Other Fees	-5		
88.40 SLS recoveries on defaults	-131	-115	-109
88.40 SLS Sallie Mae offset fees			
88.40 SLS Other Fees	-6		
88.40 Consolidation recoveries on defaults	-344	-404	-582
88.40 Consolidation origination fees	-91	-85	-65
88.40 Consolidated loan holders fee	-383	-668	-749
88.40 Consolidation Other Fees	-14		
88.90 Total, offsetting collections (cash)	-8,110	-10,292	-10,742

**Net financing authority and financing disbursements:**

89.00 Financing authority			
90.00 Financing disbursements	-2,343	-1,534	-1,200

Status of Guaranteed Loans (in millions of dollars)

Identification code 91-4251-0-3-502	2002 actual	2003 est.	2004 est.
<b>STAFFORD</b>			
Position with respect to appropriations act limitation on commitments:			
2111			
2131			
2150			
2199			
Cumulative balance of guaranteed loans outstanding:			
2210			
2231			
2251			
Adjustments:			
2261			
2263			
2264			
2290			
Memorandum:			
2299			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310			
2331			
2351			
2361			
2364			
2390			
<b>UNSUBSIDIZED STAFFORD</b>			
Position with respect to appropriations act limitation on commitments:			
2111			
2131			
2150			
2199			
Cumulative balance of guaranteed loans outstanding:			
2210			
2231			
2251			
Adjustments:			
2261			
2263			
2264			
2290			
Memorandum:			
2299			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310			
2331			
2351			
2361			
2364			
2390			
<b>PLUS</b>			
Position with respect to appropriations act limitation on commitments:			
2111			
2131			
2150			

2199	Guaranteed amount of guaranteed loan commitments	3,470	4,004	4,451
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	9,625	10,529	11,663
2231	Disbursements of new guaranteed loans	2,618	3,400	3,785
2251	Repayments and prepayments	-1,493	-2,001	-2,180
Adjustments:				
2261	Terminations for default that result in loans receivable	-95	-188	-225
2263	Terminations for default that result in claim payments	-126	-77	-88
2290	Outstanding, end of year	10,529	11,663	12,955
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	10,529	11,663	12,955
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	189	208	291
2331	Disbursements for guaranteed loan claims	95	188	225
2351	Repayments of loans receivable	-117	-95	-113
2361	Write-offs of loans receivable	-6	-10	-13
2364	Other adjustments, net	47		
2390	Outstanding, end of year	208	291	390
<b>SLS</b>				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	1,856	1,276	869
2251	Repayments and prepayments	-504	-378	-283
Adjustments:				
2261	Terminations for default that result in loans receivable	-66	-23	-8
2263	Terminations for default that result in claim payments	-10	-6	-5
2290	Outstanding, end of year	1,276	869	573
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	1,276	869	573
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	614	554	459
2331	Disbursements for guaranteed loan claims	66	23	8
2351	Repayments of loans receivable	-131	-115	-109
2361	Write-offs of loans receivable	-4	-3	-3
2364	Other adjustments, net	9		
2390	Outstanding, end of year	554	459	355
<b>CONSOLIDATED</b>				
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	17,235	17,205	13,167
2150	Total guaranteed loan commitments	17,235	17,205	13,167
2199	Guaranteed amount of guaranteed loan commitments	17,235	17,205	13,167
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	32,383	49,434	60,712
2231	Disbursements of new guaranteed loans	20,106	17,013	13,003
2251	Repayments and prepayments	-2,476	-4,199	-5,372
Adjustments:				
2261	Terminations for default that result in loans receivable	-526	-1,299	-1,753
2263	Terminations for default that result in claim payments	-53	-237	-303
2290	Outstanding, end of year	49,434	60,712	66,287
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	49,434	60,712	66,287
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	1,116	1,404	2,285
2331	Disbursements for guaranteed loan claims	526	1,299	1,753

**Credit accounts—Continued**

**FEDERAL FAMILY EDUCATION LOAN PROGRAM, FINANCING ACCOUNT—Continued**

**Status of Guaranteed Loans (in millions of dollars)—Continued**

Identification code 91-4251-0-3-502	2002 actual	2003 est.	2004 est.
2351 Repayments of loans receivable .....	-344	-404	-582
2361 Write-offs of loans receivable .....	-8	-14	-22
2364 Other adjustments, net .....	114		
2390 Outstanding, end of year .....	1,404	2,285	3,434

**Balance Sheet (in millions of dollars)**

Identification code 91-4251-0-3-502	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	6,531	8,687	7,964	9,191
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross .....	5,339	6,098	7,841	9,969
1502 Interest receivable .....	1,287	1,732	1,871	2,020
1505 Allowance for subsidy cost (-) .....	1,830	-2,580	-3,147	-3,839
1599 Net present value of assets related to defaulted guaranteed loans .....	8,456	5,250	6,565	8,150
1901 Other Federal assets: Other assets .....	336	339		
1999 Total assets .....	15,323	14,276	14,529	17,341
<b>LIABILITIES:</b>				
2101 Federal liabilities: Accounts payable .....	2,827	2,706	3,537	6,899
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	12,496	11,570	10,992	10,442
2999 Total liabilities .....	15,323	14,276	14,529	17,341
4999 Total liabilities and net position .....	15,323	14,276	14,529	17,341

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from Federal Family Education Loans (FFEL), formerly guaranteed student loans (GSL), committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

**FEDERAL FAMILY EDUCATION LOAN PROGRAM FINANCING ACCOUNT**  
(Legislative proposal, subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 91-4251-4-3-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Stafford loans:			
01.05 Teacher loan forgiveness, other write-offs .....			1
10.00 Total new obligations .....			1
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....			123
23.95 Total new obligations .....			-1
24.40 Unobligated balance carried forward, end of year .....			122
<b>New financing authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....			128
69.27 Capital transfer to general fund .....			-5
69.90 Spending authority from offsetting collections (total mandatory) .....			123
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			1
73.20 Total financing disbursements (gross) .....			-1
87.00 Total financing disbursements (gross) .....			1

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Payments from program account:			
Federal sources:			
88.00 Stafford loans .....			-11
88.00 Unsubsidized Stafford .....			-11
88.00 Modification .....			-103
88.25 Interest on uninvested funds .....			-3
88.90 Total, offsetting collections (cash) .....			-128
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			-5
90.00 Financing disbursements .....			-127

**Balance Sheet (in millions of dollars)**

Identification code 91-4251-4-3-502	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....				122
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross .....				
1502 Interest receivable .....				
1505 Allowance for subsidy cost (-) .....				
1599 Net present value of assets related to defaulted guaranteed loans .....				
1901 Other Federal assets: Other assets .....				
1999 Total assets .....				122
<b>LIABILITIES:</b>				
2101 Federal liabilities: Accounts payable .....				122
2204 Non-Federal liabilities: Liabilities for loan guarantees .....				
2999 Total liabilities .....				122
4999 Total liabilities and net position .....				122

**FEDERAL FAMILY EDUCATION LOAN LIQUIDATING ACCOUNT**

Note.—The following tables display the liquidating account, which includes all cash flows to and from the Government from guaranteed student loan commitments prior to 1992.

**Program and Financing (in millions of dollars)**

Identification code 91-0230-0-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Stafford loans:			
01.01 Interest benefits, net of origination fees .....	41	1	
01.02 Special allowance net of origination fees .....	16	12	6
01.03 Default claims .....	14	21	4
01.04 Death, disability, and bankruptcy claims .....	18	22	14
01.07 Contract collection costs .....	70	48	37
01.91 Subtotal, Stafford loans .....	159	104	61
PLUS/SLS loans:			
02.01 Default claims .....	63	3	1
02.02 Death, disability, and bankruptcy claims .....	7	9	5
02.05 Contract collection costs .....	13	9	7
02.06 Interest benefits, net of origination fees .....	3		
02.91 Subtotal, PLUS/SLS loans .....	86	21	13
10.00 Total new obligations .....	245	125	74
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	146	1,033	
22.00 New budget authority (gross) .....	1,277	125	74
22.40 Capital transfer to general fund .....	-146	-1,033	
23.90 Total budgetary resources available for obligation .....	1,277	125	74
23.95 Total new obligations .....	-245	-125	-74
24.40 Unobligated balance carried forward, end of year .....	1,033		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	1,805	798	623
69.27 Capital transfer to general fund .....	-528	-673	-549

69.90	Spending authority from offsetting collections (total mandatory)	1,277	125	74
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	65	-2	
73.10	Total new obligations	245	125	74
73.20	Total outlays (gross)	-312	-123	-74
74.40	Obligated balance, end of year	-2		
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority	247	125	74
86.98	Outlays from mandatory balances	65	-2	
87.00	Total outlays (gross)	312	123	74
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal student loans:				
Non-Federal sources:				
88.40	Fed collections on defaulted loans, Stafford	-568	-303	-231
88.40	Federal collections on bankruptcies, Stafford	-5	-5	-3
88.40	Offsets against Federal tax refunds, Stafford	-429	-206	-172
88.40	Reimbursements from guaranty agencies, Stafford	-465	-131	-101
88.40	Other Collections/Fees, Stafford	-53		
88.40	Sallie Mae Offset Fee	-2		
88.40	Federal collections on defaulted loans, PLUS/SLS	-133	-60	-45
88.40	Federal collections on bankruptcies, PLUS/SLS	-1	-2	-1
88.40	Offsets against Federal tax refunds, PLUS/SLS	-32	-55	-42
PLUS/SLS loans:				
88.40	Reimbursements from guaranty agencies, PLUS/SLS	-117	-36	-28
88.90	Total, offsetting collections (cash)	-1,805	-798	-623
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	-528	-673	-549
90.00	Outlays	-1,494	-675	-549

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 91-0230-0-1-502	2002 actual	2003 est.	2004 est.	
<b>STAFFORD LOANS</b>				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	3,612	2,052	1,028
2251	Repayments and prepayments	-1,512	-973	-573
Adjustments:				
2261	Terminations for default that result in loans receivable	-27	-20	-6
2263	Terminations for default that result in claim payments	-21	-31	-19
2290	Outstanding, end of year	2,052	1,028	430
<b>Memorandum:</b>				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	2,052	1,028	430
<b>Addendum:</b>				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	12,095	10,887	10,155
2331	Disbursements for guaranteed loan claims	27	21	7
2351	Repayments of loans receivable	-1,470	-339	-261
2361	Write-offs of loans receivable	-432	-389	-363
2364	Other adjustments, net	667	-25	-16
2390	Outstanding, end of year	10,887	10,155	9,522
<b>PLUS/SLS LOANS</b>				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	881	672	547
2251	Repayments and prepayments	-82	-104	-104
Adjustments:				
2261	Terminations for default that result in loans receivable	-121	-13	-1
2263	Terminations for default that result in claim payments	-6	-8	-5

2290	Outstanding, end of year	672	547	437
<b>Memorandum:</b>				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	672	547	437
<b>Addendum:</b>				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	2,026	2,041	1,953
2331	Disbursements for guaranteed loan claims	121	12	1
2351	Repayments of loans receivable	-282	-66	-49
2361	Write-offs of loans receivable	-29	-29	-28
2364	Other adjustments, net	205	-5	-3
2390	Outstanding, end of year	2,041	1,953	1,874

**Statement of Operations (in millions of dollars)**

Identification code 91-0230-0-1-502	2001 actual	2002 actual	2003 est.	2004 est.	
<b>Stafford:</b>					
0111	Revenue	868	1,467	645	507
0112	Expense	-296	-159	-104	-61
0115	Net income or loss (-)	572	1,308	541	446
<b>PLUS/SLS:</b>					
0121	Revenue	156	282	153	116
0122	Expense	-45	-86	-21	-13
0125	Net income or loss (-)	111	196	132	103
0191	Total revenues	1,024	1,749	798	623
0192	Total expenses	-341	-245	-125	-74
0195	Total income or loss (-)	683	1,504	673	549
0199	Total comprehensive income	683	1,504	673	549

**Balance Sheet (in millions of dollars)**

Identification code 91-0230-0-1-502	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury	191	1,031	928	835
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1701	Defaulted guaranteed loans, gross	14,160	12,928	12,108	11,396
1702	Interest receivable	1,740	1,284	948	700
1703	Allowance for estimated uncollectible loans and interest (-)	-14,533	-13,175	-11,944	-10,828
1704	Defaulted guaranteed loans and interest receivable, net	1,367	1,037	1,112	1,268
1799	Value of assets related to loan guarantees	1,367	1,037	1,112	1,268
1901	Other Federal assets: Other assets	62	62	62	62
1999	Total assets	1,620	2,130	2,102	2,165
<b>LIABILITIES:</b>					
2104	Federal liabilities: Resources payable to Treasury		2,007		
Non-Federal liabilities:					
2201	Accounts payable	8	14	23	38
2204	Liabilities for loan guarantees	1,612	109	2,079	2,127
2999	Total liabilities	1,620	2,130	2,102	2,165
4999	Total liabilities and net position	1,620	2,130	2,102	2,165

<sup>1</sup> Excludes interest and premium collections on insured loans.

As required by the Federal Credit Reform Act of 1990, this liquidating account records, for this program, all cash flows to and from the Government resulting from guaranteed student loans committed prior to 1992. This account is shown on a cash basis. All new loan activity in this program for 1992 and beyond is recorded in corresponding program and financing accounts.

**Credit accounts—Continued**

**FEDERAL FAMILY EDUCATION LOAN LIQUIDATING ACCOUNT—  
Continued**

Object Classification (in millions of dollars)			
Identification code 91-0230-0-1-502	2002 actual	2003 est.	2004 est.
25.2 Other services .....	83	57	44
33.0 Investments and loans .....	77	24	5
41.0 Grants, subsidies, and contributions .....	60	13	6
42.0 Insurance claims and indemnities .....	25	31	19
99.9 Total new obligations .....	245	125	74

**INSTITUTE OF EDUCATION SCIENCES**

**Federal Funds**

**General and special funds:**

**INSTITUTE OF EDUCATION SCIENCES**

For carrying out activities authorized by Public Law 107-279, \$375,915,000, of which \$185,000,000 shall remain available for obligation through September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 91-1100-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct program:</b>			
<b>Obligations by program activity:</b>			
Research and statistics:			
00.01 Research, development, and dissemination .....	122	175	185
00.02 Statistics .....	85	95	95
00.03 Regional educational laboratories .....	67	68	.....
00.04 Assessment .....	111	95	96
00.06 Fund for the Improvement of Education .....	1	.....	.....
00.07 Technical assistance providers .....	44	.....	.....
00.08 Eisenhower National Clearinghouse for Mathematics and Science Education .....	5	.....	.....
01.00 Total direct program .....	435	433	376
09.01 Reimbursable program .....	6	6	6
10.00 Total new obligations .....	441	439	382
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	.....	.....
22.00 New budget authority (gross) .....	441	439	382
23.90 Total budgetary resources available for obligation	442	439	382
23.95 Total new obligations .....	-441	-439	-382
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	444	433	376
41.00 Transferred to other accounts .....	-9	.....	.....
43.00 Appropriation (total discretionary) .....	435	433	376
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	.....	12	6
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	6	-6	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	6	6	6
70.00 Total new budget authority (gross) .....	441	439	382
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	876	683	429
73.10 Total new obligations .....	441	439	382
73.20 Total outlays (gross) .....	-625	-699	-439
73.40 Adjustments in expired accounts (net) .....	-3	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-6	6	.....
74.40 Obligated balance, end of year .....	683	429	372
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	132	113	98

86.93 Outlays from discretionary balances .....	493	586	341
87.00 Total outlays (gross) .....	625	699	439

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	.....	-12	-6
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-6	6	.....

**Net budget authority and outlays:**

89.00 Budget authority .....	435	433	376
90.00 Outlays .....	625	687	433

**Research and Statistics.—**

*Research, development, and dissemination.*—Funds support the National Center for Education Research, which oversees a diverse portfolio of directed research, field-initiated studies, research and development centers, and inter-agency initiatives. Funds also support dissemination activities that provide parents, teachers, and schools with valid information on effective educational practice.

*Statistics.*—Funds support the Department's statistical data collection activities, which are conducted by the National Center for Education Statistics (NCES). NCES collects, analyzes, and disseminates statistics on education at all levels, from preschool through postsecondary and adult education, including statistics on international education activities.

*Assessment.*—Funds support the National Assessment of Educational Progress (NAEP). NAEP administers assessments to samples of students in order to gather reliable information about educational attainment in important academic areas. Funds support collection and reporting of national, State, and long-term trend information, including the conduct of biennial State NAEP in reading and mathematics at grades 4 and 8.

**Object Classification (in millions of dollars)**

Identification code 91-1100-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	1	1	1
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	2	2	2
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	1	3	3
25.2 Other services .....	95	93	93
25.3 Other purchases of goods and services from Government accounts .....	19	17	17
25.5 Research and development contracts .....	121	105	39
25.7 Operation and maintenance of equipment .....	2	2	2
41.0 Grants, subsidies, and contributions .....	193	209	218
99.0 Direct obligations .....	434	432	375
99.0 Reimbursable obligations .....	6	6	6
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	441	439	382

**Personnel Summary**

Identification code 91-1100-0-1-503	2002 actual	2003 est.	2004 est.
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	14	15	15

**DEPARTMENTAL MANAGEMENT**

*Federal Funds*

**General and special funds:**

PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of three passenger motor vehicles, \$434,494,000, of which \$13,644,000, to remain available until expended, shall be for building alterations and related expenses for the relocation of Department staff to Potomac Center Plaza in Washington, D.C.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229), as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 91-0800-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Program administration .....	421	412	434
09.01 Reimbursable program .....	1	1	1
10.00 Total new obligations .....	423	413	435
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	423	413	435
23.95 Total new obligations .....	-423	-413	-435
23.98 Unobligated balance expiring or withdrawn .....	-2		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	424	412	434
40.71 Reduction pursuant to P.L. 107-116 .....	-1		
40.73 Reduction pursuant to P.L. 107-206 .....	-5		
42.00 Transferred from other accounts .....	4		
43.00 Appropriation (total discretionary) .....	423	412	434
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....		1	1
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	1	1	1
70.00 Total new budget authority (gross) .....	424	413	435
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	133	122	116
73.10 Total new obligations .....	423	413	435
73.20 Total outlays (gross) .....	-417	-419	-416
73.40 Adjustments in expired accounts (net) .....	-16		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	2		
74.40 Obligated balance, end of year .....	122	116	135
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	324	315	329
86.93 Outlays from discretionary balances .....	93	104	87
87.00 Total outlays (gross) .....	417	419	416
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-3	-1	-1
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	422	412	434
90.00 Outlays .....	415	418	415
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	11	11	11
99.01 Outlays .....	11	11	11

The Program Administration account includes the direct Federal costs of providing grants and administering elementary and secondary education, Indian education, English language acquisition, higher education, technical and adult education, and special education programs, and programs for persons with disabilities. It also supports assessment, statistics, and research activities.

In addition, this account includes the cost of providing centralized support and administrative services, overall policy development, and strategic planning for the Department. Included in the centralized activities are rent and mail services; telecommunications; contractual services; financial management and accounting, including payments to schools, education agencies and other grant recipients, and preparation of auditable financial statements; information technology services; personnel management; personnel security; budget formulation and execution; program evaluation; legal services; congressional and public relations; and intergovernmental affairs.

Included in this account is the Department of Education's costs to relocate Department staff to Potomac Center Plaza, including costs for building alterations, furniture, information technology equipment and services, and telecommunications, to remain available until expended. This account also provided funds for the renovation of the Department's main headquarters building which was completed in 1998.

Also included in this account are contributions from the public. Activities supported include Presidential Scholars, Satellite Town Meetings, School Recognition, and the Gifts and Bequests Miscellaneous Fund.

*Reimbursable program.*—Reimbursements to this account are for providing administrative services to other agencies, recycling activities, and in-kind travel.

Note.—Excludes \$54 million in budget authority in 2003 and \$68 million in 2004 for activities proposed to be transferred to the Student Aid Administration account. The comparable amount for 2002 (\$57 million) is included above.

**Object Classification** (in millions of dollars)

Identification code 91-0800-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	173	188	194
11.3 Other than full-time permanent .....	25	10	10
11.5 Other personnel compensation .....	5	4	4
11.9 Total personnel compensation .....	203	202	208
12.1 Civilian personnel benefits .....	43	42	44
21.0 Travel and transportation of persons .....	6	5	5
23.1 Rental payments to GSA .....	30	32	34
23.3 Communications, utilities, and miscellaneous charges .....	12	11	11
24.0 Printing and reproduction .....	5	4	3
25.1 Advisory and assistance services .....	3	5	5
25.2 Other services .....	24	22	23
25.3 Other purchases of goods and services from Government accounts .....	15	11	12
25.7 Operation and maintenance of equipment .....	63	58	72
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	14	15	10
32.0 Land and structures .....	1	3	3
99.0 Direct obligations .....	421	412	432
99.0 Reimbursable obligations .....	1	1	1
99.5 Below reporting threshold .....	1		2
99.9 Total new obligations .....	423	413	435

**Personnel Summary**

Identification code 91-0800-0-1-503	2002 actual	2003 est.	2004 est.
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	2,589	2,464	2,464

**General and special funds—Continued**

**OFFICE FOR CIVIL RIGHTS**

*For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, \$91,275,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 91-0700-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Civil rights .....	79	86	91
10.00 Total new obligations .....	79	86	91
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	80	86	91
23.95 Total new obligations .....	-79	-86	-91
23.98 Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	80	86	91
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	17	15	21
73.10 Total new obligations .....	79	86	91
73.20 Total outlays (gross) .....	-79	-81	-90
73.40 Adjustments in expired accounts (net) .....	-2		
74.40 Obligated balance, end of year .....	15	21	23
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	69	71	75
86.93 Outlays from discretionary balances .....	10	10	15
87.00 Total outlays (gross) .....	79	81	90
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	80	86	91
90.00 Outlays .....	79	81	90
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

The Office for Civil Rights is responsible for ensuring that no person is unlawfully discriminated against on the basis of race, color, national origin, sex, disability, or age in the delivery of services or the provision of benefits in programs or activities of schools and institutions receiving financial assistance from the Department of Education. The authorities under which the Office for Civil Rights operates are Title VI of the Civil Rights Act of 1964 (racial and ethnic discrimination), Title IX of the Education Amendments of 1972 (sex discrimination), section 504 of the Rehabilitation Act of 1973 (discrimination against individuals with a disability), the Age Discrimination Act of 1975, and the Americans with Disabilities Act of 1990.

**Object Classification (in millions of dollars)**

Identification code 91-0700-0-1-751	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	46	49	50
11.3 Other than full-time permanent .....	2	2	3
11.9 Total personnel compensation .....	48	51	53
12.1 Civilian personnel benefits .....	11	11	11
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	6	7	7
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.2 Other services .....	1	1	2
25.3 Other purchases of goods and services from Government accounts .....	2	1	2

25.7 Operation and maintenance of equipment .....	6	8	7
31.0 Equipment .....	1	2	2
99.0 Direct obligations .....	78	84	87
99.5 Below reporting threshold .....	1	2	4
99.9 Total new obligations .....	79	86	91

**Personnel Summary**

Identification code 91-0700-0-1-751	2002 actual	2003 est.	2004 est.
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	698	714	714

**OFFICE OF THE INSPECTOR GENERAL**

*For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, \$48,137,000.*

*Note.*—A regular 2003 appropriations for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts include for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 91-1400-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Inspector General .....	39	41	48
10.00 Total new obligations .....	39	41	48
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	39	41	48
23.95 Total new obligations .....	-39	-41	-48
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	39	41	48
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	9	9	11
73.10 Total new obligations .....	39	41	48
73.20 Total outlays (gross) .....	-37	-39	-44
73.40 Adjustments in expired accounts (net) .....	-1		
74.40 Obligated balance, end of year .....	9	11	16
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	31	33	37
86.93 Outlays from discretionary balances .....	6	6	7
87.00 Total outlays (gross) .....	37	39	44
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	39	41	48
90.00 Outlays .....	37	39	44
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The Inspector General is responsible for the quality, coverage, and coordination of audit and investigation functions relating to Federal education activities. The Inspector General has the authority to inquire into all activities of the Department including those performed under Federal education contracts, grants, or other agreements. Under the Chief Financial Officers Act of 1990, the Inspector General is also responsible for internal reviews of the Department's financial systems and audits of its financial statements.

**Object Classification (in millions of dollars)**

Identification code 91-1400-0-1-751	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	19	22	22

11.3	Other than full-time permanent .....			1
11.5	Other personnel compensation .....	1		
11.9	Total personnel compensation .....	20	22	23
12.1	Civilian personnel benefits .....	5	6	6
21.0	Travel and transportation of persons .....	2	2	2
23.1	Rental payments to GSA .....	3	3	3
23.3	Communications, utilities, and miscellaneous charges .....	1	1	1
25.1	Advisory and assistance services .....	2	3	7
25.2	Other services .....	1		1
25.3	Other purchases of goods and services from Government accounts .....	1	1	1
25.7	Operation and maintenance of equipment .....	2	2	3
31.0	Equipment .....	1		1
99.0	Direct obligations .....	38	40	48
99.5	Below reporting threshold .....	1	1	
99.9	Total new obligations .....	39	41	48

**Personnel Summary**

Identification code 91-1400-0-1-751	2002 actual	2003 est.	2004 est.
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	276	285	285

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:			
91-291500 Repayment of loans, capital contributions, higher education activities .....	39	50	50
General Fund Offsetting receipts from the public .....	39	50	50

**GENERAL PROVISIONS**

SEC. 301. No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students

or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

SEC. 302. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

SEC. 303. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

(TRANSFER OF FUNDS)

SEC. 304. Not to exceed 3 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) which are appropriated for the Department of Education in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfer: Provided, That the Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of any transfer.

SEC. 305. (a) DISCRETIONARY FUNDING.—Section 458(a)(1) of the Higher Education Act of 1965 (2 U.S.C. 1087h(a)(1)), is amended—

(1) in the matter preceding subparagraph (A), by striking “there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for—” and inserting in lieu thereof, “there are authorized to be appropriated to carry out this section such sums as may be necessary, for—”;

(2) in subparagraph (B), by striking the comma at the end thereof and inserting in lieu thereof a period; and

(3) by striking the flush language at the end thereof.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective for fiscal year 2004 and succeeding fiscal years.

SEC. 306. Section 1202 of the Elementary and Secondary Education Act of 1965 is amended by inserting the following subsection at the end thereof:

“(g) SUPPLEMENT, NOT SUPPLANT.—State or local educational agency shall use funds received under this subpart only to supplement the level of non-Federal funds that, in the absence of funds under this subpart, would be expended for activities authorized under this subpart, and not to supplant those non-Federal funds.”.



# DEPARTMENT OF ENERGY

## NATIONAL NUCLEAR SECURITY ADMINISTRATION

### Federal Funds

#### General and special funds:

#### OFFICE OF THE ADMINISTRATOR

*For necessary expenses of the Office of the Administrator in the National Nuclear Security Administration, including official reception and representation expenses (not to exceed \$12,000), \$347,980,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 89-0313-0-1-053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Office of the Administrator .....	319	338	348
10.00 Total new obligations .....	319	338	348
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		6	
22.00 New budget authority (gross) .....	309	332	348
22.10 Resources available from recoveries of prior year obligations .....		1	
22.22 Unobligated balance transferred from other accounts .....	16		
23.90 Total budgetary resources available for obligation .....	326	338	348
23.95 Total new obligations .....	-319	-338	-348
24.40 Unobligated balance carried forward, end of year .....	6		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	309	332	348
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	79	89
73.10 Total new obligations .....	319	338	348
73.20 Total outlays (gross) .....	-320	-328	-345
73.32 Obligated balance transferred from other accounts .....	79		
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	79	89	92
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	255	274	287
86.93 Outlays from discretionary balances .....	65	54	58
87.00 Total outlays (gross) .....	320	328	345
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	309	332	348
90.00 Outlays .....	320	328	345
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	12	12	12
99.01 Outlays .....	12	12	12

*Office of the Administrator.*—The Office of the Administrator provides corporate planning and oversight for programs funded by the Weapons Activities, Defense Nuclear Nonproliferation, and Naval Reactors appropriations including the National Nuclear Security Administration field offices. This account provides the Federal salaries and other expenses of the Administrator's direct staff, and beginning in 2002 program direction for Weapons Activities and Defense Nuclear Nonproliferation, and Federal employees at the field service center and site offices. Program Direction for Naval Reactors remains within that program's account, and program direction

for the Secure Transportation Asset remains in Weapons Activities.

#### Object Classification (in millions of dollars)

Identification code 89-0313-0-1-053	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	152	155	129
11.3 Other than full-time permanent .....	6	6	5
11.5 Other personnel compensation .....	4	4	3
11.9 Total personnel compensation .....	162	165	137
12.1 Civilian personnel benefits .....	37	38	32
13.0 Benefits for former personnel .....	2	2	3
21.0 Travel and transportation of persons .....	9	10	13
23.1 Rental payments to GSA .....	2	2	3
23.3 Communications, utilities, and miscellaneous charges .....	5	6	9
25.1 Advisory and assistance services .....	40	46	60
25.2 Other services .....	32	37	48
25.3 Other purchases of goods and services from Government accounts .....	14	16	22
25.4 Operation and maintenance of facilities .....	6	6	9
25.5 Research and development contracts .....	1	1	1
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	6	6	8
41.0 Grants, subsidies, and contributions .....	1	1	1
99.9 Total new obligations .....	319	338	348

#### Personnel Summary

Identification code 89-0313-0-1-053	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,936	1,893	1,697

#### NAVAL REACTORS

*For Department of Energy expenses necessary for naval reactors activities to carry out the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition (by purchase, condemnation, construction, or otherwise) of real property, plant, and capital equipment, facilities, and facility expansion, and the purchase of not to exceed one bus; \$768,400,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 89-0314-0-1-053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Naval reactors development .....	666	684	744
00.02 Program direction .....	22	24	24
10.00 Total new obligations .....	688	708	768
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	
22.00 New budget authority (gross) .....	688	707	768
23.90 Total budgetary resources available for obligation .....	689	708	768
23.95 Total new obligations .....	-688	-708	-768
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	688	707	768
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	206	200	204

General and special funds—Continued

NAVAL REACTORS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 89-0314-0-1-053	2002 actual	2003 est.	2004 est.
73.10 Total new obligations .....	688	708	768
73.20 Total outlays (gross) .....	-694	-704	-758
74.40 Obligated balance, end of year .....	200	204	214
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	585	601	653
86.93 Outlays from discretionary balances .....	109	103	105
87.00 Total outlays (gross) .....	694	704	758
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	688	707	768
90.00 Outlays .....	694	704	758
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

*Naval Reactors.*—This program performs the design, development, and testing necessary to provide the Navy with safe, militarily effective nuclear propulsion plants in keeping with the Nation's nuclear-powered fleet defense requirements. During 2003, the program expects to exceed 126 million miles safely steamed by the nuclear fleet, and will continue to support and improve operating reactors and plant components, and carry out test activities and verification. Additionally, Naval Reactors will continue to develop nuclear reactor plant components and systems for the Navy's new attack submarine and next-generation aircraft carriers, and continue to maintain the highest standards of environmental stewardship by responsibly inactivating shut down prototype reactor plants.

Object Classification (in millions of dollars)

Identification code 89-0314-0-1-053	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	15	15	17
12.1 Civilian personnel benefits .....	3	3	4
21.0 Travel and transportation of persons .....	1	1	1
25.1 Advisory and assistance services .....	1	1	1
25.2 Other services .....	2	2	2
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
25.4 Operation and maintenance of facilities .....	607	625	678
31.0 Equipment .....	29	30	32
32.0 Land and structures .....	29	30	32
99.9 Total new obligations .....	688	708	768

Personnel Summary

Identification code 89-0314-0-1-053	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	178	191	191

WEAPONS ACTIVITIES

*For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense weapons activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; one fixed wing aircraft for replacement only; and the purchase of not to exceed six passenger motor vehicles, of which four shall be for replacement only, including not to exceed two buses; \$6,378,000,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 89-0240-0-1-053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Directed stockpile work .....	1,041	1,237	1,365
00.02 Campaigns .....	2,092	2,084	2,395
00.03 Readiness in technical base and facilities .....	1,528	1,726	1,614
00.04 Facilities and infrastructure .....	194	246	265
00.05 Secure transportation asset .....	145	153	182
00.06 Safeguards and security .....	525	483	557
01.00 Total, Direct program .....	5,525	5,929	6,378
09.01 Reimbursable program .....	1,460	1,398	1,398
10.00 Total new obligations .....	6,985	7,327	7,776
<b>Budgetary resources available for obligation:</b>			
Unobligated balance carried forward, start of year:			
21.40 Unobligated balance carried forward, start of year [direct program] .....	24	62	.....
21.40 Unobligated balance carried forward, start of year [reimbursable program] .....	578	577	577
22.00 New budget authority (gross) .....	7,024	7,265	7,776
22.21 Unobligated balance transferred to other accounts .....	-2	.....	.....
23.90 Total budgetary resources available for obligation .....	7,624	7,904	8,353
23.95 Total new obligations .....	-6,985	-7,327	-7,776
Unobligated balance carried forward, end of year:			
24.40 Unobligated balance carried forward, end of year [direct program] .....	62	.....	.....
24.40 Unobligated balance carried forward, end of year [reimbursable program] .....	577	577	577
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	5,449	5,867	6,378
40.00 Appropriation [supplemental] .....	131	.....	.....
40.35 Appropriation rescinded .....	-14	.....	.....
40.76 Reduction pursuant to P.L. 107-206 .....	-3	.....	.....
43.00 Appropriation (total discretionary) .....	5,562	5,867	6,378
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	1,398	1,398	1,398
68.10 Change in uncollected customer payments from Federal sources .....	63	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	1,461	1,398	1,398
70.00 Total new budget authority (gross) .....	7,024	7,265	7,776
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,518	1,710	1,973
73.10 Total new obligations .....	6,985	7,327	7,776
73.20 Total outlays (gross) .....	-6,679	-7,064	-7,500
73.31 Obligated balance transferred to other accounts .....	-62	.....	.....
73.32 Obligated balance transferred from other accounts .....	12	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-63	.....	.....
74.40 Obligated balance, end of year .....	1,710	1,973	2,249
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5,013	4,625	4,906
86.93 Outlays from discretionary balances .....	1,666	2,439	2,594
87.00 Total outlays (gross) .....	6,679	7,064	7,500
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-1,304	-1,304	-1,304
88.40 Non-Federal sources .....	-94	-94	-94
88.90 Total, offsetting collections (cash) .....	-1,398	-1,398	-1,398
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-63	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5,562	5,867	6,378
90.00 Outlays .....	5,281	5,666	6,102

Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00	Budget authority .....	2	2
99.01	Outlays .....	2	2

Beginning in 2001, programs in the Weapons Activities appropriation have been managed by the National Nuclear Security Administration (NNSA).

Weapons activities provides for the maintenance and refurbishment of nuclear weapons to sustain confidence in their safety, reliability, and performance; expansion of scientific, engineering, and manufacturing capabilities to enable certification of the enduring nuclear weapons stockpile; and manufacture of nuclear weapon components under a comprehensive test ban. Weapons activities also provide for continued maintenance and investment in the Department's enterprise of nuclear stewardship, including maintaining the capability to return to the design and production of new weapons and to underground nuclear testing, if so directed by the President. The major elements of the program include the following:

**Directed stockpile work.**—Encompasses all activities that directly support specific weapons in the stockpile. These activities include maintenance and day-to-day care; planned refurbishment; reliability assessments; weapon dismantlement and disposal; and research, development, and certification technology efforts to meet future stockpile requirements.

**Campaigns.**—Focuses on scientific, technical and engineering efforts to develop and maintain critical capabilities and tools needed to support stockpile refurbishment and continued assessment and certification of the stockpile for the long term in the absence of underground nuclear testing.

**Readiness in technical base and facilities (RTBF).**—Provides the underlying physical infrastructure and operational readiness for the Directed Stockpile Work and Campaign activities. These activities include ensuring that facilities are operational, safe, secure, and compliant with regulatory requirements, and that a defined level of readiness is sustained at facilities funded by the Office of Defense Programs.

**Facilities and infrastructure.**—Focuses on a multi-year effort to restore physical infrastructure of the weapons complex. This activity provides funds to accomplish deferred maintenance and utilities replacement while improving facility management practices to preclude further deterioration.

**Secure transportation asset.**—Provides for the safe, secure movement of nuclear weapons, special nuclear material, and weapon components between military locations and nuclear complex facilities within the United States. Includes Program Direction funding for couriers.

**Weapons Safeguards and Security.**—Provides for all safeguard and security requirements (except for personnel security investigations) at NNSA landlord sites, specifically the Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Sandia National Laboratories, the Nevada Test Site, Kansas City Plant, Pantex Plant, Y-12 Plant, and the Savannah River Site Tritium Facilities.

Object Classification (in millions of dollars)				
Identification code 89-0240-0-1-053				
	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent .....	18	19	21
11.5	Other personnel compensation .....	7	8	8
11.9	Total personnel compensation .....	25	27	29
12.1	Civilian personnel benefits .....	16	17	19
13.0	Benefits for former personnel .....	1	1	1
21.0	Travel and transportation of persons .....	4	4	5
23.3	Communications, utilities, and miscellaneous charges .....	2	2	2
25.1	Advisory and assistance services .....	35	38	40
25.2	Other services .....	235	252	271
25.3	Other purchases of goods and services from Government accounts .....	10	11	12

25.4	Operation and maintenance of facilities .....	4,098	4,398	4,732
25.5	Research and development contracts .....	69	74	80
25.7	Operation and maintenance of equipment .....	1	1	1
26.0	Supplies and materials .....	9	10	10
31.0	Equipment .....	300	322	346
32.0	Land and structures .....	675	724	779
41.0	Grants, subsidies, and contributions .....	44	48	51
99.0	Direct obligations .....	5,524	5,929	6,378
99.0	Reimbursable obligations .....	1,460	1,398	1,398
99.5	Below reporting threshold .....	1		
99.9	Total new obligations .....	6,985	7,327	7,776

Personnel Summary

Identification code 89-0240-0-1-053				
	2002 actual	2003 est.	2004 est.	
1001	Total compensable workyears: Civilian full-time equivalent employment .....	334	471	539

DEFENSE NUCLEAR NONPROLIFERATION

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense, defense nuclear nonproliferation activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, \$1,340,195,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 89-0309-0-1-053				
	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.05	Nonproliferation and verification research and development .....	269	204	204
00.15	Nonproliferation and international security .....	85	93	102
00.20	International nuclear materials protection and cooperation .....	314	227	226
00.25	Russian transition initiatives .....	66	39	40
00.30	International nuclear safety and cooperation .....	56	15	14
00.35	Elimination of weapons-grade plutonium production .....		49	50
00.50	HEU transparency implementation .....	14	17	18
00.53	Accelerated materials disposition .....			30
00.55	Fissile materials disposition .....	241	350	609
00.60	Russian plutonium disposition .....	19	98	47
00.65	Program direction .....	3		
10.00	Total new obligations .....	1,067	1,092	1,340
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	224	205	141
22.00	New budget authority (gross) .....	1,060	1,028	1,340
22.10	Resources available from recoveries of prior year obligations .....	1		
22.21	Unobligated balance transferred to other accounts .....	-14		
22.22	Unobligated balance transferred from other accounts .....	1		
23.90	Total budgetary resources available for obligation .....	1,272	1,233	1,481
23.95	Total new obligations .....	-1,067	-1,092	-1,340
24.40	Unobligated balance carried forward, end of year .....	205	141	141
<b>New budget authority (gross), detail:</b>				
Discretionary:				
Appropriation:				
40.00	Appropriation .....	750	1,028	1,340
40.00	Appropriation (Supplemental) .....	281		
40.76	Reduction pursuant to P.L. 107-206 .....	-1		
41.00	Transferred to other accounts .....	-6		
42.00	Transferred from other accounts .....	36		
43.00	Appropriation (total discretionary) .....	1,060	1,028	1,340
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	496	754	835
73.10	Total new obligations .....	1,067	1,092	1,340

**General and special funds—Continued**

**DEFENSE NUCLEAR NONPROLIFERATION—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 89-0309-0-1-053	2002 actual	2003 est.	2004 est.
73.20 Total outlays (gross) .....	-791	-1,011	-1,203
73.31 Obligated balance transferred to other accounts .....	-17		
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	754	835	972
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	616	566	737
86.93 Outlays from discretionary balances .....	175	445	466
87.00 Total outlays (gross) .....	791	1,011	1,203
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,060	1,028	1,340
90.00 Outlays .....	791	1,011	1,203

The mission of this program is to (1) prevent the spread of materials, technology, and expertise relating to weapons of mass destruction; (2) detect the proliferation of weapons of mass destruction worldwide; (3) provide for international nuclear safety, and (4) eliminate inventories of surplus fissile materials usable for nuclear weapons. The program addresses the danger that hostile nations or terrorist groups may acquire weapons of mass destruction or weapons-usable material, dual-use production technology or weapons of mass destruction expertise. In FY 2004, work will be done in the following major areas.

*Nonproliferation and Verification Research and Development* will conduct applied research, development, testing, and evaluation leading to prototype demonstrations and detection systems that strengthen the U.S. response to current and projected threats to national security and world peace posed by the proliferation of nuclear weapons, and diversion of special nuclear material. The program works directly with agencies responsible for monitoring proliferation and will increase the transition of technologies to organizations responsible for combating terrorism.

*Nonproliferation and International Security* efforts will control export of items and technology useful for weapons of mass destruction (WMD); implement international safeguards in conjunction with the International Atomic Energy Agency (IAEA); monitor and implement treaties and agreements; develop and implement policy in support of international security efforts aimed at securing high-risk nuclear material; develop and implement transparency measures to assure that international nonproliferation and arms control agreements are in compliance, and that nuclear materials are secure; and explore and implement innovative approaches to improve regional security.

*International Nuclear Materials Protection and Cooperation* will continue to improve the security for nuclear material and weapons in Russia by installing basic rapid upgrades and through comprehensive security improvements. Reducing the potential for diversion of nuclear warheads and materials has been a critical priority for the United States. Since the recent terrorist attacks, Russia and the United States have agreed to expand cooperation in this area significantly to include increased emphasis on strategic rocket forces and radiological dispersion devices.

*Russian Transition Assistance* encompasses the efforts of the Initiatives for Proliferation Prevention (IPP) and the Nuclear Cities Initiative (NCI) programs to reduce the risk of adverse migration of former Soviet nuclear and other WMD expertise, and to work with the Russians in downsizing their nuclear weapons complex.

*HEU Transparency Implementation* will continue to work with Russia to provide confidence to the U.S. that the Russian

highly enriched uranium (HEU) being converted is from its military stockpile. The 1993 U.S.-Russia HEU Purchase Agreement, which provides for Russian HEU to be down blended to non-weapons form and used to fuel reactors here in the United States, remains an extremely impressive non-proliferation achievement.

*International Nuclear Safety and Cooperation* strengthens national security by helping to prevent nuclear incidents and accidents at foreign nuclear facilities and, to mitigate the consequences of accidents should they occur. In FY 2003 the program will complete the Soviet-designed reactor safety program in Russia, which increased the operating safety of Soviet-designed nuclear power reactors and enhanced the resident safety culture. FY 2004 activities will address specific high-risk situations by continued cooperation with IAEA, the G8 and others on international nuclear safety and emergency cooperation issues.

*Elimination of Weapons-Grade Plutonium Production Program* enhances nuclear nonproliferation by assisting the Russian Federation in ceasing its production of weapons-grade plutonium production by providing replacement power production capacity.

*Accelerated Materials Disposition* efforts support the 2002 G8 summit initiatives to purchase Russian HEU above the amounts in the 1993 U.S.-Russia HEU Purchase Agreement. These additional amounts would be used to: (1) establish a reserve inventory of low enriched uranium for use as fuel in nuclear power reactors in the United States; (2) fuel five research reactors in the United States; (3) accelerate development of low enriched research reactor fuel designs, and (4) increase the amount of Russian HEU down-blended under the material consolidation and conversion program.

*Fissile Materials Disposition* conducts activities in both the United States and Russia to dispose of fissile materials that would pose a threat to the United States if acquired by hostile nations or terrorist groups. In FY 2004 it will continue transferring surplus HEU from the Y-12 Plant to the United States Enrichment Corporation; continue deliveries of off-specification HEU and low enriched uranium to TVA; begin site preparation and construction of the U.S. mixed oxide (MOX) fuel fabrication facility and purchase of long lead equipment; complete Title II design of the Pit Disassembly and Conversion Facility; begin construction of the Russian MOX fuel fabrication facility; fabricate U.S. and Russian MOX fuel lead assemblies, and publish final drafts of relevant licensing regulations.

**Object Classification (in millions of dollars)**

Identification code 89-0309-0-1-053	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1		
12.1 Civilian personnel benefits .....	1		
21.0 Travel and transportation of persons .....	1		
23.3 Communications, utilities, and miscellaneous charges .....	1		
25.1 Advisory and assistance services .....	13	13	13
25.2 Other services .....	49	49	49
25.3 Other purchases of goods and services from Government accounts .....	6	6	6
25.4 Operation and maintenance of facilities .....	776	850	1,098
25.5 Research and development contracts .....	42	42	42
31.0 Equipment .....	22	22	22
32.0 Land and structures .....	151	106	106
41.0 Grants, subsidies, and contributions .....	4	4	4
99.9 Total new obligations .....	1,067	1,092	1,340

**Personnel Summary**

Identification code 89-0309-0-1-053	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	9		

CERRO GRANDE FIRE ACTIVITIES

From unobligated balances under this heading, \$75,000,000 are cancelled.

Program and Financing (in millions of dollars)

Identification code 89-0312-0-1-053	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year			75
22.00 New budget authority (gross)			-75
22.10 Resources available from recoveries of prior year obligations		75	
23.90 Total budgetary resources available for obligation		75	
24.40 Unobligated balance carried forward, end of year		75	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance rescinded			-75
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	236	157	27
73.20 Total outlays (gross)	-78	-55	-27
73.45 Recoveries of prior year obligations		-75	
74.40 Obligated balance, end of year	157	27	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	78	55	27
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			-75
90.00 Outlays	78	55	27

*Cerro Grande Fire Activities.*—Emergency funding was provided in 2001 and 2000 for restoration activities at the Los Alamos National Laboratory in New Mexico after the Cerro Grande Fire in May 2000. The 2004 budget proposes to rescind \$75 million of remaining available balances.

ENVIRONMENTAL AND OTHER DEFENSE ACTIVITIES

Federal Funds

General and special funds:

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 89-0242-0-1-053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Site/project completion	975	801	
00.02 Post 2006 completion	3,447	2,629	
00.03 Science and technology	245	92	
00.04 Program direction	350	339	
00.05 Safeguards and security	208	224	
00.06 Multi-site activities		480	
00.07 Excess facilities	5	1	
10.00 Total new obligations	5,230	4,566	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	35	26	
22.00 New budget authority (gross)	5,218	4,539	
22.10 Resources available from recoveries of prior year obligations	3		
23.90 Total budgetary resources available for obligation	5,257	4,566	
23.95 Total new obligations	-5,230	-4,566	
24.40 Unobligated balance carried forward, end of year	26		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	5,237	4,539	

40.35 Appropriation rescinded	-16		
40.73 Reduction pursuant to P.L. 107-206	-3		
41.00 Transferred to other accounts	-4		
43.00 Appropriation (total discretionary)	5,214	4,539	
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	4		
70.00 Total new budget authority (gross)	5,218	4,539	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	1,855	1,970	1,799
73.10 Total new obligations	5,230	4,566	
73.20 Total outlays (gross)	-5,091	-4,737	-1,396
73.31 Obligated balance transferred to other accounts	-21		
73.45 Recoveries of prior year obligations	-3		
74.40 Obligated balance, end of year	1,970	1,799	403
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	3,222	3,178	
86.93 Outlays from discretionary balances	1,869	1,559	1,396
87.00 Total outlays (gross)	5,091	4,737	1,396
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-4		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	5,214	4,539	
90.00 Outlays	5,087	4,737	1,396
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority	15	14	
99.01 Outlays	15	14	

The 2004 budget proposes to restructure Environmental Management programs. Activities funded in this account in 2003 and prior years are transferred to the Defense Site Acceleration Completion and Defense Environmental Services accounts.

Object Classification (in millions of dollars)

Identification code 89-0242-0-1-053	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent	186	184	
11.3 Other than full-time permanent	6	7	
11.5 Other personnel compensation	4	5	
11.9 Total personnel compensation	196	196	
12.1 Civilian personnel benefits	47	49	
13.0 Benefits for former personnel	4	3	
21.0 Travel and transportation of persons	7	6	
23.1 Rental payments to GSA	9	8	
23.2 Rental payments to others	4	3	
23.3 Communications, utilities, and miscellaneous charges	4	3	
25.1 Advisory and assistance services	114	99	
25.2 Other services	793	690	
25.3 Other purchases of goods and services from Government accounts	36	31	
25.4 Operation and maintenance of facilities	3,053	2,641	
25.5 Research and development contracts	38	33	
26.0 Supplies and materials	4	3	
31.0 Equipment	28	24	
32.0 Land and structures	785	683	
41.0 Grants, subsidies, and contributions	108	94	
99.9 Total new obligations	5,230	4,566	

Personnel Summary

Identification code 89-0242-0-1-053	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment	2,381	2,344	

DEFENSE SITE ACCELERATION COMPLETION

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense site acceleration comple-

**General and special funds—Continued**

*DEFENSE SITE ACCELERATION COMPLETION—Continued*

tion activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; \$5,814,635,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 89–0251–0–1–053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 2006 Accelerated Completions .....			1,245
00.02 2012 Accelerated Completions .....			2,228
00.03 2035 Accelerated Completions .....			1,979
00.04 Safeguards and security .....	54	37	299
00.05 Technology Development and Deployment .....			64
00.06 Site closure .....	1,039	1,057	
10.00 Total new obligations .....	1,094	1,093	5,815
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2	2	
22.00 New budget authority (gross) .....	1,094	1,091	5,815
23.90 Total budgetary resources available for obligation	1,096	1,093	5,815
23.95 Total new obligations .....	–1,094	–1,093	–5,815
24.40 Unobligated balance carried forward, end of year .....	2		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,093	1,091	5,815
40.76 Reduction pursuant to P.L. 107–206 .....	–1		
43.00 Appropriation (total discretionary) .....	1,092	1,091	5,815
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2		
70.00 Total new budget authority (gross) .....	1,094	1,091	5,815
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	358	364	383
73.10 Total new obligations .....	1,094	1,093	5,815
73.20 Total outlays (gross) .....	–1,110	–1,075	–4,398
73.32 Obligated balance transferred from other accounts .....	21		
74.40 Obligated balance, end of year .....	364	383	1,800
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	751	764	4,070
86.93 Outlays from discretionary balances .....	359	311	328
87.00 Total outlays (gross) .....	1,110	1,075	4,398
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	–2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,092	1,091	5,815
90.00 Outlays .....	1,107	1,075	4,398

**2006 Accelerated Completions.**—Provides funding for completing cleanup and closing down facilities contaminated as a result of nuclear weapons production. This account includes all geographic sites with an accelerated cleanup plan closure date of 2006 or earlier (such as Rocky Flats, Fernald and Mound). In addition, this account provides funding for Environmental Management (EM) sites where overall site cleanup will not be complete by 2006 but cleanup projects within a site (for example, spent fuel removal, all transuranic (TRU) waste shipped off-site) will be complete by 2006.

**2012 Accelerated Completions.**—Provides funding for completing cleanup and closing down facilities contaminated as a result of nuclear weapons production. This account includes all geographic sites with an accelerated cleanup plan closure

date of 2007 through 2012 (such as Pantex and Lawrence Livermore National Laboratory—Site 300). In addition, this account provides funding for EM sites where overall site cleanup will not be complete by 2012 but cleanup projects within a site (for example, spent fuel removal and TRU waste shipped off-site) will be complete by 2012.

**2035 Accelerated Completions.**—Provides funding for completing cleanup and closing down facilities contaminated as a result of nuclear weapons production. This account provides funding for site closures and site specific cleanup and closure projects that are expected to be completed after 2012. EM has established a goal of completing cleanup at all its sites by 2035.

**Safeguards and Security.**—Provides funding to support safeguards and security required for sites at which EM has responsibility. This includes activities related to site-specific safeguards and security plans, facilities master security plans, cyber security plans, and personnel security programs at EM sites.

**Technology Development and Deployment.**—This program focuses on high priority technical needs at near-term closure sites and projects. In addition, the technology program will focus on identifying technical vulnerabilities and alternative solutions in support of EM's accelerated cleanup strategies.

**Object Classification (in millions of dollars)**

Identification code 89–0251–0–1–053	2002 actual	2003 est.	2004 est.
23.3 Communications, utilities, and miscellaneous charges	4	4	8
25.1 Advisory and assistance services .....	1	1	110
25.2 Other services .....	38	38	673
25.3 Other purchases of goods and services from Government accounts .....	5	5	64
25.4 Operation and maintenance of facilities .....	1,043	1,042	4,256
25.5 Research and development contracts .....			52
26.0 Supplies and materials .....			3
31.0 Equipment .....			30
32.0 Land and structures .....			525
41.0 Grants, subsidies, and contributions .....	3	3	94
99.9 Total new obligations .....	1,094	1,093	5,815

**DEFENSE ENVIRONMENTAL SERVICES**

*For Department of Energy expenses necessary for defense-related environmental services activities that indirectly support the accelerated cleanup and closure mission at environmental management sites, including the purchase, construction, and acquisition of plant and capital equipment and other necessary expenses, and the purchase of not to exceed one ambulance for replacement only, \$995,179,000, to remain available until expended.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 89–0249–0–1–053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Community and Regulatory Support .....			61
00.02 Federal contribution to the Uranium Enrichment Decontamination and Decommissioning Fund .....			452
00.03 Non-Closure Environmental Activities .....			190
00.04 Program Direction .....			292
00.05 Privatization .....	109	236	
10.00 Total new obligations .....	109	236	995
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	34	78	
22.00 New budget authority (gross) .....	154	158	995
23.90 Total budgetary resources available for obligation	188	236	995
23.95 Total new obligations .....	–109	–236	–995
24.40 Unobligated balance carried forward, end of year .....	78		

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation	154	158 995
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year	638	656 671
73.10	Total new obligations	109	236 995
73.20	Total outlays (gross)	-91	-221 -903
74.40	Obligated balance, end of year	656	671 763
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority		697
86.93	Outlays from discretionary balances	91	221 206
87.00	Total outlays (gross)	91	221 903
<b>Net budget authority and outlays:</b>			
89.00	Budget authority	154	158 995
90.00	Outlays	91	221 903

The Department is pursuing several privatization initiatives for environmental management projects that will treat some of the most contaminated soil and highly radioactive waste in the complex, as well as deactivate contaminated nuclear facilities that are excess to Departments needs. In the 2004 budget, these activities will be funded in the Defense Site Acceleration Completion and Defense Environmental Services appropriations.

*Non-Closure Environmental Activities.*—Funds ongoing activities that indirectly support the Environmental Management accelerated cleanup and closure mission. These activities provide valuable support to other Departmental priorities and missions.

*Community and Regulatory Support.*—Funds activities that are indirectly related to on-the-ground cleanup results and are integral to EM's ability to conduct cleanup at sites (for example, Agreements in Principle with state regulators and tribal nations, and Site Specific Advisory Boards).

*Program Direction.*—Provides the funding necessary for oversight and management functions for the EM program, including federal salaries and benefits, travel, and other costs.

*Federal Contribution to the Uranium Enrichment Decontamination and Decommissioning (D&D) Fund.*—Funds the Federal Government contribution to the Uranium Enrichment D&D Fund, as required by the Energy Policy Act of 1992.

Object Classification (in millions of dollars)			
Identification code 89-0249-0-1-053		2002 actual	2003 est. 2004 est.
25.1	Advisory and assistance services		
25.2	Other services		
25.4	Operation and maintenance of facilities		
99.9	Total new obligations		

Object Classification (in millions of dollars)			
Identification code 89-0249-0-1-053		2002 actual	2003 est. 2004 est.
Personnel compensation:			
11.1	Full-time permanent		198
11.3	Other than full-time permanent		7
11.5	Other personnel compensation		5
11.9	Total personnel compensation		210
12.1	Civilian personnel benefits		43
13.0	Benefits for former personnel		1
21.0	Travel and transportation of persons		7
23.1	Rental payments to GSA		7
23.2	Rental payments to others		2
23.3	Communications, utilities, and miscellaneous charges		5
25.1	Advisory and assistance services		57
25.2	Other services	102	236 207
25.3	Other purchases of goods and services from Government accounts		402
25.4	Operation and maintenance of facilities	7	
26.0	Supplies and materials		1
31.0	Equipment		12

32.0	Land and structures			34
41.0	Grants, subsidies, and contributions			7
99.9	Total new obligations	109	236	995

**Personnel Summary**

Identification code 89-0249-0-1-053	2002 actual	2003 est.	2004 est.
1001	Total compensable workyears: Civilian full-time equivalent employment		1,972

**ENVIRONMENTAL MANAGEMENT CLEANUP REFORM**

**Program and Financing (in millions of dollars)**

Identification code 89-0245-0-1-053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Cleanup Reform	1,100	
10.00	Total new obligations (object class 25.2)	1,100	
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross)	1,100	
23.95	Total new obligations	-1,100	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation	1,100	
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year		330
73.10	Total new obligations	1,100	
73.20	Total outlays (gross)	-770	-275
74.40	Obligated balance, end of year	330	55
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority	770	
86.93	Outlays from discretionary balances		275
87.00	Total outlays (gross)	770	275
<b>Net budget authority and outlays:</b>			
89.00	Budget authority	1,100	
90.00	Outlays	770	275

The Department is pursuing alternative accelerated cleanup and risk-reduction strategies that will significantly reduce life-cycle cost and schedules for cleanup of the former nuclear weapons production complex. When the Department reaches agreement with regulatory officials on these strategies, establishes a new funding profile and estimates the cost savings for the alternate cleanup strategy, these activities will be funded within the appropriate Defense or Non-Defense Site Acceleration Completion appropriation.

**OTHER DEFENSE ACTIVITIES**

*For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense, other defense activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, \$522,678,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 89-0243-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Energy Security	5	4 4

## General and special funds—Continued

## OTHER DEFENSE ACTIVITIES—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 89-0243-0-1-999	2002 actual	2003 est.	2004 est.
00.02 Security .....	251	189	211
00.03 Intelligence .....	38	44	40
00.04 Counterintelligence .....	46	50	46
00.05 Advanced Accelerator Applications .....	50		
00.06 Independent Oversight and Performance Assurance .....	22	22	22
00.07 Environment, Safety, and Health (Defense) .....	110	101	108
00.08 Worker and Community Transition .....	17	29	15
00.09 National Security Programs Administrative Support .....	22	26	25
00.10 Hearings and Appeals .....	3	3	4
00.11 Other .....	4	4	
00.12 Legacy Management .....			48
10.00 Total new obligations .....	568	472	523
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	41	27	
22.00 New budget authority (gross) .....	551	445	523
22.10 Resources available from recoveries of prior year obligations .....	3		
23.90 Total budgetary resources available for obligation .....	595	472	523
23.95 Total new obligations .....	-568	-472	-523
24.40 Unobligated balance carried forward, end of year .....	27		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	551	445	523
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	282	297	298
73.10 Total new obligations .....	568	472	523
73.20 Total outlays (gross) .....	-540	-473	-504
73.31 Obligated balance transferred to other accounts .....	-12		
73.32 Obligated balance transferred from other accounts .....	3		
73.45 Recoveries of prior year obligations .....	-3		
74.40 Obligated balance, end of year .....	297	298	317
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	413	334	392
86.93 Outlays from discretionary balances .....	127	139	112
87.00 Total outlays (gross) .....	540	473	504
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	551	445	523
90.00 Outlays .....	540	473	504
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	4	3	4
99.01 Outlays .....	4	3	4

**Intelligence.**—The Department's intelligence activities consist of providing the Department, other U.S. Government policy makers, and the Intelligence Community with timely, accurate high impact foreign intelligence technical analyses including support to counterintelligence; ensuring that DOE facilities and employees are able to handle and use classified intelligence information securely in support of their missions; providing quick-turnaround, tailored technology applications to meet near-term requirements; providing technical support to operations undertaken by the intelligence, special operations, and law enforcement communities; and ensuring that the Department's technical, analytical and research expertise is accessible to the Intelligence Community in accordance with Executive Order 12333, "United States Intelligence Activities."

**Counterintelligence.**—The Office of Counterintelligence mission is to develop and implement an effective Counterintelligence Program throughout the Department of Energy to identify, neutralize and deter foreign government or industrial intelligence, and international terrorist activities at or involving DOE programs, personnel, facilities, technologies, classified information and unclassified sensitive information. The

program provides the analytical; investigative; training and awareness; inspection; information and special technologies; polygraph; and evaluation capabilities necessary to identify and address foreign intelligence and international terrorist targeting and collection activities directed at DOE facilities.

**Security.**—Security consists of the following programs: Nuclear Safeguards and Security, Security Investigations and Program Direction. Key mission areas are: physical, information, technology evaluation; materials control and accountability; executive protection police force; protective measures for DOE facilities and protection of its employees in the National Capital area; declassification/classification; foreign visits, assignments and travel; plutonium, uranium, and special nuclear material inventory; management of the Department's Emergency Operations Centers, Emergency Communications Network and the Continuity of Operations and Continuity of Government programs; and security investigations. These programs provide policy for the protection of the Department's nuclear weapons, nuclear materials, classified information, and facilities. They ensure a Department-wide capability to continue essential functions across a wide range of potential emergencies, allowing DOE to uphold its national security responsibilities and provide security clearances for federal and contractor personnel. Prior to 2003, Security was budgeted under Security and Emergency Operations.

**Energy Security and Assurance.**—This program supports the national security of the United States by working to protect the Nation against significant energy supply disruptions. America's energy supply is essential to a strong economy and national security.

**Worker and community transition.**—This program provides for the development, implementation, and funding of plans under section 3161 of the National Defense Authorization Act of 1993, to provide options to assist workers affected by workforce restructuring including preference in hiring, outplacement assistance, and relocation assistance. This program also provides impact assistance to local communities, as well as disposition of assets excess to current Department needs.

**Environment, safety and health (Defense).**—The Office of Environment, Safety and Health is a corporate resource that provides Departmental leadership and management to protect the workers, public, and environment. The programs in the other defense activities are oversight, health studies, radiation effects research foundation, and employee compensation support as well as program direction.

**Independent oversight and performance assurance.**—This program provides an independent assessment of the effectiveness of Departmental policies and site performance in the areas of environment, safety, health safeguards, security, emergency management, cyber security, and other critical functions. Appraisals are performed to determine whether site programs are effectively implemented and achieving Department-wide and site specific objectives.

**All other.**—This category includes obligations for a portion of the projects reviewed under the Independent Assessment of DOE project funding. In addition, obligations are included for the National Security Programs Administrative Support and the Office of Hearings and Appeals. Responsibilities of the Office of Hearings and Appeals include adjudications of matters involving DOE and contractor employees' eligibility for security clearances, appeals of adverse determinations under the Freedom of Information and Privacy Acts. The Office of Hearings and Appeals adjudicates complaints of reprisals by contractor-employees for "whistleblowing", and is the appeal authority in many other areas. During 2002, the Office of Hearings and Appeals was charged with the responsibility to decide worker advocacy appeals under the Energy Employee Occupational Illness Compensation Program Act of 2000 and appeals arising under the new terms of OMB Circular A-76 regarding the contracting out of DOE functions.

The Office also decides all requests for exception from DOE orders, rules and regulations.

*Office of Legacy Management.*—Provides funding for conducting stewardship activities at sites where active remediation as a result of weapons production has been completed. These activities include records management, ground-water monitoring and the administration of post closure contractor liabilities.

**Object Classification** (in millions of dollars)

Identification code 89-0243-0-1-999	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	66	64	66
11.3 Other than full-time permanent .....	2	1	2
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	70	67	70
12.1 Civilian personnel benefits .....	17	15	15
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	4	3	3
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.1 Advisory and assistance services .....	40	34	38
25.2 Other services .....	208	164	183
25.3 Other purchases of goods and services from Government accounts .....	24	19	24
25.4 Operation and maintenance of facilities .....	167	137	154
25.5 Research and development contracts .....	7	6	6
25.7 Operation and maintenance of equipment .....	2	2	2
26.0 Supplies and materials .....	5	5	5
31.0 Equipment .....	4	3	4
41.0 Grants, subsidies, and contributions .....	18	15	17
99.9 Total new obligations .....	568	472	523

**Personnel Summary**

Identification code 89-0243-0-1-999	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	628	614	726

**DEFENSE NUCLEAR WASTE DISPOSAL**

*For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended, including the acquisition of real property or facility construction or expansion, \$430,000,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 89-0244-0-1-053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	280	315	430
10.00 Total new obligations .....	280	315	430
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	280	315	430
23.95 Total new obligations .....	-280	-315	-430
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	280	315	430
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10	26	79
73.10 Total new obligations .....	280	315	430
73.20 Total outlays (gross) .....	-263	-262	-402
74.40 Obligated balance, end of year .....	26	79	107
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	185	236	323
86.93 Outlays from discretionary balances .....	78	26	79
87.00 Total outlays (gross) .....	263	262	402

**Net budget authority and outlays:**

89.00 Budget authority .....	280	315	430
90.00 Outlays .....	263	262	402

This appropriation was established by Congress as part of the 1993 Energy and Water Development Appropriation (P.L. 102-377) in lieu of payment from the Department of Energy into the Nuclear Waste Fund for activities related to the disposal of defense high-level waste.

The program's cost estimates reflect DOE's best projections, given the scope of work identified and planned schedule of required activities. Future budget requests for the Program have yet to be established and will be determined through the annual executive and congressional budget process.

Since passage of the Nuclear Waste Policy Act of 1982, as amended, the Nuclear Waste Fund has incurred costs for activities related to disposal of high-level waste generated from the atomic energy defense activities of the Department of Energy. At the end of 2002 the balance owed by the Federal Government to the Nuclear Waste Fund was approximately \$1,223 million (including principal and interest). The "Defense Nuclear Waste Disposal" appropriation was established to ensure payment of the Federal Government's contribution to the nuclear waste repository program. Through 2002, a total of approximately \$1,710 million has been appropriated to support nuclear waste repository activities attributed to atomic energy defense activities.

**Object Classification** (in millions of dollars)

Identification code 89-0244-0-1-053	2002 actual	2003 est.	2004 est.
25.2 Other services (Consulting) .....	1	1	2
25.3 Other purchases of goods and services from Government accounts .....	11	12	16
25.4 Operation and maintenance of facilities .....	248	279	381
41.0 Grants, subsidies, and contributions .....	20	23	31
99.9 Total new obligations .....	280	315	430

**ENERGY PROGRAMS**

**Federal Funds**

**General and special funds:**

SCIENCE

*For Department of Energy expenses including the purchase, construction and acquisition of plant and capital equipment, and other expenses necessary for science activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or facility or for plant or facility acquisition, construction, or expansion, and purchase of not to exceed 15 passenger motor vehicles for replacement only, including not to exceed one ambulance, \$3,310,935,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 89-0222-0-1-251	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 High energy physics .....	697	726	738
00.03 Nuclear physics .....	351	383	389
00.05 Biological and environmental research .....	512	485	500
00.06 Basic energy sciences .....	981	1,020	1,009
00.07 Advanced scientific computing research .....	150	168	173
00.08 Energy research analyses .....	1	1	.....
00.09 Science laboratory infrastructure .....	30	43	44
00.11 Program direction .....	139	134	151
00.12 Small business innovation research .....	94	.....	.....
00.13 Small business technology transfer .....	6	.....	.....
00.14 Fusion energy sciences .....	241	257	257
00.15 Safeguard and securities .....	53	48	44

## General and special funds—Continued

## SCIENCE—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 89-0222-0-1-251	2002 actual	2003 est.	2004 est.
00.16 Facilities and infrastructure .....	10		
00.17 Workforce development for teachers & scientists .....			6
10.00 Total new obligations .....	3,265	3,265	3,311
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	9	9	
22.00 New budget authority (gross) .....	3,263	3,256	3,311
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	3,274	3,265	3,311
23.95 Total new obligations .....	-3,265	-3,265	-3,311
24.40 Unobligated balance carried forward, end of year .....	9		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3,228	3,256	3,311
40.76 Reduction pursuant to P.L. 107-206 .....	-1		
42.00 Transferred from other accounts .....	36		
43.00 Appropriation (total discretionary) .....	3,263	3,256	3,311
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,739	1,822	1,833
73.10 Total new obligations .....	3,265	3,265	3,311
73.20 Total outlays (gross) .....	-3,180	-3,254	-3,290
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	1,822	1,833	1,854
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,870	1,889	1,921
86.93 Outlays from discretionary balances .....	1,310	1,365	1,369
87.00 Total outlays (gross) .....	3,180	3,254	3,290
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,263	3,256	3,311
90.00 Outlays .....	3,180	3,254	3,290
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	7	6	6
99.01 Outlays .....	7	6	6

**High energy physics.**—This research program focuses on gaining insights into the fundamental constituents of matter, the fundamental forces in nature, and the transformations between matter and energy at the most elementary level. The program encompasses both experimental and theoretical particle physics research and related advanced accelerator and detector technology R&D. The primary mode of experimental research involves the study of collisions of energetic particles using large particle accelerators or colliding beam facilities.

Research in 2004 will continue to focus on studies of known fundamental particle constituents, the search for new particle constituents, and the pursuit of a unified description of the four fundamental forces in nature.

In addition to contributing to breakthrough discoveries such as the existence of the top quark, high energy physics research enhances national economic competitiveness. State-of-the-art technology developed for accelerators and detectors contribute to progress in fields such as fast electronics, high-speed computing, superconducting magnet technology, and high-power radio frequency devices. High energy physics research also continues to make major contributions to accelerator technology and provides the expertise necessary for the expansion of such technology into fields such as medical diagnostics, and applied research using synchrotron light sources.

The 2004 high energy physics budget request will support the continued operation of two of the Department's major

high energy physics facilities: the Fermilab Tevatron and the Stanford B-Factory. Fixed target operations for the Alternate Gradient Synchrotron HEP program were terminated in FY 2003. In addition, \$48.8 million is provided for the Department's 2004 contribution to continued U.S. participation in the large hadron collider project at the European Center for Nuclear Research.

The high energy physics R&D request provides funding for advanced accelerator and detector R&D that is necessary for next-generation high energy particle accelerators. The request also includes \$12.5 million for the neutrinos at the main injector construction project. The budget includes funds for an increasing emphasis on non-accelerator-based high energy physics research.

**Nuclear Physics.**—The goal of the nuclear physics program is to understand the interactions and structure of atomic nuclei and to investigate fundamental particles and forces of nature as manifested in nuclear matter. In 2004, the program will continue to focus on the role of quarks in the composition and interactions of nuclei, the application of nuclear physics methods to astrophysical problems, the properties of neutrinos, and the mechanisms by which colliding nuclei exchange mass, energy, and angular momentum.

The nuclear physics program supports and provides experimental equipment to qualified scientists and research groups conducting experiments at nuclear physics accelerator facilities. These facilities provide new insights and advance our knowledge of the nature of matter and energy and develop the scientific knowledge, technologies and trained manpower needed to underpin the DOE's missions for nuclear related national security, energy and environmental quality.

The Thomas Jefferson National Accelerator Facility/Continuous Electron Beam Accelerator Facility experimental program began in 1996 and will continue in 2004. At the MIT/Bates accelerator a program of research utilizing the BLAST large acceptance detector will continue. Experimental operations at the Radioactive Ion Beam facility in Oak Ridge National Laboratory will continue in 2004. Operation of ATLAS (ANL) will be supported, as will the operation of the university-based accelerator laboratories. The 88-inch cyclotron (LBNL) will be terminated.

The Relativistic Heavy Ion Collider (RHIC) research program will continue as RHIC and its four major detectors approach their full design potential, allowing researchers to explore a new regime of nuclear matter and nuclear interactions that up to now have only been characterized theoretically. Research and development for a possible future facility, the rare isotope accelerator, continues. The budget includes funds for an increasing emphasis on non-accelerator-based nuclear physics research.

**Biological and environmental research.**—This program develops the knowledge base necessary to identify, understand, and anticipate the long-term health and environmental consequences of energy use and development and utilizes the Department's unique scientific and technological capabilities to solve major scientific problems in the environment, medicine, and biology. Planned 2004 activities include programs in global climate change; terrestrial, atmospheric and marine environmental processes; molecular, cellular and systemic studies on the biological effects of radiation; structural biology; medical applications of nuclear technology; and the Human Genome Program. Funding for the Human Genome Program is provided to continue high throughput human DNA sequencing. The program also supports science related to carbon sequestration and sequencing of genomes of microbes that use carbon dioxide to produce methane and hydrogen. In conjunction with the advanced scientific computing research program a global systems application is continued to accelerate progress in coupled general circulation model development through use of enhanced computer simulation and modeling.

The “genomes to life” activity, aimed at understanding the composition and function of biochemical networks that carry out essential processes of living organisms is funded at \$59.0 million. In 2003, the Environmental Management Science Program and the Savannah River Ecology Laboratory were transferred from the Office of Environmental Management to the Office of Science. The biological and environmental research request includes funding to continue these two activities in 2004. Activities related to bioterrorism will be transferred in 2003 to the Department of Homeland Security.

*Basic Energy Sciences.*—The basic energy sciences (BES) program funds basic research in the physical, biological and engineering sciences that support the Department’s nuclear and non-nuclear technology programs. The BES program is responsible for operating large national user research facilities, including synchrotron light and neutron sources, a combustion research facility, as well as smaller user facilities such as materials preparation and electron microscopy centers.

The BES program supports a substantial basic research budget for materials sciences, chemical sciences, energy biosciences, engineering and geosciences. The program supports a number of research areas that are unique within the Federal government; in many basic research areas, such as materials science, funding provided by the BES program represents a large percentage, or even the sole source, of Federal funding.

The 2004 BES budget request includes continued support to maintain utilization of the Department’s large state-of-the-art science facilities. The proposed funding will maintain the quality of service and availability of facility resources to users, including university and government scientists, as well as private companies who rely on unique BES facilities for their basic research needs. Research areas that will benefit from the facilities funding include structural biology, materials science, superconductor technology, and medical research and technology development.

In addition, the BES request includes \$143.0 million in 2004 to continue construction at Oak Ridge National Laboratory for the Spallation Neutron Source (SNS) to meet the Nation’s neutron scattering needs. The request includes \$5 million to continue design and fabrication of additional instruments beyond the initial instrument suite included in the construction project. The SNS will provide significant scientific, technical, and economic benefits that derive from neutron scattering and materials irradiation research. This world class Neutron source will enable the Nation to carry out major research activities in areas such as biology, materials science, superconductivity, pharmaceuticals, and electronic materials, that are critical for future U.S. economic competitiveness and national security. Reflecting the high priority given to nanoscale research, basic energy sciences funding for the multi-agency national nanotechnology program is \$193.0 million and includes PED funding for the nanoscale science research center (NSRC) at Brookhaven National Laboratory and construction funding for NSRC’s at the Lawrence Berkeley, Oak Ridge, and Sandia National Laboratories. Equipment is funded for the NSRC at ANL, where the state of Illinois is providing funding for the building.

*Fusion Energy Sciences Program.*—The fusion energy sciences program for 2004 continues to implement the recommendations of the reports by the National Research Council, the Secretary of Energy Advisory Board and recommendations of the Fusion Energy Science Advisory committee. The mission of the program is to advance plasma science, fusion science, and fusion technology. The program emphasizes the underlying basic research in plasma and fusion sciences, with the long-term goal of harnessing fusion as a viable energy source. The program centers on the following goals: understanding the physics of plasmas; identification and explo-

ration of innovative and cost effective development paths to fusion energy; and exploration of the science and technology of energy producing plasmas, as a partner in an international effort.

The budget includes funds for the Department to enter multilateral international negotiations aimed at building the International Thermonuclear Experimental Reactor (ITER), a burning plasma physics experiment that is an essential next step toward eventually developing fusion as a commercially viable energy source.

The budget request provides for support of basic research in plasma science in partnership with NSF, plasma containment research, and investigation of tokamak alternatives, along with continued operation of DIII-D, Alcator C-Mod, and the National Spherical Torus Experiment. Research on alternate concepts is continued to develop a fuller understanding of the physics of magnetically confined plasma and to identify approaches that may improve the economical and environmental attractiveness of fusion. Fabrication of the new National Compact Stellarator experiment will continue at Princeton Plasma Physics Laboratory. The inertial fusion energy activity is exploring an alternative path for fusion energy that would capitalize on the major R&D effort in inertial confinement fusion which is carried out by NNSA for stockpile stewardship purposes. Theory and modeling efforts will be supported to develop a predictive capability for the operation of fusion experiments. Enabling technology research will also be conducted in support of the science experiments.

*Science laboratories infrastructure.*—The goal of the science laboratories infrastructure program is to provide funds for rehabilitating, replacing or demolishing deficient common-use utilities, roads, and buildings and to correct Environment, Safety and Health deficiencies at the civilian science laboratories. An “excess facilities disposal” subprogram, first funded by Congress in 2002 as the Facilities and Infrastructure program, continues in 2004 in the Science Laboratories Infrastructure program. The Oak Ridge Landlord activity is also funded here.

*Advanced Scientific Computing Research (ASCR).*—This program includes research in mathematical, information, and computational sciences and laboratory technology research activities. The purpose of the ASCR program is to support advanced computational research—applied mathematics, computer science, and networking—to enable the analysis, simulation and prediction of complex physical phenomena. The program also supports the operation of large supercomputer user facilities. The request includes research, integrated with other science programs, on application of computer simulation and modeling to science problems. The budget includes research funds to identify and address major architectural bottlenecks affecting the performance of existing and planned scientific applications for the next generation of high-end supercomputers.

*Safeguards and security.*—The mission of this program is to ensure appropriate levels of protection and provide against: unauthorized access, theft, diversion, loss of custody, or destruction of Department of Energy assets and hostile acts that may cause adverse impacts on fundamental science, or the health and safety of DOE and contractor employees, the public, or the environment. The 2004 request provides funding for physical protection, protective forces, physical security, protective systems, information security, cyber security, personnel security, materials control and accountability and program management activities.

*Workforce development for teachers and scientists.*—The mission of this program is to train young scientists, engineers, and technicians in the scientifically and technically advanced environment of the Office of Science national laboratories to meet the demand for a well trained scientific and technical workforce, including the teachers that educate the workforce.

**General and special funds—Continued**

**SCIENCE—Continued**

**Object Classification (in millions of dollars)**

Identification code 89-0222-0-1-251	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	66	73	85
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	4	1	1
11.9 Total personnel compensation .....	72	76	88
12.1 Civilian personnel benefits .....	15	18	13
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	3	2	2
23.1 Rental payments to GSA .....	1	4	4
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	5	4	5
25.1 Advisory and assistance services .....	10	4	4
25.2 Other services .....	47	61	63
25.3 Other purchases of goods and services from Government accounts .....	5	16	15
25.4 Operation and maintenance of facilities .....	1,727	853	905
25.5 Research and development contracts .....	71	1,089	1,152
26.0 Supplies and materials .....	1	7	7
31.0 Equipment .....	224	225	226
32.0 Land and structures .....	390	375	333
41.0 Grants, subsidies, and contributions .....	693	529	492
99.9 Total new obligations .....	3,265	3,265	3,311

**Personnel Summary**

Identification code 89-0222-0-1-251	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	853	965	965

**ENERGY SUPPLY**

For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for energy supply activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, and the purchase of not to exceed 12 passenger motor vehicles for replacement only, including two buses; \$861,805,000, to remain available until expended, of which \$17,300,000 shall be used to support research and development contracts on technological approaches to reduce, avoid, or capture greenhouse gas emissions, to be awarded pursuant to competitive solicitations.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 89-0224-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Hydrogen technology .....			88
00.02 Solar energy .....			80
00.03 Zero energy buildings .....			4
00.04 Wind energy .....			42
00.05 Hydropower .....			7
00.06 Geothermal technology .....			25
00.07 Biomass and biorefinery systems R&D .....			70
00.08 Intergovernmental activities .....			12
00.09 Electric reliability .....			77
00.10 Departmental energy management program .....			2
00.11 NCCTI Competitive Solicitation .....			15
00.12 Facilities and infrastructure .....			5
00.13 Program direction .....	19	16	17
00.14 Renewable energy technologies, including hydrogen research .....	264	304	
00.15 Electric energy systems and storage .....	66	75	
00.16 Renewable energy program support and implementation .....	14	24	

00.17 National renewable energy laboratory .....	5	5	
00.91 Total, Energy efficiency and renewable energy .....	368	424	444
<b>Office of science:</b>			
01.01 Technical information management program .....	8	8	
01.02 Nuclear energy research and development .....	245	254	388
01.03 Environment, safety and health .....	30	30	30
01.91 Total, Other Energy Supply .....	283	292	418
08.00 Total, direct program .....	651	716	862
09.10 Reimbursable program .....	672	1,402	1,370
10.00 Total new obligations .....	1,323	2,118	2,232

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	67	74	
22.00 New budget authority (gross) .....	1,331	2,044	2,232
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	1,398	2,118	2,232
23.95 Total new obligations .....	-1,323	-2,118	-2,232
24.40 Unobligated balance carried forward, end of year .....	74		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	667	694	862
41.00 Transferred to other accounts .....	-4		
43.00 Appropriation (total discretionary) .....	663	694	862
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	616	1,350	1,370
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	52		
68.90 Spending authority from offsetting collections (total discretionary) .....	668	1,350	1,370
70.00 Total new budget authority (gross) .....	1,331	2,044	2,232

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	442	456	549
73.10 Total new obligations .....	1,323	2,118	2,232
73.20 Total outlays (gross) .....	-1,255	-2,025	-2,135
73.40 Adjustments in expired accounts (net) .....	-2		
73.45 Recoveries of prior year obligations .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-52		
74.40 Obligated balance, end of year .....	456	549	645

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	929	1,662	1,757
86.93 Outlays from discretionary balances .....	326	363	378
87.00 Total outlays (gross) .....	1,255	2,025	2,135

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-359	-720	-740
88.40 Non-Federal sources .....	-257	-630	-630
88.90 Total, offsetting collections (cash) .....	-616	-1,350	-1,370
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-52		

**Net budget authority and outlays:**

89.00 Budget authority .....	663	694	862
90.00 Outlays .....	638	675	765

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

The purpose of Energy Supply Research and Development activities is to develop new energy technologies and improve existing energy technologies. Included in this mission are basic and applied research and targeted programs in technology development.

This account provides funds for both operating expenses and capital equipment for the advancement of the various energy technologies under examination in the energy supply, research and development mission.

The 2004 Budget proposes a major new initiative to accelerate the worldwide availability and affordability of hydrogen-powered fuel cell vehicles. The new FreedomFuel initiative will be a partnership with energy companies focused on research and development to advance hydrogen production, storage, and infrastructure. It complements the FreedomCAR partnership with the auto industry announced last year, which is aimed at developing viable hydrogen fuel cell vehicle technology.

**Energy Efficiency and Renewable Energy.**—This program undertakes research and development of renewable energy and related technologies to meet the growing need for clean and affordable energy. Program activities range from basic research in universities and national laboratories to cost-shared applied research, development, and field validation in partnership with the private sector. Specific activities of the 2004 program include:

**Hydrogen Technology:** Develop hydrogen production, storage, and delivery technologies that are more energy efficient, cleaner, safer, and lower in cost. The long-term aim is to accelerate progress toward an energy future for the Nation where hydrogen plays a more significant role as an energy carrier in all sectors of the economy and all regions of the country. The program supports the new FreedomFuel initiative.

**Solar Energy:** Develop lower cost, higher performance, more reliable solar energy systems for the production of electricity, space heat and hot water. Activities include more efficient photovoltaic (PV) materials and cell devices, lower-cost thin-film PV technologies, improved manufacturing and large-area processing, and more reliable PV modules and systems as part of an industry-led research effort. Solar thermal activities are focused on cooperative industry efforts to reduce costs and effectively use advanced solar technology for water heating and space heat.

**Zero Energy Buildings:** Develop affordable zero energy homes, which produce as much energy as they use on an annual basis. ZEB activities include partnering with industry to evaluate and monitor first generation ZEB homes, developing whole house energy controller, and developing modeling tools and technology to optimize and integrate energy systems. This year, ZEB activities begin a transition into the Building Program under the Energy Conservation account.

**Wind Energy:** Develop in partnership with industry low wind-speed technology to allow wind power to be cost-competitive in more prevalent, lower-wind resources areas, and support related technology base advances.

**Hydropower:** Continue development of turbine systems to address the primary environmental issues associated with licensing and sustaining hydropower production.

**Geothermal Technology:** Continue development of an enhanced geothermal system that will allow the broader use of geothermal energy throughout the western United States and conduct cooperative research with industry to reduce the cost of geothermal development and to identify new resources.

**Biomass and Biorefinery Systems:** Continue R&D to achieve further reductions in the costs of bio-based products and biofuels production and to develop high-efficiency thermochemical and biochemical conversion technologies.

**Intergovernmental Activities:** The Tribal Energy program helps Native Americans develop renewable energy resources on their lands and helps Tribal leaders develop energy plans. The International Renewable Energy program promotes the use of renewable energy resources in international markets.

**Electric Reliability:** The program provides a balanced research and development portfolio of advanced electrical infrastructure technologies—more efficient, higher capacity

generators, transformers, power lines, and storage systems—as well as developing the technological platform for the “smart” grid of the future where operators have immediate information about conditions on their system and are able to take action to correct potential problems.

**The Departmental Energy Management Program:** Continue to fund, through internal competition, the most cost effective opportunities to improve energy efficiency in DOE’s facilities, employing renewable technologies as appropriate.

**National Climate Change Technology Initiative Competitive Solicitation Program:** Supports competitive solicitations to promote applied research that has as its primary goal the reduction of greenhouse gas emissions or the sequestration of greenhouse gases. Competitive awards will be made based on maximum emissions reduction potential per dollar spent. The Competitive Solicitation Program is a key component of the President’s National Climate Change Technology Initiative and is intended to complement and enrich the existing research and development portfolio of climate-related technologies, which may help to reduce greenhouse gas emissions, but are not necessarily designed to do so. Funding for this program is also requested in the Energy Conservation account and the Fossil Energy account.

**Nuclear fission.**—The 2004 Budget continues to support the Nuclear Energy Technologies program, including the Nuclear Power 2010 program, which will aggressively pursue demonstration of key regulatory approval processes and foster the completion of cost-effective, advanced nuclear plant designs in order to pave the way for the deployment of new, advanced nuclear plants in the United States by 2010. Nuclear Energy Technologies also include the Generation IV Nuclear Energy Systems Initiative, where the United States will participate in multi-nation research and development projects to usher forth next-generation nuclear reactors and fuel cycles. In collaboration with the Generation IV Nuclear Energy Systems program, Advanced Fuel Cycle Initiative aims to develop and deploy technologies that will reduce the volume of high level waste from spent nuclear fuel, reduce the long-term radiotoxicity of spent nuclear fuel, reduce the long-term proliferation threat posed by civilian inventories of plutonium in spent fuel, and provide for proliferation resistant technologies to recover the energy content in spent nuclear fuel.

The Department also continues to support the University program, preserving the education and training infrastructure needed to develop the next generation of nuclear scientists and engineers. In addition, the Administration’s proposal supports the Nuclear Energy Research Initiative (NERI), an investigator-initiated, peer-reviewed research and development program that addresses key issues affecting the future of nuclear energy, including nuclear waste storage and disposal, nuclear plant economics and operational safety, and potential for weapons proliferation.

Nuclear fission programs also support the Department’s critical infrastructure necessary to enable research on advanced nuclear power systems for U.S. national security and other federal agencies, to support the production of radioisotopes for medical and other research purposes, and to maintain and operate the Department’s nuclear facilities, including the Advanced Test Reactor and hot cells, in a safe, environmentally compliant and cost-effective manner. Beginning in 2004, the Office of Nuclear Energy, Science and Technology’s budget also includes funding for Idaho sitewide operations and safeguards and security programs, as part of the Lead Program Secretarial Office responsibilities for Idaho transitioning from the Office of Environmental Management.

**Environment, safety and health.**—The Office of Environment, Safety and Health is a corporate resource that fosters protection of workers, the public, and the environment. The office develops and improves policies; monitors environment,

**General and special funds—Continued**

**ENERGY SUPPLY—Continued**

safety, and health performance; and provides guidance, resources, and information sharing.

Note that the budget request for the Office of Environment, Safety and Health programs is contained in two accounts: Energy Supply and Other Defense Activities. The funding in this account supports policy, standards and guidance and DOE-wide ES&H programs as well as program direction.

**Object Classification (in millions of dollars)**

Identification code 89-0224-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	37	30	53
11.3 Other than full-time permanent .....	1	1	2
11.5 Other personnel compensation .....	1	1	2
11.9 Total personnel compensation .....	39	32	57
12.1 Civilian personnel benefits .....	8	7	12
21.0 Travel and transportation of persons .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.1 Advisory and assistance services .....	32	35	36
25.2 Other services .....	16	18	18
25.3 Other purchases of goods and services from Government accounts .....	17	19	19
25.4 Operation and maintenance of facilities .....	368	418	524
25.5 Research and development contracts .....	9	10	12
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	7	8	8
32.0 Land and structures .....	8	9	9
41.0 Grants, subsidies, and contributions .....	143	156	163
99.0 Direct obligations .....	651	716	862
99.0 Reimbursable obligations .....	672	1,402	1,370
99.9 Total new obligations .....	1,323	2,118	2,232

**Personnel Summary**

Identification code 89-0224-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	439	352	597
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	16		

**NON-DEFENSE SITE ACCELERATION COMPLETION**

For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for non-defense environmental management site acceleration activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, \$170,875,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 89-0250-0-1-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 2006 Accelerated Completions .....			49
00.02 2012 Accelerated Completions .....			120
00.03 2035 Accelerated Completions .....			2
00.04 Excess facilities .....	2	2	
00.05 Site closure .....	18		
00.06 Site/project completion .....	89	62	
00.07 Post 2006 completion .....	109	125	
10.00 Total new obligations .....	218	189	171

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	2	23	
22.00 New budget authority (gross) .....	239	166	171
23.90 Total budgetary resources available for obligation	241	189	171
23.95 Total new obligations .....	-218	-189	-171
24.40 Unobligated balance carried forward, end of year .....	23		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	236	166	171
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	3		
70.00 Total new budget authority (gross) .....	239	166	171

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	112	91	62
73.10 Total new obligations .....	218	189	171
73.20 Total outlays (gross) .....	-240	-218	-174
74.40 Obligated balance, end of year .....	91	62	59

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	166	116	120
86.93 Outlays from discretionary balances .....	74	102	54
87.00 Total outlays (gross) .....	240	218	174

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-3		

**Net budget authority and outlays:**

89.00 Budget authority .....	236	166	171
90.00 Outlays .....	237	218	174

**2006 Accelerated Completions.**—Provides funding for completing cleanup and closing down facilities contaminated as a result of nuclear energy research and development. This account includes geographic sites with an accelerated cleanup plan closure date of 2006 or earlier (such as Lawrence Berkley National Laboratory). In addition, this account provides funding for EM sites where overall site cleanup will not be complete by 2006 but cleanup projects within a site (for example, spent fuel removal and TRU waste shipped off-site) will be complete by 2006.

**2012 Accelerated Completions.**—Provides funding for completing cleanup and closing down facilities contaminated as a result of nuclear energy research and development. This account includes all geographic sites with an Accelerated Cleanup Plan closure date of 2007 through 2012 (such as, Brookhaven National Laboratory and West Valley Demonstration Project). In addition, this account provides funding for EM sites where overall site cleanup will not be complete by 2012 but cleanup projects within a site (for example, spent fuel removal and TRU waste shipped off-site) will be complete by 2012.

**2035 Accelerated Completions.**—Provides funding for completing cleanup and closing down facilities contaminated as a result of nuclear energy research and development. This account provides funding for site closures and site specific cleanup and closure projects that are expected to be completed after 2012. EM has established a goal of completing cleanup at all its sites by 2035.

**Object Classification (in millions of dollars)**

Identification code 89-0250-0-1-271	2002 actual	2003 est.	2004 est.
25.4 Operation and maintenance of facilities .....	215	186	171
41.0 Grants, subsidies, and contributions .....	3	3	
99.9 Total new obligations .....	218	189	171

NON-DEFENSE ENVIRONMENTAL SERVICES

For Department of Energy expenses necessary for non-defense environmental services activities conducted as a result of nuclear energy research and development activities that indirectly support the accelerated cleanup and closure mission at environmental management sites, as well as new work scope transferred to the Environmental Management program, including the purchase, construction, and acquisition of plant and capital equipment and other necessary expenses, \$292,121,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 89-0315-0-1-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Community and Regulatory Support .....			1
00.02 Environmental Cleanup Projects .....			44
00.03 Non-closure Environmental Activities .....			247
00.91 Subtotal, Non-Defense Environmental Services .....			292
Uranium Enrichment Decontamination and Decommissioning Fund:			
01.01 Environmental restoration and waste management .....	314	235	
01.02 Uranium/Thorium reimbursements .....	1	1	
01.91 Total, Uranium Enrichment Decontamination and Decommissioning Fund .....	315	236	
02.01 Other uranium activities .....	123	147	
10.00 Total new obligations .....	438	382	292
<b>Budgetary resources available for obligation:</b>			
Unobligated balance carried forward, start of year:			
21.40 Unobligated balance carried forward, start of year [Uranium Enrichment D&D Fund] .....	15		
21.40 Unobligated balance carried forward, start of year [General Fund] .....	5		
22.00 New budget authority (gross) .....	418	382	292
23.90 Total budgetary resources available for obligation .....	438	382	292
23.95 Total new obligations .....	-438	-382	-292
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	119	147	292
42.00 Transferred from other accounts .....	300	236	
43.00 Appropriation (total discretionary) .....	418	382	292
<b>Change in obligated balances:</b>			
Obligated balance, start of year:			
72.40 Obligated balance, start of year [Uranium Enrichment D&D Fund] .....	131	130	87
72.40 Obligated balance, start of year [General Fund] .....	43	60	49
73.10 Total new obligations .....	438	382	292
73.20 Total outlays (gross) .....	-422	-436	-321
Obligated balance, end of year:			
74.40 Obligated balance, end of year [Uranium Enrichment D&D Fund] .....	130	87	13
74.40 Obligated balance, end of year [General Fund] .....	60	49	94
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	228	267	204
86.93 Outlays from discretionary balances .....	194	169	117
87.00 Total outlays (gross) .....	422	436	321
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	418	382	292
90.00 Outlays .....	422	436	321

**Non-Closure Environmental Activities.**—Funds activities that indirectly support EM's accelerated cleanup and closure mission such as gaseous diffusion plant uranium programs. These activities, while not in direct support of cleanup, provide valuable services to other Departmental priorities and missions.

**Community and Regulatory Support.**—Funds activities that are indirectly related to on-the-ground cleanup results but

are integral to EM's ability to conduct cleanup at our sites (for example, Agreements in Principles with state regulators and tribal nations and Site Specific Advisory Boards).

**Environmental Cleanup Projects.**—Provides funds to support the transfer of additional contaminated excess facilities to the EM program from other Departmental programs for surveillance and maintenance and eventual decontamination and decommissioning (for example, the Fast Flux Test Facility beginning in 2004). These transfers constitute new work for the EM program.

Object Classification (in millions of dollars)			
Identification code 89-0315-0-1-271	2002 actual	2003 est.	2004 est.
23.3 Communications, utilities, and miscellaneous charges .....	4	4	1
25.2 Other services .....	171	149	100
25.4 Operation and maintenance of facilities .....	246	214	176
32.0 Land and structures .....	13	11	10
41.0 Grants, subsidies, and contributions .....	4	4	5
99.9 Total new obligations .....	438	382	292

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, and for conducting inquiries, technological investigations and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs (30 U.S.C. 3, 1602, and 1603), \$519,305,000, to remain available until expended, of which \$5,000,000 shall be derived by transfer of unobligated balances from "SPR Petroleum Account"; of which \$13,200,000 shall be used to support research and development contracts on technological approaches to reduce, avoid, or capture greenhouse gas emissions, to be awarded pursuant to competitive solicitations; and of which \$130,000,000 are to be made available, after coordination with the private sector, for a request for proposals for a Clean Coal Power Initiative providing for competitively-awarded research, development, and demonstration projects to reduce the barriers to continued and expanded coal use: Provided, That no project may be selected for which sufficient funding is not available to provide for the total project: Provided further, That funds shall be expended in accordance with the provisions governing the use of funds contained under the heading "Clean Coal Technology" in 42 U.S.C. 5903d: Provided further, That the Department may include provisions for royalties or other means of repayment of Government contributions to individual projects, including repayments from sale and licensing of technologies from both domestic and foreign transactions: Provided further, That such repayments shall be retained by the Department for future coal-related research, development and demonstration projects, subject to appropriation in advance: Provided further, That any technology selected under this program shall be considered a Clean Coal Technology, and any project selected under this program shall be considered a Clean Coal Technology Project, for the purposes of 42 U.S.C. §7651n, and Chapters 51, 52, and 60 of title 40 of the Code of Federal Regulations.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 89-0213-0-1-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 President's Coal Research Initiative .....	270	316	321
00.02 Other power systems .....	13	50	47
00.03 Oil and gas research and development .....	99	58	42
00.04 Program direction and management support .....	67	85	93
00.05 Environmental restoration .....	11	10	10
00.06 Cooperative research and development ventures .....	8	6	6
00.07 Import/Export authorizations .....	2	2	3
00.08 Plant and capital equipment .....	3	2	3
00.09 Advanced metallurgical process .....	5	5	10

## General and special funds—Continued

## FOSSIL ENERGY RESEARCH AND DEVELOPMENT—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 89-0213-0-1-271	2002 actual	2003 est.	2004 est.
10.00 Total new obligations .....	478	534	535
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	125	260	459
22.00 New budget authority (gross) .....	578	479	519
22.10 Resources available from recoveries of prior year obligations .....	2		
22.22 Unobligated balance transferred from other accounts	34	254	
23.90 Total budgetary resources available for obligation	739	993	978
23.95 Total new obligations .....	-478	-534	-535
24.40 Unobligated balance carried forward, end of year .....	260	459	444
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	583	479	514
41.00 Transferred to other accounts .....	-12		
42.00 Transferred from other accounts .....	8		5
43.00 Appropriation (total discretionary) .....	578	479	519
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	415	470	547
73.10 Total new obligations .....	478	534	535
73.20 Total outlays (gross) .....	-421	-691	-651
73.32 Obligated balance transferred from other accounts— Clean Coal .....		234	
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	470	547	431
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	233	192	208
86.93 Outlays from discretionary balances .....	188	499	443
87.00 Total outlays (gross) .....	421	691	651
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	578	479	519
90.00 Outlays .....	421	691	651
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	4	5	5
99.01 Outlays .....	4	5	5

Note.—Excludes \$5 million in budget authority in BY for natural gas infrastructure activities transferred to the Department of Transportation, Office of Pipeline Safety. Comparable amounts for PY (\$10 million) and CY (\$10 million) are included above.

The Fossil Energy Research and Development program supports high-priority, high-risk research that will improve the Nation's ability to use coal cleanly and efficiently. The program funds research and development that strengthens the technology base industry uses in developing new products and processes to support these national goals. Fossil Energy R&D supports activities ranging from early concept research in universities and national laboratories to applied R&D and proof-of-concept projects in private-sector firms.

**President's Coal Research Initiative.**—The budget assumes that, following the merger with the Clean Coal Technology account in 2003, all DOE coal research activities are now carried out in the Fossil Energy R&D account as part of the Clean Coal Power initiative. Should funds be de-obligated from any pre-existing projects, these funds can be made available for new projects under this initiative. The Department will continue to increase involvement of the private sector and academia to help conduct and direct research toward the most critical barriers to expansion of coal use for power generation in the United States. This cooperative effort will require industry to share in the cost of research work, with the industry share increasing as technologies approach commercial stages. Technologies will be selected with the goal of accelerating development and deployment of coal technologies that will economically meet environmental standards,

while increasing the efficiency and reliability of coal power plants. The coal R&D program will focus on addressing the energy and environmental demands of the post-2000 domestic market, and includes three elements: (1) Central systems, which includes the technologies for advanced coal-fueled power systems, and innovations for existing plants; (2) Sequestration R&D, which focuses on greenhouse gas capture and reduction; and (3) Advanced research, which, through early concept research, bridges fundamental research and engineering development. The program goals of these elements are integrated through the Vision 21 concept, aimed at doubling the existing power plant efficiency with the flexibility to produce high-value products from coal and other fuels while achieving near-zero pollution and reducing energy costs.

As part of the program's Carbon Sequestration efforts, Fossil Energy will contribute funding to a joint effort with the Office of Nuclear Energy and the Office of Energy Efficiency and Renewable Energy called the National Climate Change Technology Initiative Competitive Solicitation Program. These funds will support competitive solicitations to promote applied research that has as its primary goal the reduction of greenhouse gas emissions or the sequestration of greenhouse gases. Competitive awards will be made based on maximum emissions reduction potential. The competitive solicitation program is a key component of the president's national climate change technology initiative and is intended to complement and enrich the existing research and development portfolio of climate change related technologies. The technologies in the existing portfolio may help reduce greenhouse gas emissions, but have been selected for the portfolio with a variety of goals in mind, not necessarily greenhouse gas reductions. This program is intended to have technologies compete head to head, based on their ability to reduce greenhouse gas in the atmosphere.

**Other Power Systems.**—Other Power Systems focuses on novel power generation systems, distributed power generation systems including fuel cell technology, and supporting technology for all power systems.

**Oil and Gas.**—The Oil and Gas programs will focus on supporting the President's initiatives on Clear Skies, Climate Change, and Energy Security. Activities include technology and analytical investments that support the Administration's objectives to increase domestic production, protect the environment, and build global alliances.

**Program direction and management support.**—The program provides the funding for all headquarters and indirect field personnel and overhead expenses in Fossil Energy. In addition, it provides support for day-to-day project management functions.

**Environmental restoration.**—The Department of Energy is managing the environmental cleanup of former and present Fossil Energy project sites. Activities include environmental protection, onsite cleanup, and cleanup at several former off-site research and development locations in Wyoming and Connecticut and environmental efforts at the National Energy Technology Laboratory Morgantown and Pittsburgh sites, and the Albany Research Center.

**Import/Export Authorization.**—This program will continue regulatory reviews and oversight of the transmission of natural gas and electricity across the U.S. borders.

## Object Classification (in millions of dollars)

Identification code 89-0213-0-1-271	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	47	49	49
11.3 Other than full-time permanent .....	3	1	1
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	51	51	51
12.1 Civilian personnel benefits .....	11	10	10
21.0 Travel and transportation of persons .....	2	3	3
23.3 Communications, utilities, and miscellaneous charges	3	3	3

25.1	Advisory and assistance services .....	55	49	49
25.2	Other services .....	33	28	28
25.3	Other purchases of goods and services from Govern- ment accounts .....	6	8	8
25.4	Operation and maintenance of facilities .....	53	42	42
25.5	Research and development contracts .....	231	318	319
26.0	Supplies and materials .....	9	7	7
32.0	Land and structures .....	14	3	3
41.0	Grants, subsidies, and contributions .....	10	12	12
99.9	Total new obligations .....	478	534	535

**Personnel Summary**

Identification code 89-0213-0-1-271	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equiv- alent employment .....	670	771	771

**NAVAL PETROLEUM AND OIL SHALE RESERVES**

*For expenses necessary to carry out naval petroleum and oil shale reserve activities, \$16,500,000, to remain available until expended: Provided, That, notwithstanding any other provision of law, unobligated funds remaining from prior years shall be available for all naval petroleum and oil shale reserve activities.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 89-0219-0-1-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Naval Petroleum Reserves .....	22	33	17
10.00 Total new obligations .....	22	33	17
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	17	12	
22.00 New budget authority (gross) .....	17	21	17
23.90 Total budgetary resources available for obligation .....	34	33	17
23.95 Total new obligations .....	-22	-33	-17
24.40 Unobligated balance carried forward, end of year .....	12		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	17	21	17
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	18	18	33
73.10 Total new obligations .....	22	33	17
73.20 Total outlays (gross) .....	-23	-18	-18
74.40 Obligated balance, end of year .....	18	33	32
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	11	13	11
86.93 Outlays from discretionary balances .....	12	5	7
87.00 Total outlays (gross) .....	23	18	18
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	17	21	17
90.00 Outlays .....	23	18	18

The Naval Petroleum and Oil Shale Reserves has historically managed, operated, maintained and produced the reserves to achieve the greatest value and benefit to the Government. From FY 1976 through FY 2000, NPOSR production activities generated a net income of \$21 billion for the U.S. Treasury. As a result of the National Defense Authorization Act for FY 1996, NPR-1 (Elk Hills) was sold to Occidental Petroleum Corporation and all three naval oil shale reserves (NOSR) have been transferred outside the Department. Administrative jurisdiction for NOSR-1 and NOSR-3 were transferred to the Department of the Interior to be made available for leasing. The third oil shale reserve, NOSR-2,

was transferred to the Ute Indian Tribe in January 2000 in accordance with the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001. The U.S. retains a 9% royalty interest in the value of any oil, gas, other hydrocarbons, and other minerals produced from the conveyed land, which will be applied to costs for remediation of the uranium mill tailings site near Moab, Utah. The most significant post-sale activity is the settlement of ownership equity shares with the former unit partner in the NPR-1 field, Chevron USA Inc. Geologic petroleum and reservoir engineering services are required to prepare and support the Government's equity position before an independent petroleum engineer and the Assistant Secretary for Fossil Energy, who is to impartially determine final equity shares. Each percentage point change in equity is worth millions of dollars to the Government. The FY2004 budget request supports activities for the two remaining Naval Petroleum Reserve properties—Naval Petroleum Reserve Number 2 in California, and Naval Petroleum Reserve Number 3 in Wyoming. The Elk Hills closeout work includes reservoir engineering analysis to determine final equity percentages; legal support for all sale-related issues; and environmental remediation and cultural resource activities required as a result of the sale agreement. Responsibilities for the other properties include management and environmental compliance of the 17 NPR-2 leases; operation and maintenance of NPR-3 field operations; and environmental remediation of NPR-3. No funding is provided in FY2004 for the Rocky Mountain Oilfield Testing Center.

**Object Classification (in millions of dollars)**

Identification code 89-0219-0-1-271	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	3	3	3
12.1 Civilian personnel benefits .....	1	1	1
25.1 Advisory and assistance services .....	8	10	8
25.2 Other services .....	9	18	4
99.0 Direct obligations .....	21	32	16
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	22	33	17

**Personnel Summary**

Identification code 89-0219-0-1-271	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equiv- alent employment .....	29	32	32

**ENERGY CONSERVATION**

*For necessary expenses in carrying out energy conservation activities, \$875,793,000, to remain available until expended, of which \$9,500,000 shall be used to support research and development contracts on technological approaches to reduce, avoid, or capture greenhouse gas emissions, to be awarded pursuant to competitive solicitations: Provided, That \$326,998,000 shall be for use in energy conservation grant programs as defined in section 3008(3) of Public Law 99-509 (15 U.S.C. 4507): Provided further, That notwithstanding section 3003(d)(2) of Public Law 99-509, such sums shall be allocated to the eligible programs as follows: \$288,200,000 for weatherization assistance grants and \$38,798,000 for State energy program grants.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 89-0215-0-1-272	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Vehicle Technologies .....			158
00.02 Fuel Cell Technologies .....			77

## General and special funds—Continued

## ENERGY CONSERVATION—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 89-0215-0-1-272	2002 actual	2003 est.	2004 est.
00.03 Weatherization Assistance Program Grants .....			288
00.04 State Energy Program Grants .....			39
00.05 State Energy Activities .....			2
00.06 Gateway Deployment .....			28
00.07 Distributed Energy Resources .....			52
00.08 Building Technologies .....			53
00.09 Industrial Technologies .....			64
00.10 Biomass and Biorefinery Systems R&D .....			9
00.11 Federal Energy Management Program .....			21
00.12 NCCTI Competitive Solicitation .....		20	9
00.13 Program Management .....			77
00.14 Building technology, State and community programs—non-grant .....	103	99	
00.15 Building technology, State and community programs—grants .....	275	317	
00.16 Federal energy management .....	26	31	
00.17 Industrial sector .....	139	140	
00.19 Power sector .....	64	64	
00.20 Transportation sector .....	248	228	
00.21 Policy and management .....	43	41	
10.00 Total new obligations .....	898	940	877
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	24	28	
22.00 New budget authority (gross) .....	897	913	877
22.10 Resources available from recoveries of prior year obligations .....	4		
23.90 Total budgetary resources available for obligation .....	925	940	877
23.95 Total new obligations .....	-898	-940	-877
24.40 Unobligated balance carried forward, end of year .....	28		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	913	912	876
41.00 Transferred to other accounts .....	-16		
43.00 Appropriation (total discretionary) .....	896	912	876
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	897	913	877
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	665	680	772
73.10 Total new obligations .....	898	940	877
73.20 Total outlays (gross) .....	-879	-848	-900
73.45 Recoveries of prior year obligations .....	-4		
74.40 Obligated balance, end of year .....	680	772	749
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	270	275	264
86.93 Outlays from discretionary balances .....	609	573	636
87.00 Total outlays (gross) .....	879	848	900
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	896	912	876
90.00 Outlays .....	878	847	899
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

The Administration's energy efficiency programs have the potential to produce substantial benefits for the Nation—both now and in the future—in terms of economic growth, increased energy security and a cleaner environment through the research and development of energy efficiency and pollution prevention technologies. These programs carry out the Department's responsibility under the Energy Policy Act of 1992 and other authorizing legislation.

The 2004 Budget proposes a major new initiative to accelerate the worldwide availability and affordability of hydrogen-powered fuel cell vehicles. The new FreedomFuel initiative will be a partnership with energy companies focused on research to advance hydrogen production, storage, and infrastructure. It complements the FreedomCAR partnership with the auto industry announced last year, which is aimed at developing viable hydrogen fuel cell vehicle technology.

**Vehicle Technologies.**—This program supports the FreedomCAR and 21st Century Truck partnerships with industry. Program activities encompass a suite of technologies, including lightweight materials, electronic power control, high power storage, and hybrid electric drive motors. This program also supports research specifically aimed at improving the efficiency of energy conversion in advanced combustion engines and use of cleaner, more available alternative fuels.

**Fuel Cell Technologies.**—This program supports the FreedomFuel and FreedomCAR partnerships and stationary fuel cell applications. The program develops fuel cell technologies that are more energy efficient, cleaner, safer, reliable, durable and lower in cost. The long-term aim is to accelerate progress toward an energy future for the Nation where hydrogen fuel cells play a significant role as an energy carrier in all sectors of the economy and all regions of the country.

**Weatherization and Intergovernmental.**—The Weatherization and Intergovernmental program funds activities that facilitate the movement of energy efficient and renewable energy products into the marketplace.

**Conservation grant programs.**—The Weatherization Assistance Program improves the energy efficiency of low-income homes by providing technical assistance and formula grants to State and local weatherization agencies. The State Energy Program provides financial assistance to States through formula grants, enabling states to individually tailor energy efficiency projects to local needs.

**Gateway Deployment.**—is an integrated activity designed to provide technical and financial assistance to States and communities through activities such as Rebuild America, Energy Efficiency Information and Outreach, Building Codes Training and Assistance, Clean Cities, Energy Star, and Inventions and Innovations.

**Distributed Energy Resources.**—This program funds research and development to transform the current, electrical generation sector to a smarter, more flexible and more efficient energy system through the development and integration of distributed generation and combined heat and power technologies.

**Building Technologies.**—In partnership with the buildings industry, the program develops, promotes, and integrates energy technologies and practices to make buildings more efficient and affordable and communities more livable. The Building Technologies program accelerates the availability of highly efficient buildings technologies and practices through research and development; increases the minimum efficiency of buildings and equipment through building codes, appliance standards, and guidelines; and encourages the use of energy-efficient and renewable energy technologies and practices in residential and commercial buildings.

**Industrial Technologies.**—The program focuses on funding cost-shared research in critical technology areas identified by industry. The Industries of the Future (Specific) program encourages the most energy-intensive industries to develop a strategic vision and a "technology roadmap" to help achieve that vision. The Industries of the Future (Crosscutting) program develops technologies that are useful to multiple industries simultaneously, such as sensors and controls and advanced industrial materials, which address a multitude of wear and corrosion problems.

**Biomass and Biorefinery Systems R&D.**—This program was formed by combining several activities under a single struc-

ture to achieve cost savings by focusing on a limited and coherent set of goals and objectives while exploiting synergies. The program includes the Agricultural Industries of the Future program, part of the Energy Performance Sensors and Controls activity, and biopower/biofuels activities funded under the Energy Supply account. The program focuses on reducing processing energy requirements and production costs in biomass processing plants and future integrated industrial biorefineries.

**Federal Energy Management Program.**—This program reduces the cost and environmental impact of the Federal government by advancing energy efficiency and water conservation, promoting the use of renewable energy, and managing utility costs in Federal facilities and operations.

**National Climate Change Technology Initiative Competitive Solicitation Program.**—Supports competitive solicitations to promote applied research that has as its primary goal the reduction of greenhouse gas emissions or the sequestration of greenhouse gases. Competitive awards will be made based on maximum emissions reduction potential per dollar spent. The Competitive Solicitation Program is a key component of the President's National Climate Change Technology Initiative and is intended to complement and enrich the existing research and development portfolio of climate change-related technologies, which may help to reduce greenhouse gas emissions, but are not necessarily designed to do so. Funding for this program is also requested in the Fossil Energy account and Energy Supply account.

**Object Classification** (in millions of dollars)

Identification code 89-0215-0-1-272	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	36	36	36
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	39	39	39
12.1 Civilian personnel benefits .....	9	9	9
13.0 Benefits for former personnel .....	1		
21.0 Travel and transportation of persons .....	3	3	3
23.1 Rental payments to GSA .....	2	3	3
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.1 Advisory and assistance services .....	40	40	40
25.2 Other services .....	35	35	35
25.3 Other purchases of goods and services from Government accounts .....	10	10	10
25.4 Operation and maintenance of facilities .....	267	245	181
25.5 Research and development contracts .....	34	34	34
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	4	4	4
41.0 Grants, subsidies, and contributions .....	452	516	517
99.9 Total new obligations .....	898	940	877

**Personnel Summary**

Identification code 89-0215-0-1-272	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	441	443	439

**STRATEGIC PETROLEUM RESERVE**

*For necessary expenses for Strategic Petroleum Reserve facility development and operations and program management activities pursuant to the Energy Policy and Conservation Act of 1975, as amended (42 U.S.C. 6201 et seq.), \$175,081,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 89-0218-0-1-274	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Storage facilities operations .....	173	177	158
00.02 Management .....	17	15	17
10.00 Total new obligations .....	190	192	175
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	42	23	
22.00 New budget authority (gross) .....	171	169	175
23.90 Total budgetary resources available for obligation .....	213	192	175
23.95 Total new obligations .....	-190	-192	-175
24.40 Unobligated balance carried forward, end of year .....	23		
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	179	169	175
41.00 Transferred to other accounts .....	-8		
43.00 Appropriation (total discretionary) .....	171	169	175
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	61	87	110
73.10 Total new obligations .....	190	192	175
73.20 Total outlays (gross) .....	-163	-168	-172
74.40 Obligated balance, end of year .....	87	110	113
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	94	93	96
86.93 Outlays from discretionary balances .....	69	75	76
87.00 Total outlays (gross) .....	163	168	172
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	171	169	175
90.00 Outlays .....	163	168	172
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The object of this program is to reduce the vulnerability of the United States to energy supply disruptions by maintaining a crude oil stockpile capable of rapid deployment at the direction of the President. This program enables the President to meet the Nation's membership commitments within the International Energy Agency's coordinated energy emergency response plans and programs to deter the use of energy supply disruptions and to take effective, co-ordinated action should such an energy supply disruption occur.

The account provides for ongoing storage site operations and maintenance activities, planning activities, drawdown testing/readiness of the Reserve, planning studies, and program administration. Continuous removal of excess gas from the SPR crude oil inventory will commence in 2004.

The key measure of program performance is expressed as capability to comply with Level 1 Technical and Performance Criteria. These criteria are specific engineered performance and reliability standards applied to critical inventory storage, drawdown, and distribution systems required for drawing down and distributing crude oil inventory.

**Object Classification** (in millions of dollars)

Identification code 89-0218-0-1-274	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	10	10	10
12.1 Civilian personnel benefits .....	2	2	3
21.0 Travel and transportation of persons .....	1	1	1
23.2 Rental payments to others .....	1	1	2
23.3 Communications, utilities, and miscellaneous charges .....	3		2
25.1 Advisory and assistance services .....	2	2	2
25.2 Other services .....	18	20	24
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
25.4 Operation and maintenance of facilities .....	152	155	130

## General and special funds—Continued

## STRATEGIC PETROLEUM RESERVE—Continued

## Object Classification (in millions of dollars)—Continued

Identification code 89-0218-0-1-274	2002 actual	2003 est.	2004 est.
99.9 Total new obligations .....	190	192	175

## Personnel Summary

Identification code 89-0218-0-1-274	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	121	128	128

## SPR PETROLEUM ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 89-0233-0-1-274	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	2	7	3
10.00 Total new obligations (object class 25.2) .....	2	7	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	9	7	11
22.00 New budget authority (gross) .....		11	-5
23.90 Total budgetary resources available for obligation	9	18	6
23.95 Total new obligations .....	-2	-7	-3
24.40 Unobligated balance carried forward, end of year .....	7	11	3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		11	
41.00 Transferred to other accounts .....			-5
43.00 Appropriation (total discretionary) .....		11	-5
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	8	14
73.10 Total new obligations .....	2	7	3
73.20 Total outlays (gross) .....	-1	-1	-1
74.40 Obligated balance, end of year .....	8	14	16
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		11	-5
90.00 Outlays .....	1	1	1

This account provides for the acquisition, transportation, and injection of petroleum into the Strategic Petroleum Reserve. This account funds all Strategic Petroleum Reserve petroleum inventory acquisitions, associated transportation costs, U.S. Customs duties, terminal throughput charges, incremental drawdown costs, and other related miscellaneous costs. The Department of Energy was directed to add approximately 108 million barrels of oil to the SPR using royalty oil from federal offshore leases. Filling the SPR addresses the President's initiative to enhance the energy security of the United States by strengthening the nation's capability to respond to potential oil supply disruptions. The FY 2003 request included \$11.0 million in the Petroleum Account for Royalty oil. Funding is not requested in the FY 2004 budget for Royalty Oil due to a contractual change making transportation charges for Royalty-In-Kind fill the responsibility of the contractors.

## ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, \$80,111,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 89-0216-0-1-276	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	79	83	80
10.00 Total new obligations .....	79	83	80
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3	3	
22.00 New budget authority (gross) .....	78	80	80
23.90 Total budgetary resources available for obligation	82	83	80
23.95 Total new obligations .....	-79	-83	-80
24.40 Unobligated balance carried forward, end of year .....	3		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	78	80	80
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	29	32	36
73.10 Total new obligations .....	79	83	80
73.20 Total outlays (gross) .....	-76	-79	-80
74.40 Obligated balance, end of year .....	32	36	36
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	55	56	56
86.93 Outlays from discretionary balances .....	21	23	24
87.00 Total outlays (gross) .....	76	79	80
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	78	80	80
90.00 Outlays .....	76	79	80
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

This program supports energy information activities designed to provide timely, accurate and relevant energy information for use by the Administration, the Congress, and the general public. The activities funded in this program include the design, development and maintenance of information systems on petroleum, natural gas, coal, nuclear, electricity, alternate fuel sources, and energy consumption. This includes collecting data and ensuring its accuracy; preparing forecasts of alternative energy futures; and preparing reports on energy sources, end-uses, prices, supply and demand, and associated environmental, economic, international, and financial matters. In addition, the National Energy Information Center disseminates statistical and analytical publications, reports, and data files in hard-copy and electronic formats, and responds to public inquiries. Finally, this activity provides survey and statistical design standards, documentation standards, and energy data public-use forms clearance and burden control services.

## Object Classification (in millions of dollars)

Identification code 89-0216-0-1-276	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	30	31	32
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	32	33	34
12.1 Civilian personnel benefits .....	6	6	7

25.1	Consulting services—non-Government contracts .....	1	1	1
25.2	Other services—service contracts .....	23	26	21
25.3	Purchases of goods and services from Government accounts .....	8	8	8
25.4	Operation of GOCOs .....	1	1	1
26.0	Supplies and materials .....	8	8	8
99.9	Total new obligations .....	79	83	80

**Personnel Summary**

Identification code 89-0216-0-1-276		2002 actual	2003 est.	2004 est.
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	371	374	374

**ECONOMIC REGULATION**

For necessary expenses in carrying out the activities of the Office of Hearings and Appeals, \$1,047,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 89-0217-0-1-276		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	2	1	1
10.00	Total new obligations .....	2	1	1
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	2	1	1
23.95	Total new obligations .....	-2	-1	-1
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	2	1	1
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....	2	1	1
73.20	Total outlays (gross) .....	-2	-1	-1
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	2	1	1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	2	1	1
90.00	Outlays .....	2	1	1

**Object Classification (in millions of dollars)**

Identification code 89-0217-0-1-276		2002 actual	2003 est.	2004 est.
Direct obligations:				
11.1	Personnel compensation: Full-time permanent .....	1	1	.....
25.3	Other purchases of goods and services from Government accounts .....	1	.....	.....
99.0	Direct obligations .....	2	1	.....
99.5	Below reporting threshold .....	.....	.....	1
99.9	Total new obligations .....	2	1	1

**Compliance.**—This program, administered by the Office of General Counsel, is responsible for resolving all remaining enforcement actions to ensure that oil companies complied with petroleum regulations in effect prior to decontrol of oil in January 1981.

**Hearings and appeals.**—The Office of Hearings and Appeals issues all final orders of an adjudicatory nature other than those over which the Federal Energy Regulatory Commission or the Board of Contract Appeals have jurisdiction. It decides any remaining petroleum enforcement actions and administers refund proceedings involving funds derived from such

actions. This funding request is limited to expenses related to petroleum overcharge cases.

**Personnel Summary**

Identification code 89-0217-0-1-276		2002 actual	2003 est.	2004 est.
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	11	8	2

**FEDERAL ENERGY REGULATORY COMMISSION**

**SALARIES AND EXPENSES**

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including services as authorized by 5 U.S.C. 3109, the hire of passenger motor vehicles, and official reception and representation expenses (not to exceed \$3,000), \$199,400,000, to remain available until expended: Provided, That notwithstanding any other provision of law, not to exceed \$199,400,000 of revenues from fees and annual charges, and other services and collections in fiscal year 2004 shall be retained and used for necessary expenses in this account, and shall remain available until expended: Provided further, That the sum herein appropriated from the General Fund shall be reduced as revenues are received during fiscal year 2004 so as to result in a final fiscal year 2004 appropriation from the General Fund estimated at not more than \$0.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 89-0212-0-1-276		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
Reimbursable program:				
09.01	Promote a secure, high-quality, environmentally-responsible energy infrastructure .....	100	99	103
09.02	Foster nationwide competitive energy markets as a substitute for traditional regulation .....	30	31	32
09.03	Protect customers and market participants through vigilant and fair oversight .....	23	30	31
09.04	Efficiently administer the agency's resources to accomplish the agency's goals .....	38	32	33
09.99	Total reimbursable program .....	191	192	199
10.00	Total new obligations .....	191	192	199
<b>Budgetary resources available for obligation:</b>				
21.00	Unobligated balance carried forward, start of year .....	8	2	2
22.00	New budget authority (gross) .....	184	192	199
23.90	Total budgetary resources available for obligation .....	192	194	201
23.95	Total new obligations .....	-191	-192	-199
24.40	Unobligated balance carried forward, end of year .....	2	2	2
<b>New budget authority (gross), detail:</b>				
Discretionary:				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	184	192	199
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	26	31	30
73.10	Total new obligations .....	191	192	199
73.20	Total outlays (gross) .....	-186	-192	-198
74.40	Obligated balance, end of year .....	31	30	33
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	160	164	169
86.93	Outlays from discretionary balances .....	26	28	29
87.00	Total outlays (gross) .....	186	192	198
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-184	-192	-199

**General and special funds—Continued**

## FEDERAL ENERGY REGULATORY COMMISSION—Continued

## SALARIES AND EXPENSES—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 89–0212–0–1–276	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	2		–1
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....			
99.01 Outlays .....			

The Federal Energy Regulatory Commission (Commission) regulates key interstate aspects of the electric power, natural gas, oil pipeline, and hydropower industries. The Commission chooses regulatory approaches that foster competitive markets whenever possible, assures access to reliable service at a reasonable price, and gives full and fair consideration to environmental and community impacts in assessing the public interest of energy projects. Regulated businesses pay fees and charges sufficient to recover the Government's full costs of operations.

**Energy Infrastructure.**—The Commission must promote a secure, high quality and environmentally responsible infrastructure through consistent policies to meet market and operational demands. The Commission determines just and reasonable rates for the interstate transportation of natural gas and oil on the pipelines subject to the Commission's jurisdiction and sets rates for the interstate transmission and wholesale sales of electric energy. It approves rates for all Federal power marketing administrations, but not for TVA. The Commission also certifies three special classes of power generators: cogeneration facilities, small power production facilities, and exempt wholesale generators. Furthermore, the Commission authorizes tariff provisions, as appropriate, to allow the gas and oil pipelines and public utilities to adjust their services to meet their customers' needs and the utilities' needs to meet competition in their markets. The Commission has and will continue to develop creative and flexible pricing policies and new incentive mechanisms to promote the development of the nation's electric and gas infrastructures and support the competitive marketplace.

The Commission will continue to ensure that environmental concerns involving energy projects are properly addressed and that the public interest is protected when new hydropower projects are licensed or relicensed and when new natural gas pipeline services are authorized. The Commission issues preliminary permits, exemptions, licenses and relicenses for non-federal hydroelectric projects, enforces their terms and conditions, and performs dam safety inspections. It regulates over 1,660 hydroelectric projects, which supply about 5 percent of the electric energy generated in the United States. The Commission investigates to determine the amount of headwater benefits derived from federally owned and FERC-licensed headwater improvements, collects this amount from licensees, and returns it to the U.S. Treasury. The Commission also issues certificates authorizing natural gas pipelines to construct and operate new facilities and to provide new services.

In FY 2002, the Commission held several conferences on the security and other emergency issues of liquefied natural gas shipments, river crossing facilities, and other infrastructure, and engaged in ongoing discussions with the Departments of Transportation and Energy regarding safety and security matters. The Commission also created an infrastructure policy group for the express purpose of identifying present infrastructure conditions, needs, investment and other

barriers to expansion, and environmental and landowner concerns.

**Competitive Energy Markets.**—The Commission fosters nationwide competitive energy markets in addition to continuing to regulate transmission providers subject to its jurisdiction. Since enactment of the Energy Policy Act of 1992, the Commission has introduced a number of initiatives to foster wholesale competition in the generation sector of the electric utility industry. In 1996, the Commission issued Order Nos. 888 and 889, which require all jurisdictional public utilities to provide open access transmission service to all wholesale customers under standard terms and conditions. At the end of 1999, the Commission issued Order No. 2000, which called on utilities to voluntarily form regional transmission organizations (RTOs), with Commission approval, to facilitate the efficient exchange of electricity over large regions of the country.

Much was accomplished in establishing RTOs by the end of calendar year 2002. The Midwest Independent System Operator, Inc. (Midwest ISO) was approved by the Commission as an RTO in December 2001 and commenced operations in February 2002 in all or parts of several Midwestern states and one Canadian province. The Southwest Power Pool (SPP) has proposed to join the Midwest ISO. The Pennsylvania-New Jersey-Maryland Interconnection (PJM), which was granted RTO status in December 2002, is working with the Midwest ISO and SPP to create a joint and common market that will span from the Atlantic Ocean to the Rocky Mountains. Finally, the Commission (1) approved essential parts of SeTrans RTO, which would extend over eight Southeastern states; (2) gave preliminary approval to WestConnect RTO, which would operate in parts of the Desert Southwest states of Arizona, Colorado, New Mexico and Utah, and (3) approved key aspects of the RTO West proposal, which includes all, or part of, eight Pacific Northwest states.

In July 2002, the Commission proposed for public comment a new rule to adopt a standard design for electric power markets using the best practices from around the country and the world. The intent of the standard market design proposal is to build on existing RTO formation efforts and to allow regional variation in appropriate aspects of market design. Standardized business rules and practices will maximize market efficiency, ease market entry, and transactions costs.

**Market Oversight.**—The Commission must protect customers and market participants through vigilant and fair oversight of the transitioning energy markets. The Commission will strengthen the role of RTO market monitoring units and will count on them as the first line of defense against problems. The Commission will ensure procompetitive market structures by identifying and remedying problems, assessing market and infrastructure conditions against objective benchmarks, and periodically reviewing and revising market rules for sustained, long-term development of energy markets. To this end, the Commission will publish a Seasonal Market Assessment for the summer cooling season and again for the winter heating season. This will allow for correction of major potential problems in the markets before they become serious. The Commission will also issue an annual State of the Markets Report, to review overall market performance for both natural gas and electricity and highlight longer term issues. In addition, the Commission will continue to ensure that mergers and consolidations are consistent with pro-competitive goals. The Commission will detect abuses of market power quickly and use prohibitions and penalties as necessary to remove, prevent, and deter abuses. The Commission will conduct investigations as warranted and act on complaints, using litigation before administrative law judges as necessary.

**Resource Management.**—Efficient management of resources facilitates accomplishing the Commission's regulatory mission. Resource management includes human resources manage-

ment and development, financial management, including budget formulation and execution, strategic and business planning, and procurement, information technology, and external communications.

**Object Classification** (in millions of dollars)

Identification code 89-0212-0-1-276	2002 actual	2003 est.	2004 est.
99.0 Reimbursable obligations: Reimbursable obligations ...	191	192	199
99.9 Total new obligations .....	191	192	199

**Personnel Summary**

Identification code 89-0212-0-1-276	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1,188	1,250	1,250

**CLEAN COAL TECHNOLOGY**

**Program and Financing** (in millions of dollars)

Identification code 89-0235-0-1-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Clean Coal Technology .....	32		
10.00 Total new obligations .....	32		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	237	214	
22.00 New budget authority (net) .....	42	40	
22.21 Unobligated balance transferred to other accounts	-34	-254	
23.90 Total budgetary resources available for obligation	245		
23.95 Total new obligations .....	-32		
24.40 Unobligated balance carried forward, end of year .....	214		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance deferred to future years .....	-40		
55.00 Funds becoming available from prior year deferrals	82	40	
70.00 Total new budget authority (gross) .....	42	40	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	240	234	
73.10 Total new obligations .....	32		
73.20 Total outlays (gross) .....	-37		
73.31 Obligated balance transferred to other accounts .....		-234	
74.40 Obligated balance, end of year .....	234		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	37		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	42	40	
90.00 Outlays .....	37		

Remaining funds were proposed for transfer in the FY 2003 request.

**Object Classification** (in millions of dollars)

Identification code 89-0235-0-1-271	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	6		
12.1 Civilian personnel benefits .....	1		
25.1 Advisory and assistance services .....	2		
25.2 Other services .....	6		
25.4 Operation and maintenance of facilities .....	1		
25.5 Research and development contracts .....	16		
99.9 Total new obligations .....	32		

**Personnel Summary**

Identification code 89-0235-0-1-271	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	63		

**ALTERNATIVE FUELS PRODUCTION**

**Program and Financing** (in millions of dollars)

Identification code 89-5180-0-2-271	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2		
22.00 New budget authority (gross) .....	-2		
23.90 Total budgetary resources available for obligation .....			
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance rescinded .....	-2		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	9	9	9
74.40 Obligated balance, end of year .....	9	9	9
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-2		
90.00 Outlays .....			

The alternative fuels program was established in 1980 for the purpose of expediting the development and production of alternative fuels from coal.

Upon default of the borrower in 1985 under a Federal loan guarantee, the Department acquired ownership of the Great Plains plant by foreclosure. On October 31, 1988, the Department completed an asset purchase agreement of the Great Plains Gasification Plant by Dakota Gasification Company (DGC).

Negotiated settlement agreements dated February 16, 1994, resolved all past disputes as well as restructured the Gas Purchase Agreements pricing provisions. In a separate agreement with DOE, DGC agreed to pay DOE \$25 million over the 7 year period of time DGC receives the demand payments from the pipeline companies.

Funds in this account are used to pay for expenses and responsibilities related to the Department's prior operation of the Great Plains Coal Gasification Project and the administration of the Asset Purchase Agreement which transferred the facility to the private sector. During FY 2002, the largest costs were for technical analysis to determine the reduction in net synthetic natural gas production at the Great Plains Synfuels Plant caused by the operation of an Anhydrous Ammonia Synthesis Plant within the larger gasification facility, and its effect on revenues. Remaining outstanding obligations are for carrying out contractual obligations to the termination of the contract in 2009. The Federal revenue sharing receipts are based on this review and analysis.

In FY 2002, the Department of Energy received \$12.8 million in revenue sharing payments from Dakota Gasification Company. The \$12.8 million was returned by the Department of Energy to the Treasury as Miscellaneous Receipts. Future revenue sharing payments to the Department are dependent upon natural gas prices.

**ELK HILLS SCHOOL LANDS FUND**

For necessary expenses in fulfilling installment payments under the Settlement Agreement entered into by the United States and the State of California on October 11, 1996, as authorized by section 3415 of Public Law 104-106, \$36,000,000, for payment to the State of

**General and special funds—Continued**

**ELK HILLS SCHOOL LANDS FUND—Continued**

*California for the State Teachers' Retirement Fund from the Elk Hills School Lands Fund.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 89-5428-0-2-271	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	226	190	118
Appropriations:			
05.00 Elk Hills school lands fund .....	-36	-72	-36
05.99 Total appropriations .....	-36	-72	-36
07.99 Balance, end of year .....	190	118	82

**Program and Financing** (in millions of dollars)

Identification code 89-5428-0-2-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Elk Hills school lands fund .....	36	72	36
10.00 Total new obligations (object class 41.0) .....	36	72	36
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	36	72	36
23.95 Total new obligations .....	-36	-72	-36
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) .....		36	36
55.20 Advance appropriation (special fund) .....	36	36	
70.00 Total new budget authority (gross) .....	36	72	36
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	36	72	36
73.20 Total outlays (gross) .....	-36	-72	-36
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	36	72	36
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	36	72	36
90.00 Outlays .....	36	72	36

Title XXXIV, Subtitle B of Public Law 104-106 required the Department to sell the government's interest in Naval Petroleum Reserve No. 1 (Elk Hills) pursuant to the terms of the Act. The sale occurred in February 1998, following a statutorily-required 31-day congressional review period.

Section 3415 of the Act required, among other things, that the Department make an offer of settlement based on the fair value of the State of California's longstanding claims to two parcels of land ("school lands") within the Reserve. Under the Act, nine percent of the net proceeds were reserved in contingent fund in the Treasury for payment to the State. In compliance with the Act and in order to remove any cloud over title which could diminish the sales value of the Reserve, the Department entered into a settlement agreement with the State on October 11, 1996. That agreement calls for payment to the State, subject to appropriations, of nine percent of the net proceeds of sale, payable over a seven-year period (without interest), commencing in 1999. Under the settlement agreement and provided that funds are appropriated, the first five installments are for \$36 million each year, and the remaining balance is to be paid in two equal installments in years six and seven. The budget requests \$36 million in 2004 for the sixth installment payment.

**ARCTIC NATIONAL WILDLIFE REFUGE, ALTERNATIVE ENERGY**  
(Legislative proposal, subject to PAYGO)

The budget includes a proposal to use the Federal share of bonus bids from opening a small portion of the Arctic National Wildlife Refuge to oil and gas exploration to supplement the funding for renewable and related energy research. The budget assumes that 1.2 billion of the bonus bids that would come to the Federal Government in 2005 would be spent on alternative and renewable energy resources programs over a period of seven years.

**PAYMENTS TO STATES UNDER FEDERAL POWER ACT**

**Unavailable Collections** (in millions of dollars)

Identification code 89-5105-0-2-806	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Licenses under Federal Power Act from public lands and national forests, p .....	3	3	3
Appropriations:			
05.00 Payments to States under Federal Power Act .....	-3	-3	-3
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 89-5105-0-2-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	3	3
10.00 Total new obligations (object class 41.0) .....	3	3	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	3	3	3
23.95 Total new obligations .....	-3	-3	-3
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	3	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	3	3
73.10 Total new obligations .....	3	3	3
73.20 Total outlays (gross) .....	-3	-3	-3
74.40 Obligated balance, end of year .....	3	3	3
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	3	3
90.00 Outlays .....	3	3	3

The States are paid 37.5 percent of the receipts from licenses for occupancy and use of national forests and public lands within their boundaries issued by the Federal Energy Regulatory Commission (16 U.S.C. 810).

**NORTHEAST HOME HEATING OIL RESERVE**

*For necessary expenses for Northeast Home Heating Oil Reserve storage, operations, and management activities pursuant to the Energy Policy and Conservation Act of 2000, \$5,000,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 89-5369-0-2-274	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Northeast home heating oil reserve .....	5	10	10

10.00	Total new obligations (object class 25.2)	5	10	10
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	4	7	5
22.00	New budget authority (gross)	8	8	5
23.90	Total budgetary resources available for obligation	12	15	10
23.95	Total new obligations	-5	-10	-10
24.40	Unobligated balance carried forward, end of year	7	5	
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation		8	5
42.00	Transferred from other accounts	8		
43.00	Appropriation (total discretionary)	8	8	5
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	4	5	7
73.10	Total new obligations	5	10	10
73.20	Total outlays (gross)	-5	-8	-5
74.40	Obligated balance, end of year	5	7	10
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	3	4	5
86.93	Outlays from discretionary balances	2	4	
87.00	Total outlays (gross)	5	8	5
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	8	8	5
90.00	Outlays	5	8	5

On July 10, 2000, the President directed the Department of Energy to establish a 2-million barrel home heating oil reserve in the Northeast capable of assuring home heating oil supply for the Northeast states during times of very low inventories and significant threats to immediate further supply. Two million barrels provide Northeast consumers adequate supplies for approximately 10 days, the time required for ships to carry heating oil from the Gulf of Mexico to New York Harbor for distribution.

On March 6, 2001, Secretary Spencer Abraham announced the establishment of the reserve as a permanent part of America's energy readiness effort, separate from the Strategic Petroleum Reserve. The original storage contracts were re-competed in the Spring of 2002 and contracts were awarded in New York Harbor, New Haven, Connecticut and Rhode Island. The 2004 Budget provides \$5 million to continue leasing commercial storage space and provides for administrative support from the Defense Energy Support Center (DESC).

NUCLEAR WASTE DISPOSAL

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended, including the acquisition of real property or facility construction or expansion, \$161,000,000, to remain available until expended and to be derived from the Nuclear Waste Fund: Provided, That none of the funds herein appropriated may be: (1) used directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for lobbying activity as provided in 18 U.S.C. 1913; (2) used for litigation expenses; or (3) used to support multi-State efforts or other coalition building activities: Provided further, That all proceeds and recoveries realized by the Secretary in carrying out activities authorized by the Nuclear Waste Policy Act of 1982, Public Law 97-425, as amended, including but not limited to, any proceeds from the sale of assets, shall be available without further appropriation and shall remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Unavailable Collections (in millions of dollars)

Identification code 89-5227-0-2-271	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	10,849	13,041	14,205

<b>Receipts:</b>				
02.20	Receipts from nuclear powered electric utilities	712	736	743
02.40	Net earnings on investments	1,598	732	794
02.80	Offsetting collections, Nuclear Waste Disposal	1		
02.99	Total receipts and collections	2,311	1,468	1,537
04.00	Total: Balances and collections	13,160	14,509	15,742
<b>Appropriations:</b>				
05.00	Nuclear waste disposal	-96	-276	-161
05.01	Nuclear Waste Technical Review Board	-23	-25	-33
05.02	Nuclear Regulatory Commission		-3	-3
05.99	Total appropriations	-119	-304	-197
07.99	Balance, end of year	13,041	14,205	15,545

Program and Financing (in millions of dollars)

Identification code 89-5227-0-2-271	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Nuclear waste disposal fund	39	222	88
00.02	Program direction	56	63	73
10.00	Total new obligations	95	285	161
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	8	9	
22.00	New budget authority (gross)	95	276	161
23.90	Total budgetary resources available for obligation	103	285	161
23.95	Total new obligations	-95	-285	-161
24.40	Unobligated balance carried forward, end of year	9		
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.20	Appropriation (special fund)	95	276	161
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1		
70.00	Total new budget authority (gross)	95	276	161
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	87	74	174
73.10	Total new obligations	95	285	161
73.20	Total outlays (gross)	-107	-185	-219
74.40	Obligated balance, end of year	74	174	116
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	47	138	81
86.93	Outlays from discretionary balances	60	47	138
87.00	Total outlays (gross)	107	185	219
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-1		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	94	276	161
90.00	Outlays	106	185	219
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities: Par value	21,060	23,421	26,396
92.02	Total investments, end of year: Federal securities: Par value	23,421	26,396	29,425
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	2	2	2
99.01	Outlays	2	2	2

Because of the long-term nature of the project, the need to ensure the territorial integrity, security, and isolation of the site, and in satisfaction of Nuclear Regulatory Commission licensing requirements, the Administration plans to submit a proposal to withdraw permanently from settlement, sale, location, or entry under some or all of the general land laws, certain lands comprising and contiguous to the Yucca Mountain geologic repository operations area.

General and special funds—Continued

NUCLEAR WASTE DISPOSAL—Continued

Growing quantities of spent nuclear fuel and high-level radioactive waste have been accumulating at commercial nuclear reactor sites and storage facilities across the country for half a century. They come from nuclear plants generating commercial electric power, nuclear weapons production, the operation of naval reactors, and Federal research and development activities. At Congress's direction, DOE has investigated the suitability of a storage site at Yucca Mountain, Nevada, 100 miles northwest of Las Vegas, for over 20 years. Based on sound science and compelling national interests, the President signed House Joint Resolution 87 approving the site at Yucca Mountain, Nevada for development as a geologic repository for the Nation's nuclear waste. The budget provides sufficient funding for DOE to prepare a license application to meet its plan for receipt of nuclear waste at the repository beginning in 2010. The Administration also will seek additional funding to begin essential transportation-related activities and provide a long-term management and financing plan for the entire licensing and construction effort. The Administration is committed to ensuring the environmentally sound and safe disposal of the Nation's radioactive waste.

In 2002, actual interest earnings were \$1,598 million, and they are estimated to decline to \$731 million in 2003 and \$794 million in 2004. The reason for the decline is that the decrease in market interest rates in 2002 significantly increased the market value of the zero-coupon bonds held by the fund, and the interest earnings on these bonds is calculated as the change in market value. In 2002 and 2003, interest earnings are projected based on the effective yield method, instead of estimating the change in market value. We use the effective yield approach, because interest rates are impossible to predict accurately and because it is a simple method of projecting what will happen in the future "on average." The effective yield method is consistent with a small increase in market value.

Status of Funds (in millions of dollars)

Identification code 89-5227-0-2-271	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100 Uninvested balance .....	- 10	- 6	
Federal securities:			
0101 Par value .....	21,060	23,421	26,396
0102 Unrealized discounts .....	- 10,099	- 10,283	- 12,010
0199 Total balance, start of year .....	10,951	13,132	14,386
Cash income during the year:			
Current law:			
Offsetting receipts (proprietary):			
1220 Nuclear waste disposal fund , Energy .....	712	736	743
Offsetting receipts (intragovernmental):			
1240 Earnings on investments, Nuclear waste disposal fund , Energy .....	1,598	732	794
Offsetting collections:			
1280 Offsetting collections .....	1		
1299 Income under present law .....	2,311	1,468	1,537
Cash outgo during year:			
Current law:			
4500 Nuclear waste disposal fund .....	- 107	- 185	- 219
4501 Nuclear Regulatory Commission .....	- 23	- 24	- 33
4502 Nuclear Waste Technical Review Board .....	- 3	- 3	- 3
4599 Outgo under current law (-) .....	- 133	- 212	- 255
Unexpended balance, end of year:			
8700 Uninvested balance .....	- 6		
Federal securities:			
8701 Par value .....	23,421	26,396	15,668
8702 Unrealized discounts .....	- 10,283	- 12,010	- 13,764
8799 Total balance, end of year .....	13,132	14,386	15,668

Object Classification (in millions of dollars)

Identification code 89-5227-0-2-271	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	16	20	20
11.3 Other than full-time permanent .....	1	3	2
11.5 Other personnel compensation .....	1	3	2
11.9 Total personnel compensation .....	18	26	24
12.1 Civilian personnel benefits .....	4	12	7
21.0 Travel and transportation of persons .....	1	3	2
23.2 Rental payments to others .....	1	3	2
25.1 Advisory and assistance services .....	32	92	52
25.2 Other services .....	2	6	3
25.3 Other purchases of goods and services from Government accounts .....	2	6	3
25.4 Operation and maintenance of facilities .....	23	102	48
31.0 Equipment .....	4	12	7
41.0 Grants, subsidies, and contributions .....	8	23	13
99.9 Total new obligations .....	95	285	161

Personnel Summary

Identification code 89-5227-0-2-271	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	181	211	215

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

For necessary expenses in carrying out uranium enrichment facility decontamination and decommissioning, remedial actions, and other activities of title II of the Atomic Energy Act of 1954 and title X, subtitle A, of the Energy Policy Act of 1992, \$418,124,000, to be derived from the Fund, to remain available until expended, of which \$51,000,000 shall be available in accordance with title X, subtitle A, of the Energy Policy Act of 1992.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Unavailable Collections (in millions of dollars)

Identification code 89-5231-0-2-271	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	2,374	2,833	3,364
Receipts:			
02.00 Assessments .....	186	189	194
02.40 Earnings on investments .....	153	136	154
02.41 General fund payment .....	420	442	452
02.99 Total receipts and collections .....	759	767	800
04.00 Total: Balances and collections .....	3,133	3,600	4,164
Appropriations:			
05.00 Uranium enrichment decontamination and decommissioning fund .....	- 300	- 236	- 418
07.99 Balance, end of year .....	2,833	3,364	3,746

Program and Financing (in millions of dollars)

Identification code 89-5231-0-2-271	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Uranium Enrichment D&D Fund .....			418
10.00 Total new obligations .....			418
Budgetary resources available for obligation:			
22.00 New budget authority (gross) .....			418
23.95 Total new obligations .....			- 418
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund) .....	300	236	418
41.00 Transferred to other accounts .....	- 300	- 236	
43.00 Appropriation (total discretionary) .....			418

<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	3	
73.10	Total new obligations .....		418
73.20	Total outlays (gross) .....	-3	-293
74.40	Obligated balance, end of year .....		125
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....		293
86.93	Outlays from discretionary balances .....	3	
87.00	Total outlays (gross) .....	3	293
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		418
90.00	Outlays .....	3	293
<b>Memorandum (non-add) entries:</b>			
92.01	Total investments, start of year: Federal securities:		
	Par value .....	2,556	2,987 3,491
92.02	Total investments, end of year: Federal securities:		
	Par value .....	2,987	3,491 3,884

**Uranium Enrichment D&D Fund.**—Funds projects to maintain, decontaminate, decommission and otherwise remediate the gaseous diffusion plants at Portsmouth, Paducah, and Oak Ridge. In addition, Uranium/Thorium Licensee Reimbursement program activities are funded within this appropriation.

**Status of Funds (in millions of dollars)**

Identification code 89-5231-0-2-271	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100	Uninvested balance .....	2	11
Federal securities:			
0101	Par value .....	2,556	2,987 3,491
0102	Unrealized discounts .....	-35	-35 -40
0199	Total balance, start of year .....	2,523	2,963 3,451
Cash income during the year:			
Current law:			
Receipts:			
1200	Assessments, Decontamination and Decommissioning Fund .....	186	189 194
Offsetting receipts (intragovernmental):			
1240	Earnings on investments, Decontamination and Decommissioning Fund .....	153	136 154
1241	General fund payment—Defense, Decontamination and Decommissioning Fund .....	420	442 452
1299	Income under present law .....	759	767 800
Cash outgo during year:			
Current law:			
4500	Uranium enrichment decontamination and decommissioning fund .....	-3	-293
4501	Uranium facilities maintenance and remediation .....	-316	-279 -74
4599	Outgo under current law (-) .....	-319	-279 -367
Unexpended balance, end of year:			
8700	Uninvested balance .....	11	
Federal securities:			
8701	Par value .....	2,987	3,491 3,884
8702	Unrealized discounts .....	-35	-40
8799	Total balance, end of year .....	2,963	3,451 3,884

**Object Classification (in millions of dollars)**

Identification code 89-5231-0-2-271	2002 actual	2003 est.	2004 est.
25.2	Other services .....		139
25.4	Operation and maintenance of facilities .....		273
41.0	Grants, subsidies, and contributions .....		6
99.9	Total new obligations .....		418

**Public enterprise funds:**

**ISOTOPE PRODUCTION AND DISTRIBUTION PROGRAM FUND**

**Program and Financing (in millions of dollars)**

Identification code 89-4180-0-3-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01	Isotope production and distribution .....	21	20 35
09.02	Isotope production facility project .....	2	2
10.00	Total new obligations .....	23	22 35
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	5	8 8
22.00	New budget authority (gross) .....	26	22 35
23.90	Total budgetary resources available for obligation .....	31	30 43
23.95	Total new obligations .....	-23	-22 -35
24.40	Unobligated balance carried forward, end of year .....	8	8 8
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	26	22 35
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	9	8 8
73.10	Total new obligations .....	23	22 35
73.20	Total outlays (gross) .....	-24	-22 -35
74.40	Obligated balance, end of year .....	8	8 8
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	24	22 35
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources—Expenditure transfers .....	-17	-14 -26
88.40	Non-Federal sources .....	-9	-8 -9
88.90	Total, offsetting collections (cash) .....	-26	-22 -35
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....	-2	

The charter of the Department of Energy (DOE) isotope production and distribution program covers the production and sale of radioactive and stable isotopes, associated byproducts, surplus materials such as lithium and helium, and related isotope services to the use community utilizing Government-owned facilities. Services include, but are not limited to, irradiation services, target preparation and processing, source encapsulation and other special preparations, analyses, chemical separations, and the lease of stable isotopes for research purposes. The isotopes are priced to recover their production cost.

**Object Classification (in millions of dollars)**

Identification code 89-4180-0-3-271	2002 actual	2003 est.	2004 est.
25.1	Advisory and assistance services .....	3	3 3
25.4	Operation and maintenance of facilities .....	17	16 29
32.0	Land and structures .....	3	3 3
99.9	Total new obligations .....	23	22 35

**Trust Funds**

**ADVANCES FOR COOPERATIVE WORK**

**Program and Financing (in millions of dollars)**

Identification code 89-8575-0-7-271	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	5	5 5

## ADVANCES FOR COOPERATIVE WORK—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 89-8575-0-7-271	2002 actual	2003 est.	2004 est.
74.40 Obligated balance, end of year .....	5	5	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

In past years, this account received advances from domestic and foreign sources, to fund research and development activities for civilian reactor, magnetic fusion, and basic energy sciences. Sources also provided funds for defense programs, the technical information management program. The account will be terminated when balances have been expended.

## POWER MARKETING ADMINISTRATIONS

## Federal Funds

## General and special funds:

## OPERATION AND MAINTENANCE, ALASKA POWER ADMINISTRATION

## Program and Financing (in millions of dollars)

Identification code 89-0304-0-1-271	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
74.40 Obligated balance, end of year .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The Alaska Power Administration (APA) was created in 1967 by the Secretary of the Interior to assume the functions of the Bureau of Reclamation in Alaska—the operations, maintenance, transmission, and power marketing of the two Federal hydroelectric projects (Eklutna and Snettisham), and the investigation of future water and power development programs.

The Alaska Power Administration Asset Sale and Termination Act (Public Law 104-58), signed into law on November 28, 1995, authorizes and directs the sale of all Alaska Power Administration assets and the subsequent termination of APA. The Eklutna project was sold on October 2, 1997, for a cash payment of \$5,953,000. The Snettisham project was sold on August 18, 1998, for \$81,966,177.

All remaining Alaska activities of APA, including the Juneau headquarters office, were terminated on September 30, 1998. Unobligated transition and termination balances were used to complete remaining close-out activities and report preparation in Washington, D.C. in 1999.

## OPERATION AND MAINTENANCE, SOUTHEASTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, including transmission wheeling and ancillary services, pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, \$5,100,000, to remain available until expended; in addition, \$16,000,000 shall be credited to this account as customer advances, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 89-0302-0-1-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Program direction .....	5	5	5
Reimbursable program:			
09.01 Purchase power and wheeling .....	34	20	15
09.02 Customer advances .....		14	16
10.00 Total new obligations .....	39	39	36
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	39	39	36
23.95 Total new obligations .....	-39	-39	-36
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	5	5	5
68.00 Spending authority from offsetting collections: Offsetting collections (cash)—Purchase Power and Wheeling .....	34	34	31
70.00 Total new budget authority (gross) .....	39	39	36
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	39	39	36
73.20 Total outlays (gross) .....	-39	-39	-36
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	39	39	36
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources—Purchase Power and Wheeling Offsetting Collections .....	-34	-34	-31
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	5	5
90.00 Outlays .....	5	5	5

The Southeastern Power Administration (Southeastern) markets power generated at Corps of Engineers hydroelectric generating plants in an eleven-State area of the Southeast. Deliveries are made by means of contracting for use of transmission facilities owned by others. There are 23 projects now in operation.

Southeastern sells wholesale power primarily to publicly and cooperatively-owned electric distribution utilities. Southeastern does not own or operate any transmission facilities. Its long-term contracts provide for periodic electric rate adjustments to ensure that the Federal Government recovers costs of operation and capital invested in power, with interest, in keeping with statutory requirements.

*Program direction.*—Provision is made for negotiation and administration of transmission and power contracts, collection of revenues, development of wholesale power rates, the amortization of power investment, energy efficiency and competitiveness program, investigation and planning of proposed water resources projects, scheduling and dispatch of power generation, scheduling storage and release of water, administration of contractual operation requirements, and determination of methods of operating generating plants individually and in coordination with others to obtain maximum utilization of resources.

*Use of receipts for Corps O&M funding.*—In FY 2004, the Administration proposes to fund U.S. Army Corps of Engineers' power related operation and maintenance costs in Southeastern's service area from Southeastern receipts derived from the sale of power. Proprietary receipts estimated for FY 2004 are decreased to reflect implementation of this proposal.

*Purchase power and wheeling.*—Between 2001 and 2004, the Southeastern Power Administration will phase-out Fed-

eral financing of purchase power and wheeling activities. Authority to spend power revenues to pay for purchase of power and wheeling activities will end after 2004. Industry restructuring and resulting competition now make it attractive for Southeastern's customers to shop for power and transmission services. Southeastern may continue to support customer bill crediting, net billing and other alternative financing arrangements for these activities.

Based on Administration policy, the Southeastern Power Administration will set rates consistent with current law to recover the full cost of the Civil Service Retirement System and post-retirement health benefits for its employees.

Object Classification (in millions of dollars)			
Identification code 89-0302-0-1-271	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	3	3	3
25.2 Other services .....	2	2	2
99.0 Direct obligations .....	5	5	5
99.0 Reimbursable obligations .....	34	34	31
99.9 Total new obligations .....	39	39	36

**Personnel Summary**

Identification code 89-0302-0-1-271	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	42	40	42

**CONTINUING FUND, SOUTHEASTERN POWER ADMINISTRATION**

**Unavailable Collections (in millions of dollars)**

Identification code 89-5653-0-2-271	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Deposits from sale and transmission of electric energy, Southeastern Power .....	10		
Appropriations:			
05.00 Continuing fund, Southeastern Power Administration .....	-10		
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 89-5653-0-2-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Continuing fund, Southeastern Power Administration .....	10		
10.00 Total new obligations (object class 25.2) .....	10		
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	10		
23.95 Total new obligations .....	-10		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	10		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	6	
73.10 Total new obligations .....	10		
73.20 Total outlays (gross) .....	-8	-6	
74.40 Obligated balance, end of year .....	6		
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	8	6	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	10		
90.00 Outlays .....	8	6	

A continuing fund of \$50,000, maintained from receipts from the sale and transmission of electric power in the southeastern area, is available to defray expenses necessary to ensure continuity of service (16 U.S.C. 825s-2). The fund was activated during fiscal year 2002 to finance power purchases associated with below normal hydropower generation due to drought.

**OPERATION AND MAINTENANCE, SOUTHWESTERN POWER ADMINISTRATION**

*For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to exceed \$1,500 in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, \$28,600,000, to remain available until expended; in addition, notwithstanding 31 U.S.C. 3302, beginning in fiscal year 2004 and thereafter, such funds as are received by the Southwestern Power Administration from any State, municipality, corporation, association, firm, district, or individual as advance payment for work that is associated with Southwestern's transmission facilities, consistent with that authorized in section 5 of the Flood Control Act, shall be credited to this account and be available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 89-0303-0-1-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 System operation & maintenance .....	3	4	5
00.03 Construction .....	6	6	5
00.04 Program direction .....	19	17	19
02.93 Direct program subtotal .....	28	27	29
Reimbursable program:			
09.10 Reimbursable activities .....	5	8	8
09.20 Customer advances .....	5	16	13
09.99 Total reimbursable program .....	10	24	21
10.00 Total new obligations .....	38	51	50
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	38	51	50
23.95 Total new obligations .....	-38	-51	-50
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	28	27	29
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	11	24	21
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
68.90 Spending authority from offsetting collections (total discretionary) .....	10	24	21
70.00 Total new budget authority (gross) .....	38	51	50
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	11	15	15
73.10 Total new obligations .....	38	51	50
73.20 Total outlays (gross) .....	-34	-52	-49
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
74.40 Obligated balance, end of year .....	15	15	15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	25	41	39
86.93 Outlays from discretionary balances .....	9	11	10
87.00 Total outlays (gross) .....	34	52	49

**General and special funds—Continued**

**OPERATION AND MAINTENANCE, SOUTHWESTERN POWER ADMINISTRATION—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 89-0303-0-1-271	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00			
	Federal sources .....	-7	-8
88.40	Non-Federal sources .....	-4	-16
88.90	Total, offsetting collections (cash) .....	-11	-24
	Against gross budget authority only:		
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	1	
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	28	27
90.00	Outlays .....	24	28
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00	Budget authority .....	1	1
99.01	Outlays .....	1	1

The Southwestern Power Administration (Southwestern) operates in a six-State area as a marketing agent for hydroelectric power produced at Corps of Engineers dams. It also operates and maintains 1,380 miles of high voltage transmission line, 24 substations and switching stations, and 46 VHF radio and microwave stations. Southwestern sells its power at wholesale primarily to publicly and cooperatively owned electric distribution utilities. Its power sales contracts provide for periodic rate adjustments to ensure that the Federal Government recovers all costs of operation and all capital invested in power, with interest, in keeping with statutory requirements.

Southwestern is also responsible for scheduling and dispatching power, negotiating power sales contracts, and constructing facilities required to meet changing customer load requirements.

*Program direction.*—This activity provides for program costs related to the operation, maintenance, and support functions of the power system and includes salaries and benefits, travel, support services, rent, communications, and other related expenses.

*Systems operation and maintenance.*—Provision is made for engineering assessments of issues and alternatives that could adversely impact or optimize the operation of Southwestern's hydroelectric resources. Provision is also made for maintenance and replacements of transmission system facilities to ensure reliable service, negotiation and administration of power contracts, collection of revenue, development of wholesale power rates and the depreciation of the power investment.

*Purchase power and wheeling.*—Between 2001 and 2004, the Southwestern Power Administration will phase-out Federal financing of purchase power and wheeling activities. Authority to spend power revenues to pay for purchase of power and wheeling activities will end after 2004. Industry restructuring and resulting competition now make it attractive for Southwestern's customers to shop for power and transmission services. Southwestern may continue to support customer bill crediting, net billing and other alternative financing arrangements for these activities.

*Construction.*—The construction program provides for transmission, substation, switching and control facility replacements to transmit power generated at Corps of Engineers' hydroelectric projects in the Southwest. This program is coordinated with the Corps of Engineers' construction program and addresses customer requirements.

*Reimbursable program.*—This program involves services provided by Southwestern Power Administration to others under various types of reimbursable arrangements. In FY 2004 and thereafter, Southwestern proposes to continue acceptance of advance funding from non-Federal entities for work related to activities authorized under the Flood Control Act of 1944.

*Use of receipts for Corps O&M funding.*—In FY 2004, the Administration proposes to fund U.S. Army Corps of Engineers' power related operation and maintenance costs in Southwestern's service area from Southwestern receipts derived from the sale of power. Proprietary receipts estimated for FY 2004 are decreased to reflect implementation of this proposal.

Based on Administration policy the Southwestern Power Administration will set rates consistent with current law to recover the full cost of the civil service retirement system and post-retirement health benefits for its employees.

**Object Classification (in millions of dollars)**

Identification code 89-0303-0-1-271	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1	Personnel compensation: Full-time permanent .....	13	11
12.1	Civilian personnel benefits .....	3	3
21.0	Travel and transportation of persons .....	1	1
23.1	Rental payments to GSA .....	1	1
25.2	Other services .....	5	6
26.0	Supplies and materials .....	2	1
31.0	Equipment .....	3	4
99.0	Direct obligations .....	28	27
99.0	Reimbursable obligations .....	10	24
99.9	Total new obligations .....	38	51

**Personnel Summary**

Identification code 89-0303-0-1-271	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001	Total compensable workyears: Civilian full-time equivalent employment .....	173	178

**CONTINUING FUND, SOUTHWESTERN POWER ADMINISTRATION**

A Continuing Fund of \$300,000, replenished from receipts from the sale and transmission of electric power in the southwestern area, is available permanently for emergency expenses necessary to ensure continuity of service (16 U.S.C. 825s-2). The fund was last activated during fiscal year 2001 to finance power purchases associated with below normal hydropower generation due to drought and to repair transmission facilities due to storm damage.

**CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION**

*For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (42 U.S.C. 7152), and other related activities including conservation and renewable resources programs as authorized, including official reception and representation expenses in an amount not to exceed \$1,500, \$171,000,000, to remain available until expended, of which \$167,236,000 shall be derived from the Department of the Interior Reclamation Fund: Provided, That all authorities and future contributions described in section 402, subparagraph (b)(3)(B) of the Reclamation Projects Authorization and Adjustment Act of 1992 previously assigned to the Secretary of Energy, Western Area Power Administration, shall be transferred to the Secretary of the Interior, Bureau of Reclamation.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 89-5068-0-2-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating expenses:			
00.01 Systems operation and maintenance .....	37	38	36
00.04 Program direction .....	110	108	123
00.05 Utah mitigation and conservation fund .....	6		
00.91 Total operating expenses .....	153	146	159
01.01 Capital investment .....	19	18	12
09.01 Reimbursable program .....	266	629	510
10.00 Total new obligations .....	438	793	681
<b>Budgetary resources available for obligation:</b>			
Unobligated balance carried forward, start of year:			
21.40 Unobligated balance carried forward, start of year (non-fed collections) .....	53	78	
21.40 Unobligated balance carried forward, start of year (appropriations) .....	1	1	
22.00 New budget authority (gross) .....	463	714	681
23.90 Total budgetary resources available for obligation .....	517	793	681
23.95 Total new obligations .....	-438	-793	-681
Unobligated balance carried forward, end of year:			
24.40 Unobligated balance carried forward, end of year (non-fed collections) .....	78		
24.40 Unobligated balance carried forward, end of year (appropriations) .....	1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	5	4	4
40.20 Appropriation (special fund) .....	167	159	167
43.00 Appropriation (total discretionary) .....	172	163	171
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	297	551	510
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-6		
68.90 Spending authority from offsetting collections (total discretionary) .....	291	551	510
70.00 Total new budget authority (gross) .....	463	714	681
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	180	173	247
73.10 Total new obligations .....	438	793	681
73.20 Total outlays (gross) .....	-451	-719	-677
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	6		
74.40 Obligated balance, end of year .....	173	247	251
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	338	624	587
86.93 Outlays from discretionary balances .....	113	95	90
87.00 Total outlays (gross) .....	451	719	677
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-66	-88	-78
88.40 Non-Federal sources .....	-231	-463	-432
88.90 Total, offsetting collections (cash) .....	-297	-551	-510
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	6		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	172	163	171
90.00 Outlays .....	154	168	167
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	6	6	7
99.01 Outlays .....	6	6	7

The Western Area Power Administration (Western) markets electric power in 15 western States from federally-owned power plants operated primarily by the Bureau of Reclamation, Corps of Engineers, and the International Boundary and

Water Commission. Western operates and maintains almost 17,000 circuit-miles of high-voltage transmission line, more than 260 substations/switchyards, and associated power system control, communication and electrical facilities for 15 separate power projects. Western also constructs additions and modifications to existing facilities.

In keeping with statutory requirements, Western's long-term power contracts allow for periodic rate adjustments to ensure that the Federal Government recovers costs of operation, other costs allocated to power, and the capital investment in power facilities, with interest.

Power is sold to wholesale customers such as municipalities, cooperatives, irrigation districts, public utility districts, State and Federal Government agencies, and private utilities. Receipts are deposited in the Reclamation Fund, the Falcon and Amistad Operating and Maintenance Fund, the General Fund, the Colorado River Dam Fund and the Colorado River Basins Power Marketing Fund.

*Systems operation and maintenance.*—The systems operation and maintenance activity provides essential electrical and communication equipment replacements, and upgrades, capitalized moveable equipment, technical services, and supplies and materials necessary for safe reliable operation and cost-effective maintenance of the power systems.

*Purchase power and wheeling.*—Between 2001 and 2004, the Western Area Power Administration will phase-out Federal financing of purchase power and wheeling activities. Authority to spend power revenues to pay for purchase power and wheeling activities will end after fiscal year 2004. Industry restructuring and resulting competition now make it attractive for Western's customers to shop for power and transmission services. Western will continue to support customer bill crediting, net billing and other alternative financing arrangements for these activities.

*System construction.*—Western's construction and rehabilitation activity emphasizes replacement and upgrades of existing infrastructure to sustain reliable power delivery to its customers, to contain annual maintenance costs, and to improve overall operational efficiency. Western will continue to participate in joint construction projects to encourage more widespread transmission access.

*Program direction.*—This activity provides compensation and all related expenses for the workforce that operates and maintains Western's high-voltage interconnected transmission system (systems operation and maintenance program), and those that plan, design, and supervise the construction of replacements, upgrades and additions (system construction program) to the transmission facilities.

*Utah mitigation and conservation.*—This account is earmarked primarily for environmental mitigation expenditures covering fish and wildlife, and recreation resources impacted by the Central Utah Project and the Colorado River Storage Project in the State of Utah. The FY 2004 President's Budget proposes to transfer the authorities and future contributions for the Utah Reclamation Mitigation and Conservation Account from the Secretary of Energy, Western Area Power Administration to the Secretary of the Interior, Bureau of Reclamation. Western sells and transmits power from two projects in Utah and provides mitigation funding separately for these operations. Western does not transmit power from the Central Utah Project.

*Reimbursable program.*—This program involves services provided by Western to others under various types of reimbursable arrangements.

Western will continue to spend directly out of the Colorado River Dam Fund for operations and maintenance activities associated with the Boulder Canyon Project. The Colorado River Dam Fund is a revolving fund operated by the Interior Department's Bureau of Reclamation. Authority for Western

**General and special funds—Continued**

**CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE,  
WESTERN AREA POWER ADMINISTRATION—Continued**

to obligate directly from the Colorado River Dam Fund comes from section 104(a) of the Hoover Power Plant Act of 1984.

Based on Administration policy, the Western Area Power Administration will set rates consistent with current law to recover the full cost of the Civil Service Retirement System and post-retirement health benefits for its employees.

In FY 2004, the Administration proposes that financing of the U.S. Army Corps of Engineers' operation and maintenance costs in Western's service area, allocated to the power function for repayment, may be funded from Western receipts derived from the sale of power and related services. Proprietary receipts estimated for FY 2004 are decreased to reflect the implementation of this proposal.

**Object Classification (in millions of dollars)**

Identification code 89-5068-0-2-271	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	50	59	65
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	4	5	5
11.9 Total personnel compensation .....	55	65	71
12.1 Civilian personnel benefits .....	13	15	17
21.0 Travel and transportation of persons .....	5	3	4
22.0 Transportation of things .....	3	2	3
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
25.2 Other services .....	34	26	29
25.3 Other purchases of goods and services from Government accounts .....	2	2	1
26.0 Supplies and materials .....	7	7	6
31.0 Equipment .....	9	10	17
32.0 Land and structures .....	33	29	18
41.0 Grants, subsidies, and contributions .....	6		
99.0 Direct obligations .....	172	164	171
99.0 Reimbursable obligations .....	266	629	510
99.9 Total new obligations .....	438	793	681

**Personnel Summary**

Identification code 89-5068-0-2-271	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,024	1,022	1,042

**EMERGENCY FUND, WESTERN AREA POWER ADMINISTRATION**

**Program and Financing (in millions of dollars)**

Identification code 89-5069-0-2-271	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	1
22.10 Resources available from recoveries of prior year obligations .....	7		
23.90 Total budgetary resources available for obligation .....	8	1	1
23.98 Unobligated balance expiring or withdrawn .....	-7		
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	7		
73.45 Recoveries of prior year obligations .....	-7		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

A continuing fund of \$500,000 maintained from receipts from the sale and transmission of electric power is available to defray expenses necessary to ensure continuity of service. The fund was last activated during fiscal year 2001 to finance power purchases associated with below-normal hydropower generation.

**FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND**

*For operation, maintenance, and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams, \$2,640,000, to remain available until expended, and to be derived from the Falcon and Amistad Operating and Maintenance Fund of the Western Area Power Administration, as provided in section 423 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Unavailable Collections (in millions of dollars)**

Identification code 89-5178-0-2-271	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	5	4	4
<b>Receipts:</b>			
02.20 Falcon and Amistad operating and maintenance fund .....	2	3	3
04.00 Total: Balances and collections .....	7	7	7
<b>Appropriations:</b>			
05.00 Falcon and Amistad operating and maintenance fund .....	-3	-3	-3
07.99 Balance, end of year .....	4	4	4

**Program and Financing (in millions of dollars)**

Identification code 89-5178-0-2-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	3	3
10.00 Total new obligations (object class 25.3) .....	3	3	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	3	3	3
23.95 Total new obligations .....	-3	-3	-3

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.20 Appropriation (special fund) .....	3	3	3

**Change in obligated balances:**

72.40 Obligated balance, start of year .....		2	2
73.10 Total new obligations .....	3	3	3
73.20 Total outlays (gross) .....	-1	-3	-3
74.40 Obligated balance, end of year .....	2	2	2

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1	2	2
86.93 Outlays from discretionary balances .....		1	1
87.00 Total outlays (gross) .....	1	3	3

**Net budget authority and outlays:**

89.00 Budget authority .....	3	3	3
90.00 Outlays .....	1	3	3

Pursuant to section 423(c) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, Western Area Power Administration is requesting an appropriation from the Falcon and Amistad Operating and Maintenance Fund, to defray operations, maintenance, and emergency (O,M&E) expenses for the hydroelectric facilities at Falcon and Amistad Dams on the Rio Grande River. Most of these funds will be made available to the United States Section of the International Boundary and Water Commission through a reimbursable agreement. \$200,000 in the fund is for an emergency reserve that will remain unobligated unless unanticipated expenses arise. Revenues in excess of O,M&E will be paid to the Gen-

eral Fund to repay the costs of replacements and the original investment with interest. Revenues resulting from the Falcon and Amistad Dams power system operations are deposited to the Falcon and Amistad Operating and Maintenance Fund.

**Public enterprise funds:**

**BONNEVILLE POWER ADMINISTRATION FUND**

*Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, are approved for official reception and representation expenses in an amount not to exceed \$1,500.*

*During fiscal year 2004, no new direct loan obligations may be made.*

**Program and Financing (in millions of dollars)**

Identification code 89-4045-0-3-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.02 Power business line .....	1,894	1,872	2,100
09.03 Residential exchange .....	144	143	143
09.05 Bureau of Reclamation .....	51	59	63
09.06 Corps of Engineers .....	132	135	140
09.07 Colville settlement .....	21	19	20
09.10 U.S. Fish & Wildlife .....	15	15	16
09.20 Planning council .....	8	9	9
09.21 Fish and Wildlife .....	144	156	134
09.23 Transmission business line .....	254	262	273
09.24 Conservation and energy efficiency .....	61	64	63
09.25 interest .....	415	416	436
09.26 Pension and health benefits .....	55	35	31
09.29 total operating expenses .....	3,194	3,185	3,428
09.41 Power business line .....	73	129	105
09.42 Transmission services .....	259	330	330
09.43 Fish and wildlife .....	6	36	36
09.44 Capital equipment .....	22	44	26
09.45 Capitalized bond premiums .....			3
09.46 Conservation & energy efficiency .....	29	47	28
09.49 total capital investment .....	389	586	528
09.50 Misc. Accounting Adjustments .....	289		
09.51 Projects funded in advance .....	34	97	133
10.00 Total new obligations .....	3,906	3,868	4,089
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	121		
22.00 New budget authority (gross) .....	3,785	3,868	4,089
23.90 Total budgetary resources available for obligation .....	3,906	3,868	4,089
23.95 Total new obligations .....	-3,906	-3,868	-4,089
<b>New budget authority (gross), detail:</b>			
Mandatory:			
61.00 Transferred to other accounts .....	-127		
66.10 Contract authority .....	235		
67.10 Authority to borrow .....	390	281	210
69.00 Offsetting collections (cash) .....	3,739	3,897	4,100
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-144		
69.47 Portion applied to repay debt .....	-308	-310	-221
69.90 Spending authority from offsetting collections (total mandatory) .....	3,287	3,587	3,879
70.00 Total new budget authority (gross) .....	3,785	3,868	4,089
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	487	397	397
73.10 Total new obligations .....	3,906	3,868	4,089
73.20 Total outlays (gross) .....	-4,140	-3,868	-4,089
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	144		
74.40 Obligated balance, end of year .....	397	397	397
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	3,677	3,868	4,089
86.98 Outlays from mandatory balances .....	463		
87.00 Total outlays (gross) .....	4,140	3,868	4,089

**Offsets:**

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-89	-90	-90
88.40	Non-Federal sources .....	-3,650	-3,807	-4,010
88.90	Total, offsetting collections (cash) .....	-3,739	-3,897	-4,100
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	144		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	190	-29	-11
90.00	Outlays .....	401	-29	-11
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....			
99.01	Outlays .....			

Bonneville Power Administration (BPA) is the Federal electric power marketing agency in the Pacific Northwest. BPA markets hydroelectric power from 21 multipurpose water resource projects of the U.S. Army Corps of Engineers and 10 projects of the U.S. Bureau of Reclamation, plus some energy from non-Federal generating projects in the region. These generating resources and BPA's transmission system, planned by the end of 2003 to consist of an estimated 15,000 circuit miles of high-voltage transmission lines and 285 substations, are operated as an integrated power system with operating and financial results combined and reported as the Federal Columbia River Power System (FCRPS). BPA is the largest power wholesaler in the Northwest and provides about forty-five percent of the region's electric energy supply and about three-fourths of the region's electric power transmission capacity.

BPA is responsible for meeting the net firm power requirements of its requesting customers through a variety of means, including energy conservation programs, acquisition of renewable and other resources, and power exchanges with utilities both in and outside the region.

BPA will finance its operations on the basis of the self-financing authority provided by Federal Columbia River Transmission System Act of 1974 (Transmission Act) (Public Law 93-454) and the borrowing authority provided by the Pacific Northwest Electric Power Planning and Conservation Act (Pacific Northwest Power Act) (Public Law 96-501) for energy conservation, renewable energy resources and capital fish facilities. Authority to borrow is available to the BPA on a permanent, indefinite basis. The amount of borrowing outstanding at any time cannot exceed \$3.75 billion. The FY 2004 budget includes a proposal to increase BPA borrowing authority by \$700 million to finance planned infrastructure investments.

*Operating expenses: Transmission services business line.*—Provides funding from revenues for electric transmission research and development and program support of the capital investment program described below for transmission services. Provides for operating an estimated 15,000 miles of line and 285 substations, and for maintaining the facilities and equipment of the Bonneville transmission system in 2004.

*Power business line.*—Provides for the planning, contractual acquisition and oversight of reliable, cost effective resources. These resources are needed to serve BPA's portion of the region's forecasted net electric load requirements. Also includes protection, mitigation and enhancement of fish and wildlife affected by hydroelectric facilities on the Columbia River and its tributaries in accordance with the Pacific Northwest Power Act. Provides for payment of the operation and maintenance (O&M) costs of the 31 U.S. Army Corps of Engineers and U.S. Bureau of Reclamation hydro projects, and amortization on the U.S. Bureau of Reclamation capital investment in power generating facilities and irrigation assistance at Bureau facilities. Provides for the planning, contrac-

**Public enterprise funds—Continued****BONNEVILLE POWER ADMINISTRATION FUND—Continued**

tual acquisition and oversight of reliable, cost effective conservation. Also provides for extending the benefits of low cost Federal power to the residential and small farm customers of investor-owned and publicly-owned utilities, in accordance with the Pacific Northwest Power Act and for activities of the Pacific Northwest Electric Power and Conservation Planning Council required by the Pacific Northwest Power Act.

*Interest.*—Provides for payments to the U.S. Treasury for interest on borrowings to finance BPA's transmission services, conservation, capital equipment, fish and wildlife, and associated projects capital programs under \$3.75 billion borrowing authority provided by the Transmission Act as amended by the Pacific Northwest Power Act and replenished by Public Law 98-50. In implementing the new borrowing authority, Bonneville will encourage private-sector or other non-federal financing or joint financing of transmission line expansions and additions, develop a five-year investment plan with the participation of the regional Infrastructure Technical Review Committee or its successor in the region, use funds only for authorized purposes, include the proposed use of the funds in its annual budget submissions, and select projects based on cost effectiveness criteria for achieving the objective. This category also includes interest on Corps of Engineers, BPA and U.S. Bureau of Reclamation appropriated debt.

*Capital Investments: Transmission services business line.*—Provides for the planning, design and construction of transmission lines, substation and control system additions, replacements, and enhancements to the FCRPS transmission system for a reliable, efficient and cost-effective regional transmission system. Provides for planning, design, and construction work to repair or replace existing transmission lines, substations, control systems, and general facilities of the FCRPS transmission system.

*Power business line.*—Provides for direct funding of additions, improvements, and replacements at existing Federal hydroelectric projects in the Northwest. Also provides for capital investments to implement environmental activities, and protect, mitigate, and enhance fish and wildlife affected by hydroelectric facilities on the Columbia River and its tributaries, in accordance with the Pacific Northwest Power Act. Also provides for the planning, contractual acquisition and oversight of reliable, cost effective conservation.

*Capital equipment/Capitalized bond premium.*—Provides for general purpose ADP equipment, office furniture and equipment, and software capital development in support of all BPA programs. Also provides for bond premiums incurred for refinancing of bonds.

*Contingencies.*—Although contingencies are not specifically funded, the need may arise to provide for purchase of power in low-water years; for repair and/or replacement of facilities affected by natural and man-made emergencies, including the resulting additional costs for contracting, construction, and operation and maintenance work; for unavoidable increased costs for the planned program due to necessary but unforeseen adjustments, including engineering and design changes, contractor and other claims and relocations, or for payment of a retrospective premium adjustment in excess nuclear property insurance.

*Financing.*—The Transmission Act provides for the use by BPA of all receipts, collections, and recoveries in cash from all sources, including the sale of bonds, to finance the annual budget programs of BPA. These receipts result primarily from the sale of power and wheeling services. The Transmission Act also provides for authority to borrow from the U.S. Treasury at rates comparable to borrowings at open market rates for similar issues. As amended by the Pacific Northwest Power Act and replenished by Public Law 98-50, it allows

for \$3.75 billion of borrowing to be outstanding at any time. The 2004 capital obligations are estimated to be \$528.0 million. To the extent BPA capital borrowing authority is insufficient in 2004, BPA would use cash reserves generated by revenues from customers, if available, to finance some of these investments.

In 2002, BPA made payments to the Treasury of \$1.056 billion and also expects to make payments of \$788.0 million in 2003 and \$716.0 million in 2004. The 2004 payment will be distributed as follows: interest on bonds and appropriations (\$464.0 million), amortization (\$221.0 million), and other (\$31.0 million). BPA also received credits totaling \$38 million applied against its Treasury payments in 2002 to reflect amounts diverted to fish mitigation efforts in the Columbia and Snake River systems.

*Direct loans.*—During 2004, no new direct loan obligations may be made.

*Operating results.*—Total revenues are forecast at approximately \$4.1 billion in 2004.

It should be noted that BPA's revenue forecasts are based on several critical assumptions about both the supply of and demand for Federal energy. During the operating year, deviation from the conditions assumed in a rate case may result in a variation in actual revenues of several hundred million dollars from the forecast.

Consistent with Administration policy, BPA will continue to fully recover, from the sale of electric power and transmission, funds sufficient to cover the full cost of Civil Service Retirement System and Post-Retirement Health Benefits for their employees. The entire cost of BPA employees working under the Federal Employees Retirement System is already fully recovered in wholesale electric power and transmission rates.

**Status of Contract Authority** (in millions of dollars)

Identification code 89-4045-0-3-271	2002 actual	2003 est.	2004 est.
Contract authority:			
0200 Contract authority .....	235		

**Status of Direct Loans** (in millions of dollars)

Identification code 89-4045-0-3-271	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	2	2	2
1290 Outstanding, end of year .....	2	2	2

**Statement of Operations** (in millions of dollars)

Identification code 89-4045-0-3-271	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	4,101	3,524	2,965	2,965
0102 Expense .....	-4,201	-3,254	-2,761	-2,761
0105 Net income or loss (-) .....	-100	270	204	204

**Balance Sheet** (in millions of dollars)

Identification code 89-4045-0-3-271	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	597	162	247	247
Investments in US securities:				
1106 Receivables, net .....	4	7	7	7
1206 Non-Federal assets: Receivables, net .....	382	291	291	291
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross .....	2	2	2	2
Other Federal assets:				
1802 Inventories and related properties .....	77	83	83	83
1803 Property, plant and equipment, net .....	3,294	3,417	3,728	3,728
1901 Other assets .....	7,292	7,267	6,679	6,679
1999 Total assets .....	11,648	11,229	11,037	11,037

<b>LIABILITIES:</b>					
2102	Federal liabilities: Interest payable .....	33	31	31	31
Non-Federal liabilities:					
2201	Accounts payable .....	255	131	131	131
2203	Debt .....	8,870	8,027	8,056	8,056
2207	Other .....	1,453	1,731	1,373	1,373
2999	Total liabilities .....	10,611	9,920	9,591	9,591
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....	1,037	1,309	1,446	1,446
3999	Total net position .....	1,037	1,309	1,446	1,446
4999	Total liabilities and net position .....	11,648	11,229	11,037	11,037

**Object Classification** (in millions of dollars)

Identification code 89-4045-0-3-271	2002 actual	2003 est.	2004 est.	
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	187	200	211
11.3	Other than full-time permanent .....	3	3	3
11.5	Other personnel compensation .....	18	19	20
11.9	Total personnel compensation .....	208	222	234
<b>Civilian personnel benefits:</b>				
12.1	Civilian personnel benefits .....	3	3	3
12.1	Civilian personnel benefits .....	46	49	52
21.0	Travel and transportation of persons .....	9	10	10
22.0	Transportation of things .....	6	7	7
23.1	Rental payments to GSA .....	11	12	12
23.2	Rental payments to others .....	11	12	13
23.3	Communications, utilities, and miscellaneous charges .....	6	6	6
25.1	Advisory and assistance services .....	12	13	13
25.2	Other services .....	2,803	2,690	2,846
25.3	Other purchases of goods and services from Government accounts .....	196	210	222
25.5	Research and development contracts .....	2	2	2
26.0	Supplies and materials .....	43	46	48
31.0	Equipment .....	25	26	28
32.0	Land and structures .....	23	24	26
41.0	Grants, subsidies, and contributions .....	25	26	28
43.0	Interest and dividends .....	477	510	539
99.0	Reimbursable obligations .....	3,906	3,868	4,089
99.9	Total new obligations .....	3,906	3,868	4,089

**Personnel Summary**

Identification code 89-4045-0-3-271	2002 actual	2003 est.	2004 est.	
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	3,121	3,260	3,252

**BONNEVILLE POWER ADMINISTRATION FUND**

(Legislative proposal, subject to PAYGO)

The FY 2004 budget request includes a proposal to increase Bonneville's current \$3.75 billion borrowing authority by \$700 million. The new borrowing authority will allow BPA to finance additional infrastructure investments. BPA plans to obligate these funds in FY 2005, \$85,000,000; FY 2006, \$430,000,000; and FY 2007, \$185,000,000.

**COLORADO RIVER BASINS POWER MARKETING FUND, WESTERN AREA POWER ADMINISTRATION**

**Program and Financing** (in millions of dollars)

Identification code 89-4452-0-3-271	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
09.01	Program direction .....	35	38	40
09.02	Colorado River storage project .....	137	355	135
09.03	Fort Peck project .....	12	16	18
09.04	Other projects .....	32	1	1
10.00	Total new obligations .....	216	410	194

<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	54	76	76
22.00	New budget authority (gross) .....	238	410	194
23.90	Total budgetary resources available for obligation .....	292	486	270
23.95	Total new obligations .....	-216	-410	-194
24.40	Unobligated balance carried forward, end of year .....	76	76	76

**New budget authority (gross), detail:**

<b>Spending authority from offsetting collections:</b>				
<b>Discretionary:</b>				
68.00	Offsetting collections (cash) .....	238	432	216
68.27	Capital transfer to general fund .....		-22	-22
68.90	Spending authority from offsetting collections (total discretionary) .....	238	410	194

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	23	26	26
73.10	Total new obligations .....	216	410	194
73.20	Total outlays (gross) .....	-213	-410	-194
74.40	Obligated balance, end of year .....	26	26	26

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	213	410	194
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**Offsets:**

<b>Against gross budget authority and outlays:</b>				
<b>Offsetting collections (cash) from:</b>				
88.00	Federal sources .....	-9	-9	-9
88.40	Non-Federal sources .....	-229	-423	-207
88.90	Total, offsetting collections (cash) .....	-238	-432	-216

**Net budget authority and outlays:**

89.00	Budget authority .....		-22	-22
90.00	Outlays .....	-25	-22	-22

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....			
99.01	Outlays .....			

Western's operation and maintenance (O&M) and power marketing expenses for the Colorado River Storage Project, the Colorado River Basin Project, the Seedskaadee Project, the Dolores Project and the Fort Peck Project are financed from power revenues.

**Program direction.**—Western operates and maintains approximately 4,000 miles of transmission lines, substations, switchyards, communications and control equipment associated with this Fund. The personnel compensation and related expenses for all these activities are quantified under Program Direction. Wholesale power is provided to utilities over interconnected high-voltage transmission systems. In keeping with statutory requirements, long-term power contracts provide for periodic rate adjustments to ensure that the Federal Government recovers all costs of O&M and all capital invested in power, with interest.

**Colorado River Storage Project.**—Western markets power and operates and maintains the power transmission facilities of the Colorado River Storage Project. Western also purchases electricity and pays wheeling fees to meet firm and nonfirm commitments.

**Colorado River Basin Project.**—The Colorado River Basin Project includes Western's expenses associated with the Central Arizona Project and the United States entitlement from the Navajo coal-fired powerplant. Revenues in excess of operating expenses are transferred to the Lower Colorado River Basin Development Fund.

**Fort Peck Project.**—Revenue collected by Western is used to defray operation and maintenance and power marketing expenses associated with the power generation and transmission facilities of the Fort Peck Project, Corps of Engineers—Civil, to defray emergency expenses, and to ensure continuous operation. The Corps operates and maintains the power generating facilities, and Western operates and maintains the transmission system and performs power marketing functions.

Public enterprise funds—Continued

COLORADO RIVER BASINS POWER MARKETING FUND, WESTERN AREA  
POWER ADMINISTRATION—Continued

*Seedskadee Project.*—This activity includes Western’s expenses for O&M, power marketing, and transmission of hydroelectric power from Fontenelle Dam’s powerplant in southwestern Wyoming.

*Dolores Project.*—This activity includes Western’s expenses for O&M, power marketing, and transmission of hydroelectric power from powerplants at McPhee Dam and Towao Canal in southwestern Colorado.

Balance Sheet (in millions of dollars)

Identification code 89-4452-0-3-271	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	77	102	102	102
Investments in US securities:				
1106 Receivables, net .....	1	1	1	1
1206 Non-Federal assets: Receivables, net .....	45	34	34	34
Other Federal assets:				
1802 Inventories and related properties .....	3	2	2	2
1803 Property, plant and equipment, net .....	78	79	79	79
1901 Other assets .....	88	63	63	63
1999 Total assets .....	292	281	281	281
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	-2			
2105 Other .....	250	242	242	242
Non-Federal liabilities:				
2201 Accounts payable .....	16	20	20	20
2207 Other .....	18	23	23	23
2999 Total liabilities .....	282	285	285	285
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	10	-4	-4	-4
3999 Total net position .....	10	-4	-4	-4
4999 Total liabilities and net position .....	292	281	281	281

Object Classification (in millions of dollars)

Identification code 89-4452-0-3-271	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	18	18	19
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	20	20	21
12.1 Civilian personnel benefits .....	5	6	6
21.0 Travel and transportation of persons .....	1	1	2
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.2 Other services .....	95	358	140
25.3 Other purchases of goods and services from Government accounts .....	4	4	4
26.0 Supplies and materials .....	2	3	2
31.0 Equipment .....	2	2	2
32.0 Land and structures .....	8	4	4
43.0 Interest and dividends .....		8	9
94.0 Financial transfers .....	75		
99.0 Reimbursable obligations .....	141	410	194
99.9 Total new obligations .....	216	410	194

Personnel Summary

Identification code 89-4452-0-3-271	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	276	268	272

DEPARTMENTAL ADMINISTRATION

Federal Funds

General and special funds:

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

*For salaries and expenses of the Department of Energy necessary for departmental administration in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed \$35,000), \$326,306,000, to remain available until expended, plus such additional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511 et seq.): Provided, That such increases in cost of work are offset by revenue increases of the same or greater amount, to remain available until expended: Provided further, That moneys received by the Department for miscellaneous revenues estimated to total \$146,668,000 in fiscal year 2004 may be retained and used for operating expenses within this account, and may remain available until expended, as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of 31 U.S.C. 3302: Provided further, That the sum herein appropriated shall be reduced by the amount of miscellaneous revenues received during fiscal year 2004, and any related unappropriated receipt account balances remaining from prior years’ miscellaneous revenues, so as to result in a final fiscal year 2004 appropriation from the General Fund estimated at not more than \$179,638,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

Unavailable Collections (in millions of dollars)

Identification code 89-0228-0-1-276	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	3	3	3
07.99 Balance, end of year .....	3	3	3

Program and Financing (in millions of dollars)

Identification code 89-0228-0-1-276	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Office of Management, Budget and Evaluation .....	85	93	82
00.02 Office of Policy and International Affairs .....	16	23	22
00.03 Chief Information Officer .....		81	106
00.04 Office of Congressional and Intergovernmental Affairs .....	5	5	5
00.05 Office of Public Affairs .....	4	5	4
00.07 General Counsel .....	22	24	23
00.08 Office of the Secretary .....	4	6	5
00.09 Board of Contract Appeals .....	1	1	1
00.10 Economic impact and diversity .....	6	7	6
00.11 Corporate Management Information Program .....	5		
09.01 Reimbursable program .....	72	80	75
10.00 Total new obligations .....	220	325	329

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year .....	39	30	3
22.00 New budget authority (gross) .....	210	298	326
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	250	328	329
23.95 Total new obligations .....	-220	-325	-329
24.40 Unobligated balance carried forward, end of year .....	30	3	

New budget authority (gross), detail:

<b>Discretionary:</b>			
40.00 Appropriation .....	87	161	180
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	123	137	146
70.00 Total new budget authority (gross) .....	210	298	326

Change in obligated balances:

72.40 Obligated balance, start of year .....	57	61	104
73.10 Total new obligations .....	220	325	329

73.20	Total outlays (gross) .....	-212	-282	-321
73.31	Obligated balance transferred to other accounts .....	-3		
73.45	Recoveries of prior year obligations .....	-1		
74.40	Obligated balance, end of year .....	61	104	112
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	182	245	268
86.93	Outlays from discretionary balances .....	30	37	53
87.00	Total outlays (gross) .....	212	282	321
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-80	-89	-95
88.40	Non-Federal sources .....	-43	-48	-51
88.90	Total, offsetting collections (cash) .....	-123	-137	-146
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	87	161	180
90.00	Outlays .....	89	145	175
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	8	8	8
99.01	Outlays .....	8	8	8

*Departmental Administration.*—This account funds policy development and analysis activities, institutional and public liaison functions, and other program support requirements necessary to ensure effective operation and management. Specific activities provided for are:

*Office of Policy and International Affairs.*—The role of the Office of Policy and International Affairs (PI) is to deliver unbiased advice to Departmental leadership on existing and prospective energy-related policies, based on integrated and well-founded data and policy analysis. The Office represents the Department in interagency discussions on energy and related policy, and addresses all aspects of the U.S. energy sector including energy availability, reliability, and economic efficiency. It has primary responsibility for the Department's international energy affairs, including energy policy issues, energy emergency and national security issues, and technology cooperation. It considers the global and local environmental impacts of energy production and use. The Office also develops and leads the Department's bilateral and multilateral cooperation and investment and trade activities with other nations and international agencies. It also works closely with the various organizational elements of the Department and other relevant federal organizations and agencies and domestic institutions to coordinate and align national security and energy emergency activities.

The Office of Policy and International Affairs will establish an office of National Energy Policy (NEP), which will provide Departmental coordination of and strategic direction on implementing NEP initiatives. In 2004, the office will develop policies, strategies and options for implementing the Administration's Climate Change initiatives, focus on integrating science and technology, and establish DOE programs for voluntary emissions reporting, voluntary business compacts to reduce greenhouse emissions, and emissions trading. In addition, in coordination with the State Department, the office will complement domestic programs with international climate change partnerships for cooperation in mutually beneficial areas.

*Office of Management, Budget and Evaluation.*—The Office of Management, Budget and Evaluation (OMBE) provides the Department of Energy (DOE) with centralized direction and oversight for the full range of financial, management, program evaluation and administrative services. OMBE coordinates DOE's efforts to achieve the goals of the President's Management Agenda (PMA) and leads implementation of PMA initiatives on Strategic Management of Human Capital; Competitive Sourcing; Improved Financial Management and Budget and Performance Integration. OMBE's financial activities include budget formulation, presentation and execution;

oversight of DOE-wide internal controls; and operation of the Department's payroll and financial management systems. Management activities include strategic planning and program evaluation; project and contract management policy development and oversight; human resources policy development and delivery of human resource and procurement services to DOE headquarters staff. Administrative activities include the management of headquarters facilities and the delivery of other services critical to the proper functioning of the Department of Energy. The budget for the Office of Management, Budget and Evaluation also supports the activities of the Secretary of Energy Advisory Board (SEAB), an external advisory board chartered under the Federal Advisory Committee Act of 1972 (Public Law 92-436).

*Chief Information Officer.*—The Chief Information Officer program is responsible for the implementation of the President's Management Agenda for expanding e-Government. In this role, the office develops policies to ensure efficient, economical and effective management, planning and acquisition of information resources and is responsible for coordinating enterprise cyber security policy; technical development; replacement of outdated information systems; and delivering shared and common services.

The office follows a corporate approach to services and tightly integrated budgeting, planning, enterprise architecture and security to achieve a holistic approach to DOE's information systems. The Department of Energy's E-Government Strategic Action Plan provides a road map for this process and identifies 19 specific initiatives including the integration of disparate financial and HR systems, consolidation of desktop and network services and development of the corporate data repository.

The office manages the Corporate Management Information Program (CMIP). The CMIP program supports the implementation of the Department of Energy E-government Strategy, especially the development of cost effective and robust corporate information systems. CMIP has, and continues to transform the Departmental administration of information technology investments through the integration and development of an Enterprise Architecture and a Capital Planning and Investment Control process.

*Congressional and intergovernmental affairs.*—This office is responsible for coordinating, directing, and promoting the Secretary's and the Department's policies and legislative initiatives with the Congress, State, territorial, Tribal and local government officials, and other Federal agencies. The office is also responsible for managing and overseeing the Department's liaison with members of Congress, the White House and other levels of government and stakeholders which includes public interest groups representing state, local and tribal governments.

*Office of Public Affairs.*—This office is responsible for directing and managing the Secretary's, Department's, and Administration's policies and initiatives with the public, news media and other stakeholders on energy issues and also serves as the Department's chief spokesperson. The office manages and oversees all public affairs efforts, which includes public information, press and media services, the departmental newsletter *DOE This Month*, speech writing, special projects, editorial services, the Department's home page, and review of proposed publications and audiovisuals.

*General Counsel.*—This office is responsible for providing legal services to all energy activities except for those functions belonging exclusively to the Federal Energy Regulatory Commission, which is served by its own General Counsel. Its responsibilities entail the provision of legal opinions, advice and services to administrative and program offices, and the conduct of both administrative and judicial litigation, as well as legal advice and support for enforcement activities. Further, the General Counsel appears before State and Federal

General and special funds—Continued

DEPARTMENTAL ADMINISTRATION—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

agencies in defense of national energy policies and activities. The office is responsible for the coordination and clearance of proposed legislation affecting energy activities and testimony before Congress. The General Counsel is also responsible for ensuring consistency and legal sufficiency of all energy regulations; administering and monitoring standards of conduct requirements; and conducting the patents program.

*Office of the Secretary.*—Directs and leads management of the Department and provides policy guidance to line and staff organizations in the accomplishment of agency objectives.

*Board of Contract Appeals.*—Adjudicates disputes arising out of the Department's contracts and financial assistance programs and provides for neutral services and facilities for alternative dispute resolution.

*Economic impact and diversity.*—This office is responsible for: advising the Secretary on the effects of the Department's policies, regulations and actions on underrepresented population groups, communities, and business enterprises; conducting research to determine energy consumption and use patterns of minorities; and providing technical assistance to minority educational institutions and minority business enterprises to enable them to participate more fully in departmental activities. The office is also responsible for initiatives which promote inclusion in all aspects of the Department's human capital and financial resources by increasing diversity in hiring, contracting, internships, mentoring, and other developmental programs; administering a departmental small and disadvantaged business program; serves as the Department's enforcer to ensure that the civil rights of employees are protected and complaints are processed within applicable regulatory timeframes; implements the Department's environmental justice strategy; and is responsible for the Office of Employee Concerns which manages the whistle blower reform initiative; employee surveys; and eliminating practices of racial profiling.

*Cost of work for others.*—This activity covers the cost of work performed under orders placed with the Department by non-DOE entities which are precluded by law from making advance payments and certain revenue programs. Reimbursement for these costs is made through deposits of offsetting collections to this account.

Object Classification (in millions of dollars)

Identification code 89-0228-0-1-276	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	59	75	74
11.3 Other than full-time permanent .....	6	6	6
11.5 Other personnel compensation .....	3	3	3
11.9 Total personnel compensation .....	68	84	83
12.1 Civilian personnel benefits .....	16	17	16
21.0 Travel and transportation of persons .....	3	6	6
23.3 Communications, utilities, and miscellaneous charges .....	1	2	2
25.1 Advisory and assistance services .....	12	25	31
25.2 Other services .....	17	36	42
25.3 Other purchases of goods and services from Government accounts .....	27	59	58
25.4 Operation and maintenance of facilities .....	2	4	4
25.6 Medical care .....	1	2	2
26.0 Supplies and materials .....	2	4	4
31.0 Equipment .....	1	2	2
41.0 Grants, subsidies, and contributions .....	-2	4	4
99.0 Direct obligations .....	148	245	254
99.0 Reimbursable obligations .....	72	80	75
99.9 Total new obligations .....	220	325	329

Personnel Summary

Identification code 89-0228-0-1-276	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,045	1,215	1,146

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$39,462,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 89-0236-0-1-276	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity .....	32	38	39
10.00 Total new obligations .....	32	38	39
Budgetary resources available for obligation:			
22.00 New budget authority (gross) .....	32	38	39
23.95 Total new obligations .....	-32	-38	-39
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation .....	32	38	39
Change in obligated balances:			
72.40 Obligated balance, start of year .....	5	4	5
73.10 Total new obligations .....	32	38	39
73.20 Total outlays (gross) .....	-33	-37	-39
74.40 Obligated balance, end of year .....	4	5	5
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority .....	28	32	33
86.93 Outlays from discretionary balances .....	5	5	6
87.00 Total outlays (gross) .....	33	37	39
Net budget authority and outlays:			
89.00 Budget authority .....	32	38	39
90.00 Outlays .....	33	37	39
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

This appropriation provides agencywide including the National Nuclear Security Administration audit, inspection, and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement. The audit function provides financial and performance audits of programs and operations. Financial audits include financial statement and financial related audits. Performance audits include economy and efficiency and program results audits. The inspection function provides independent inspections and analyses of the effectiveness, efficiency, and economy of programs and operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

Object Classification (in millions of dollars)

Identification code 89-0236-0-1-276	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	23	27	27
21.0 Travel and transportation of persons .....	1	2	2
25.2 Other services .....	5	5	7
25.3 Other purchases of goods and services from Government accounts .....	3	4	3

99.9	Total new obligations .....	32	38	39
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**Personnel Summary**

Identification code 89-0236-0-1-276	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	250	263	263

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 89-4563-0-4-276	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Payroll and other personnel .....	4	5	5
Administrative services:			
09.10 Supplies .....	3	3	3
09.11 Postage .....	2	3	3
09.12 Photocopying .....	3	2	2
09.13 Printing & graphics .....	3	3	3
09.14 Building rental, operations & maintenance .....	57	58	62
09.19 Total, Administrative services .....	69	69	73
Information management systems & operations:			
09.20 Telecommunication .....	5	7	8
09.21 Office automation equipment & support .....	1	1	1
09.22 Networking .....	6	6	6
09.29 Total, Information management systems & operations .....	12	14	15
Procurement services:			
09.30 Contract closeout .....	1	1	1
10.00 Total new obligations .....	86	89	94
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	10	17	11
22.00 New budget authority (gross) .....	94	83	83
23.90 Total budgetary resources available for obligation	104	100	94
23.95 Total new obligations .....	-86	-89	-94
24.40 Unobligated balance carried forward, end of year .....	17	11	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	94	83	83
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	28	31	37
73.10 Total new obligations .....	86	89	94
73.20 Total outlays (gross) .....	-83	-83	-83
74.40 Obligated balance, end of year .....	31	37	48
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	80	80	80
86.93 Outlays from discretionary balances .....	3	3	3
87.00 Total outlays (gross) .....	83	83	83
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-94	-83	-83
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-11		

The Department's Working Capital Fund (WCF) provides the following common administrative services: rent and building operations, telecommunications, network connectivity, automated office systems, payroll and personnel processing, supplies, printing, copying, mail, on-line learning, and contract closeout. Establishment of the WCF has helped the Department reduce waste and improve efficiency by expanding customer's choice of the amount, quality and source of administrative services.

**Object Classification (in millions of dollars)**

Identification code 89-4563-0-4-276	2002 actual	2003 est.	2004 est.
23.1 Rental payments to GSA .....	44	46	50
23.3 Communications, utilities, and miscellaneous charges	22	23	23
24.0 Printing and reproduction .....	6	6	6
25.2 Other services .....	9	9	9
25.3 Other purchases of goods and services from Government accounts .....	1	1	2
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials .....	3	3	3
99.9 Total new obligations .....	86	89	94

**ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY**

*Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.*

*From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.*

*None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.*

*The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private or foreign: Provided, That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be received by the Secretary of Energy, and, subject to appropriation in advance within two years of such receipt, be used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: Provided further, That amounts in excess of such appropriation shall be covered into the Treasury as miscellaneous receipts.*

*No funds provided in this Act may be expended by the Department of Energy to prepare, issue, or process procurement documents for programs or projects for which appropriations have not been made.*

*In addition to other authorities set forth in this Act, the Secretary may accept fees and contributions from public and private sources, to be deposited in a contributed funds account, and prosecute projects using such fees and contributions in cooperation with other Federal, State or private agencies or concerns.*

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:			
89-089400 Fees and recoveries, Federal Energy Regulatory Commission .....		18	18
89-223000 Oil and gas sale proceeds at NPRs. ....	7	7	7
89-223100 Privatization of Elk Hills .....			
89-224500 Sale and transmission of electric energy, Falcon Dam .....	2	2	2
89-224700 Sale and transmission of electric energy, Southwestern Power Administration .....	89	90	92
Legislative proposal, subject to PAYGO .....		-51	-38
89-224800 Sale and transmission of electric energy, Southeastern Power Administration .....	94	138	180
Legislative proposal, subject to PAYGO .....		-70	-73
89-224900 Sale of power and other utilities, not otherwise classified .....	57	43	43
Legislative proposal, subject to PAYGO .....		-28	-34
89-288900 Repayments on miscellaneous recoverable costs, not otherwise classified .....	62	35	31
General Fund Offsetting receipts from the public .....	311	184	228

## GENERAL PROVISIONS

SEC. 301. (a) None of the funds appropriated by this Act may be used to award a management and operating contract, or award a significant extension or expansion to an existing management and operating contract, unless such contract is awarded using competitive procedures or the Secretary of Energy grants, on a case-by-case basis, a waiver to allow for such a deviation. The Secretary may not delegate the authority to grant such a waiver.

(b) At least 60 days before a contract award for which the Secretary intends to grant such a waiver, the Secretary shall submit to the Subcommittees on Energy and Water Development of the Committees on Appropriations of the House of Representatives and the Senate a report notifying the Subcommittees of the waiver and setting forth, in specificity, the substantive reasons why the Secretary believes the requirement for competition should be waived for this particular award.

SEC. 302. None of the funds appropriated by this Act may be used to—

(1) develop or implement a workforce restructuring plan that covers employees of the Department of Energy; or

(2) provide enhanced severance payments or other benefits for employees of the Department of Energy, under section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 42 U.S.C. 7274h).

SEC. 303. None of the funds appropriated by this Act may be used to prepare or initiate Requests For Proposals (RFPs) for a program if the program has not been funded by Congress.

### (TRANSFERS OF UNEXPENDED BALANCES)

SEC. 304. The unexpended balances of prior appropriations provided for activities in this Act may be transferred to appropriation accounts for such activities established pursuant to this title. Balances so transferred may be merged with funds in the applicable established accounts and thereafter may be accounted for as one fund for the same time period as originally enacted.

SEC. 305. None of the funds in this or any other Act for the Administrator of the Bonneville Power Administration may be used to enter into any agreement to perform energy efficiency services outside the legally defined Bonneville service territory, with the exception of services provided internationally, including services provided on a reim-

bursable basis, unless the Administrator certifies in advance that such services are not available from private sector businesses.

SEC. 306. When the Department of Energy makes a user facility available to universities and other potential users, or seeks input from universities and other potential users regarding significant characteristics or equipment in a user facility or a proposed user facility, the Department shall ensure broad public notice of such availability or such need for input to universities and other potential users. For purposes of this section, the term “user facility” includes, but is not limited to: (1) a user facility as described in section 2203(a)(2) of the Energy Policy Act of 1992 (42 U.S.C. 13503(a)(2)); (2) a National Nuclear Security Administration Defense Programs Technology Deployment Center/User Facility; and (3) any other Departmental facility designated by the Department as a user facility.

SEC. 307. The Administrator of the National Nuclear Security Administration may authorize the plant manager of a covered nuclear weapons research, development, testing or production facility to engage in research, development, and demonstration activities with respect to the engineering and manufacturing capabilities at such facility in order to maintain and enhance such capabilities at such facility: Provided, That of the amount allocated to a covered nuclear weapons facility each fiscal year from amounts available to the Department of Energy for such fiscal year for national security programs, not more than an amount equal to 2 percent of such amount may be used for these activities: Provided further, That for purposes of this section, the term “covered nuclear weapons facility” means the following:

- (1) the Kansas City Plant, Kansas City, Missouri;
- (2) the Y-12 Plant, Oak Ridge, Tennessee;
- (3) the Pantex Plant, Amarillo, Texas;
- (4) the Savannah River Plant, South Carolina; and
- (5) the Nevada Test Site.

SEC. 308. Section 310 of the Energy and Water Development Appropriations Act, 2000 (Public Law 106-60), is hereby repealed.

SEC. 309. Funds appropriated by this or any other Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 2004 until the enactment of the Intelligence Authorization Act for fiscal year 2004.

# DEPARTMENT OF HEALTH AND HUMAN SERVICES

## FOOD AND DRUG ADMINISTRATION

### Federal Funds

#### General and special funds:

##### SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for payment of space rental and related costs pursuant to Public Law 92-313 for programs and activities of the Food and Drug Administration which are included in this Act; for rental of special purpose space in the District of Columbia or elsewhere; for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed \$25,000; and notwithstanding section 521 of P.L. 107-188; \$1,673,632,000, of which not to exceed \$249,825,000 shall be derived from prescription drug user fees authorized by 21 U.S.C. 379h and shall be credited to this account and remain available until expended: Provided, That of the amount provided under this heading, \$29,190,000 shall be derived from medical device user fees authorized by 21 U.S.C. 379j and shall be credited to this account and remain available until expended: Provided further, That fees derived from prescription drug and medical device applications received during fiscal year 2004 shall be subject to the fiscal year 2004 limitation: Provided further, That any prescription drug or medical device user fee collected in fiscal year 2004 that exceed this limitation shall be credited to this account and remain available until expended, in accordance with 21 U.S.C. 379h(g)(4) and 379j(h)(4).

In addition, mammography user fees authorized by 42 U.S.C. 263b may be credited to this account, to remain available until expended.

In addition, export certification user fees authorized by 21 U.S.C. 381 may be credited to this account, to remain available until expended.

##### BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, \$11,500,000, to remain available until expended (7 U.S.C. 2209b).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Unavailable Collections (in millions of dollars)

Identification code 75-9911-0-1-554	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Cooperative research and development agreements	2	2	2
Appropriations:			
05.00 Salaries and expenses	-2	-2	-1
07.99 Balance, end of year			

#### Program and Financing (in millions of dollars)

Identification code 75-9911-0-1-554	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Foods	393	412	413
00.02 Drugs	479	513	513
00.03 Devices and radiological products	180	191	185
00.04 National Center for Toxicological Research	39	41	40
00.05 Other activities	82	85	92
00.06 Other rent and rent related activities	38	36	42
00.07 Rental payments	99	99	109
00.08 Buildings and facilities	44	8	12
00.09 CRADAs	1	2	2
09.01 Reimbursable program	214	291	334
10.00 Total new obligations	1,569	1,678	1,742

#### Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	69	203	203
22.00 New budget authority (gross)	1,698	1,678	1,741
22.10 Resources available from recoveries of prior year obligations	5		
23.90 Total budgetary resources available for obligation	1,772	1,881	1,944
23.95 Total new obligations	-1,569	-1,678	-1,742
24.40 Unobligated balance carried forward, end of year	203	203	203

#### New budget authority (gross), detail:

<b>Discretionary:</b>			
40.00 Appropriation	1,369	1,385	1,406
40.73 Reduction pursuant to P.L. 107-206	-1		
43.00 Appropriation (total discretionary)	1,368	1,385	1,406
<b>Mandatory:</b>			
60.20 Appropriation (special fund)	2	2	1
<b>Spending authority from offsetting collections:</b>			
<b>Discretionary:</b>			
68.00 Offsetting collections (cash)	306	291	334
68.10 Change in uncollected customer payments from Federal sources (unexpired)	22		
68.90 Spending authority from offsetting collections (total discretionary)	328	291	334
70.00 Total new budget authority (gross)	1,698	1,678	1,741

#### Change in obligated balances:

72.40 Obligated balance, start of year	393	488	503
73.10 Total new obligations	1,569	1,678	1,742
73.20 Total outlays (gross)	-1,450	-1,663	-1,735
73.40 Adjustments in expired accounts (net)	-5		
73.45 Recoveries of prior year obligations	-5		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-22		
74.10 Change in uncollected customer payments from Federal sources (expired)	7		
74.40 Obligated balance, end of year	488	503	510

#### Outlays (gross), detail:

86.90 Outlays from new discretionary authority	1,182	1,326	1,384
86.93 Outlays from discretionary balances	267	335	350
86.97 Outlays from new mandatory authority	1	2	1
87.00 Total outlays (gross)	1,450	1,663	1,735

#### Offsets:

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources	-32	-25	-37
88.40 Non-Federal sources	-291	-266	-297
88.90 Total, offsetting collections (cash)	-323	-291	-334
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-22		
88.96 Portion of offsetting collections (cash) credited to expired accounts	17		

#### Net budget authority and outlays:

89.00 Budget authority	1,370	1,387	1,407
90.00 Outlays	1,127	1,372	1,401

#### Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority	56	60	67
99.01 Outlays	56	60	67

(In millions of dollars)

	2002	2003	2004
<b>Distribution of budget authority by account:</b>			
Salaries and expenses	1,336	1,379	1,395
Buildings and facilities	34	8	12
<b>Distribution of outlays by account:</b>			
Salaries and expenses	1,085	1,356	1,388
Buildings and facilities	42	16	13

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Summary of Budget Authority and Outlays

(in millions of dollars)			
Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	1,370	1,387	1,407
Outlays .....	1,127	1,372	1,401
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			
Outlays .....			
Total:			
Budget Authority .....	1,370	1,387	1,407
Outlays .....	1,127	1,372	1,401

The Food and Drug Administration assures the safety of the nation's foods, medicines, medical devices and other products through regulations, pre-market product and manufacturer reviews and post-market inspections. The budget includes funding for counter terrorism activities that specifically deal with the protection of products regulated by the FDA (such as drugs, vaccines, foods, and animal feed), and the availability of medical products for public health preparedness in the event of an attack. The budget also requests funding for food safety, improved access to generic drugs, and implementation of the Best Pharmaceuticals for Children Act.

Object Classification (in millions of dollars)

Identification code 75-9911-0-1-554	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	497	584	612
11.3 Other than full-time permanent .....	41	35	37
11.5 Other personnel compensation .....	18	20	21
11.7 Military personnel .....	33	32	36
11.9 Total personnel compensation .....	589	671	706
12.1 Civilian personnel benefits .....	134	142	147
12.2 Military personnel benefits .....	17	15	18
21.0 Travel and transportation of persons .....	26	28	27
22.0 Transportation of things .....	4	7	7
23.1 Rental payments to GSA .....	99	99	109
23.2 Rental payments to others .....	5	6	6
23.3 Communications, utilities, and miscellaneous charges .....	20	29	29
24.0 Printing and reproduction .....	3	3	3
25.1 Advisory and assistance services .....	41	19	16
25.2 Other services .....	67	85	76
25.3 Other purchases of goods and services from Government accounts .....	61	55	48
25.4 Operation and maintenance of facilities .....	52	38	33
25.5 Research and development contracts .....	28	43	43
25.7 Operation and maintenance of equipment .....	37	31	27
26.0 Supplies and materials .....	22	25	24
31.0 Equipment .....	80	62	59
32.0 Land and structures .....	38		2
41.0 Grants, subsidies, and contributions .....	30	27	26
42.0 Insurance claims and indemnities .....	2	2	2
99.0 Direct obligations .....	1,355	1,387	1,408
99.0 Reimbursable obligations .....	214	291	334
99.9 Total new obligations .....	1,569	1,678	1,742

Personnel Summary

Identification code 75-9911-0-1-554	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	7,748	8,402	8,485
1101 Military full-time equivalent employment .....	564	577	587
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	1,107	1,378	1,588
2101 Military full-time equivalent employment .....	76	84	103

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 75-9911-2-1-554	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....			5
10.00 Total new obligations .....			5
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			5
23.95 Total new obligations .....			-5
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....			5
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			5
73.20 Total outlays (gross) .....			-5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			5
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....			-5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The budget includes a total of \$5,000,000 in animal drug user fees. Authorizing language for these fees will be proposed to authorize the collection and spending of the fees subject to appropriations language.

Object Classification (in millions of dollars)

Identification code 75-9911-2-1-554	2002 actual	2003 est.	2004 est.
99.0 Reimbursable obligations: Reimbursable obligations ...			5
99.9 Total new obligations .....			5

Personnel Summary

Identification code 75-9911-2-1-554	2002 actual	2003 est.	2004 est.
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....			40

Public enterprise funds:

REVOLVING FUND FOR CERTIFICATION AND OTHER SERVICES

Program and Financing (in millions of dollars)

Identification code 75-4309-0-3-554	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	5	8	6
10.00 Total new obligations .....	5	8	6
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	4	1
22.00 New budget authority (gross) .....	5	5	6
23.90 Total budgetary resources available for obligation .....	9	9	7
23.95 Total new obligations .....	-5	-8	-6
24.40 Unobligated balance carried forward, end of year .....	4	1	1

<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00	Offsetting collections (cash) .....	5	5 6
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	1	1 1
73.10	Total new obligations .....	5	8 6
73.20	Total outlays (gross) .....	-5	-8 -6
74.40	Obligated balance, end of year .....	1	1 1
<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority .....	5	5 6
86.98	Outlays from mandatory balances .....		3 .....
87.00	Total outlays (gross) .....	5	8 6
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-5	-5 -6
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....		3 .....

FDA certifies color additives for use in foods, drugs, and cosmetics. It also lists color additives for use in foods, drugs, medical devices, and cosmetics (21 U.S.C. 346a, 356, 357, 376). These services are financed wholly by fees paid by the industries affected.

Object Classification (in millions of dollars)				
Identification code 75-4309-0-3-554		2002 actual	2003 est.	2004 est.
11.1	Personnel compensation: Full-time permanent .....	2	2	2
12.1	Civilian personnel benefits .....	1	1	1
23.3	Communications, utilities, and miscellaneous charges .....		2	2
25.2	Other services .....	1	3	1
31.0	Equipment .....	1		
99.9	Total new obligations .....	5	8	6

Personnel Summary				
Identification code 75-4309-0-3-554		2002 actual	2003 est.	2004 est.
Reimbursable:				
Total compensable workyears:				
2001	Civilian full-time equivalent employment .....	33	38	38

**HEALTH RESOURCES AND SERVICES ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**HEALTH RESOURCES AND SERVICES**

For carrying out titles II, III, IV, VII, VIII, X, XII, XIX, and XXVI of the Public Health Service Act, section 427(a) of the Federal Coal Mine Health and Safety Act, title V (including section 510), and sections 711, 1128E, and 1820 of the Social Security Act, the Health Care Quality Improvement Act of 1986, as amended, the Native Hawaiian Health Care Act of 1988, as amended, the Cardiac Arrest Survival Act of 2000, and the Poison Control Center Enhancement and Awareness Act, \$5,665,996,000, of which \$25,000,000 from general revenues, notwithstanding section 1820(j) of the Social Security Act, shall be available for carrying out the Medicare rural hospital flexibility grants program under section 1820 of such Act: Provided, That of the funds made available under this heading, \$250,000 shall be available until expended for facilities renovations at the Gillis W. Long Hansen's Disease Center: Provided further, That in addition to fees authorized by section 427(b) of the Health Care Quality Improvement Act of 1986, fees shall be collected for the full disclosure of information under the Act sufficient to recover the full costs of operating the National Practitioner Data Bank, and shall remain available until expended to carry out that Act: Provided further, That fees collected for the full disclosure of information under the "Health

Care Fraud and Abuse Data Collection Program", authorized by section 1128E(d)(2) of the Social Security Act, shall be sufficient to recover the full costs of operating the program, and shall remain available until expended to carry out that Act: Provided further, That no more than \$45,000,000 is available for carrying out the provisions of Public Law 104-73: Provided further, That an award for compensation under said provisions for actual and projected pain and suffering and emotional distress shall not exceed \$250,000: Provided further, That of the funds made available under this heading, \$264,808,000 shall be for the program under title X of the Public Health Service Act to provide for voluntary family planning projects: Provided further, That amounts provided to said projects under such title shall not be expended for abortions, that all pregnancy counseling shall be nondirective, and that such amounts shall not be expended for any activity (including the publication or distribution of literature) that in any way tends to promote public support or opposition to any legislative proposal or candidate for public office: Provided further, That \$739,000,000 shall be for State AIDS Drug Assistance Programs authorized by section 2616 of the Public Health Service Act: Provided further, That, notwithstanding section 502(a)(1) of the Social Security Act, not to exceed \$109,132,000 is for carrying out special projects of regional and national significance pursuant to section 501(a)(2): Provided further, That \$73,044,000 is available for special projects of regional and national significance under section 501(a)(2) of the Social Security Act, which shall not be counted toward compliance with the allocation required in section 502(a)(1) of such Act, and which shall be used only for making competitive grants to provide abstinence education (as defined in section 510(b)(2) of such Act) to adolescents and for evaluations (including longitudinal evaluations) of activities under the grants and for Federal costs of administering the grants: Provided further, That grants under the immediately preceding proviso shall be made only to public and private entities which agree that, with respect to an adolescent to whom the entities provide abstinence education under such grant, the entities will not provide to that adolescent any other education regarding sexual conduct, except that, in the case of an entity expressly required by law to provide health information or services the adolescent shall not be precluded from seeking health information or services from the entity in a different setting than the setting in which the abstinence education was provided: Provided further, That the funds expended for such evaluations may not exceed 3.5 percent of such amount.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 75-0350-0-1-550	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02	Loan guarantee subsidy .....	1	1 1
00.10	Health centers .....	1,328	1,433 1,582
00.11	National Health Service Corps .....	46	46 45
00.12	National Health Service Corps recruitment .....	99	143 167
00.13	Hansen's disease center .....	18	18 18
00.14	Payment to Hawaii for the treatment of Hansen's disease .....	2	2 2
00.15	Black lung clinics .....	6	6 6
00.16	Nursing loan repayment .....	10	15 27
00.17	Health professions .....	377	94 81
00.18	Maternal and child health block grant .....	731	732 751
00.19	Healthy start .....	99	99 99
00.20	Universal newborn hearing .....	10	
00.21	Emergency medical services for children .....	19	
00.22	Poison control centers .....	21	
00.23	HIV/AIDS .....	1,911	1,911 2,010
00.24	Organ transplantation .....	20	25 25
00.25	Health care facilities .....	315	
00.26	Bone marrow donor registry .....	22	22 22
00.27	Rural health policy development .....	15	6 6
00.28	Rural health outreach grants .....	52	38 38
00.29	Rural health flexibility grants .....	40	25 30
00.30	Telehealth .....	37	6 6
00.31	Program management .....	149	147 151
00.32	Family planning .....	265	265 265
00.33	Abstinence education .....	44	25 .....
00.34	State access program .....	15	
00.35	Community access program .....	105	
00.36	Health centers tort claim fund .....	16	25 45
00.37	Trauma EMS .....	3	

**General and special funds—Continued**

**HEALTH RESOURCES AND SERVICES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 75-0350-0-1-550	2002 actual	2003 est.	2004 est.
00.39 Childrens' GME .....	285	200	199
00.40 Denali commission .....	20		
00.41 Community based abstinence grants .....	40	73	73
00.42 State offices of rural health .....	8	4	4
00.44 Rural access to emergency devices .....	12	2	2
00.45 Radiation Exposure Compensation Act .....	4	4	4
00.46 Traumatic brain injury .....	7	7	7
00.47 Healthy communities innovation initiative .....		20	
00.48 Buildings and facilities .....	1		
03.00 Total direct programs .....	6,153	5,394	5,666
09.01 Reimbursable program .....	140	156	160
10.00 Total new obligations .....	6,293	5,550	5,826
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	33	39	43
22.00 New budget authority (gross) .....	6,304	5,555	5,831
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	6,338	5,594	5,874
23.95 Total new obligations .....	-6,293	-5,550	-5,826
23.98 Unobligated balance expiring or withdrawn .....	-7		
24.40 Unobligated balance carried forward, end of year .....	39	43	48
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	6,081	5,369	5,666
40.71 Reduction pursuant to P.L. Labor HHS 107-116 .....	-1		
40.73 Reduction pursuant to P.L. 107-206 .....	-2		
43.00 Appropriation (total discretionary) .....	6,078	5,369	5,666
55.00 Advance appropriation .....	30		
Mandatory:			
60.00 Appropriation .....	50	25	
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	122	130	130
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	123	130	130
Mandatory:			
69.00 Offsetting collections (cash)(HPS&NSL) .....	23	31	35
70.00 Total new budget authority (gross) .....	6,304	5,555	5,831
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4,557	5,054	4,697
73.10 Total new obligations .....	6,293	5,550	5,826
73.20 Total outlays (gross) .....	-5,753	-5,907	-5,953
73.40 Adjustments in expired accounts (net) .....	-41		
73.45 Recoveries of prior year obligations .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	5,054	4,697	4,570
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2,328	2,072	2,201
86.93 Outlays from discretionary balances .....	3,354	3,760	3,691
86.97 Outlays from new mandatory authority .....	35	38	35
86.98 Outlays from mandatory balances .....	36	37	26
87.00 Total outlays (gross) .....	5,753	5,907	5,953
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-102	-110	-110
88.40 Non-Federal sources .....	-20	-20	-20
88.45 Offsetting governmental collections (from non-Federal sources) .....	-23	-31	-35
88.90 Total, offsetting collections (cash) .....	-145	-161	-165
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	6,158	5,394	5,666
90.00 Outlays .....	5,608	5,746	5,788
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	14	15	17
99.01 Outlays .....	14	15	17

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	6,158	5,394	5,666
Outlays .....	5,608	5,746	5,788
Legislative proposal, subject to PAYGO:			
Budget Authority .....		25	50
Outlays .....		7	37
Total:			
Budget Authority .....	6,158	5,419	5,716
Outlays .....	5,608	5,753	5,825

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 75-0350-0-1-550	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Health centers: Facilities renovation loan guarantee levels .....	1	10	10
215002 Health centers: Managed care network development loan guarantee levels .....		2	2
215003 Health centers: Managed care plan loan guarantee levels .....		5	5
215901 Total loan guarantee levels .....	1	17	17
Guaranteed loan subsidy (in percent):			
232001 Health centers: Facilities renovation loan guarantee levels .....	8.71	3.49	3.52
232002 Health centers: Managed care network development loan guarantee levels .....	9.27	9.02	9.28
232003 Health centers: Managed care plan loan guarantee levels .....	5.00	7.65	7.77
232901 Weighted average subsidy rate .....	8.71	5.88	5.88
Guaranteed loan subsidy budget authority:			
233001 Health centers: Facilities renovation loan guarantee levels .....		1	1
233002 Health centers: Managed care network development loan guarantee levels .....			
233003 Health centers: Managed care plan loan guarantee levels .....			
233901 Total subsidy budget authority .....		1	1
Guaranteed loan subsidy outlays:			
234001 Health centers: Facilities renovation loan guarantee levels .....		1	1
234002 Health centers: Managed care network development loan guarantee levels .....			
234003 Health centers: Managed care plan loan guarantee levels .....			
234901 Total subsidy outlays .....		1	1
Administrative expense data:			
351001 Administrative expenses .....	1	1	1
358001 Outlays from balances .....			
359001 Outlays for administrative expenses .....	1	1	1

Activities displayed here support categorical health resources and services grants, treatment and care for those living with HIV/AIDS, and the Medical malpractice claims fund, which pays malpractice claims filed against employees of federally-supported health centers.

**Object Classification (in millions of dollars)**

Identification code 75-0350-0-1-550	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	95	103	107
11.3 Other than full-time permanent .....	4	4	4
11.5 Other personnel compensation .....	3	3	3

11.7	Military personnel .....	21	22	23
11.9	Total personnel compensation .....	123	132	137
12.1	Civilian personnel benefits .....	22	24	25
12.2	Military personnel benefits .....	11	14	17
13.0	Benefits for former personnel .....	3	3	3
21.0	Travel and transportation of persons .....	4	4	4
23.1	Rental payments to GSA .....	12	13	13
23.3	Communications, utilities, and miscellaneous charges .....	4	5	5
24.0	Printing and reproduction .....	1	2	2
25.1	Advisory and assistance services .....	52	48	48
25.2	Other services .....	80	87	96
25.3	Other purchases of goods and services from Government accounts .....	118	94	97
25.4	Operation and maintenance of facilities .....	1	1	1
25.6	Medical care .....	1	1	1
25.7	Operation and maintenance of equipment .....	4	5	5
26.0	Supplies and materials .....	2	2	2
31.0	Equipment .....	5	5	5
41.0	Grants, subsidies, and contributions .....	5,694	4,929	5,158
42.0	Insurance claims and indemnities .....	16	25	46
99.0	Direct obligations .....	6,153	5,394	5,665
99.0	Reimbursable obligations .....	140	156	161
99.9	Total new obligations .....	6,293	5,550	5,826

**Personnel Summary**

Identification code 75-0350-0-1-550	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	1,438	1,472	1,445
1101	Military full-time equivalent employment .....	267	270	278
<b>Reimbursable:</b>				
Total compensable workyears:				
2001	Civilian full-time equivalent employment .....	85	128	128
2101	Military full-time equivalent employment .....	5	5	5
<b>Allocation account:</b>				
Total compensable workyears:				
3001	Civilian full-time equivalent employment .....		12	12
3101	Military full-time equivalent employment .....	8	21	21

**HEALTH RESOURCES AND SERVICES**  
(Legislative proposal, subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 75-0350-4-1-550	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.33	Abstinence education .....	25	50
10.00	Total new obligations (object class 41.0) .....	25	50
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	25	50
23.95	Total new obligations .....	-25	-50
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00	Appropriation .....	25	50
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....		18
73.10	Total new obligations .....	25	50
73.20	Total outlays (gross) .....	-7	-37
74.40	Obligated balance, end of year .....	18	31
<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority .....	7	14
86.98	Outlays from mandatory balances .....		23
87.00	Total outlays (gross) .....	7	37
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	25	50
90.00	Outlays .....	7	37

The budget extends funding for state-based abstinence education activities for five years.

**VACCINE INJURY COMPENSATION**

**Program and Financing** (in millions of dollars)

Identification code 75-0320-0-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Direct program activity .....	4	8
10.00	Total new obligations .....	4	8
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	11	8
22.00	New budget authority (gross) .....	1	
23.90	Total budgetary resources available for obligation .....	12	8
23.95	Total new obligations .....	-4	-8
24.40	Unobligated balance carried forward, end of year .....	8	
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00	Offsetting collections (cash) .....	1	
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	3	3
73.10	Total new obligations .....	4	8
73.20	Total outlays (gross) .....	-5	-11
74.40	Obligated balance, end of year .....	3	
<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority .....	1	
86.98	Outlays from mandatory balances .....	4	11
87.00	Total outlays (gross) .....	5	11
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources .....	-1	
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....	3	11

The Vaccine improvement program was established pursuant to Public Law 99-660 and Public Law 100-203, and serves as a source of funds to pay claims for compensation for vaccine related injury or death. Payment of claims associated with vaccine related injury or death occurring before October 1, 1988 are financed from the General Fund and are reflected in this account. Given sufficient carry-over funds from prior years' appropriations to pay for the balance of the pre-1988 backlog of claims yet to be adjudicated, no appropriation is requested in 2004 to cover payment of pre-1988 claims. By statute, no new claims are accepted for this account. Payment of claims associated with vaccine related injury or death occurring after October 1, 1988 are reflected in the Vaccine improvement trust fund account.

**Object Classification** (in millions of dollars)

Identification code 75-0320-0-1-551	2002 actual	2003 est.	2004 est.
42.0	Direct obligations: Insurance claims and indemnities .....	3	8
99.0	Reimbursable obligations: Reimbursable obligations .....	1	
99.9	Total new obligations .....	4	8

**Credit accounts:**

**HEALTH CENTER GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 75-4442-0-3-551	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	1	1
22.00	New financing authority (gross) .....	1	1
23.90	Total budgetary resources available for obligation .....	2	2

**Credit accounts—Continued**

**HEALTH CENTER GUARANTEED LOAN FINANCING ACCOUNT—  
Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 75-4442-0-3-551	2002 actual	2003 est.	2004 est.
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): (Federal sources: From program account) .....		1	1
<b>Change in obligated balances:</b>			
73.20 Total financing disbursements (gross) .....		1	1
87.00 Total financing disbursements (gross) .....		-1	-1
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources .....		-1	-1
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....		-2	-2

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 75-4442-0-3-551	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....			
2121 Limitation available from carry-forward .....	139	138	121
2143 Uncommitted limitation carried forward .....	-138	-121	-99
2150 Total guaranteed loan commitments .....	1	17	22
2199 Guaranteed amount of guaranteed loan commitments .....	1	14	18
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	12	13	30
2231 Disbursements of new guaranteed loans .....	1	17	22
2251 Repayments and prepayments .....			
2263 Adjustments: Terminations for default that result in claim payments .....			
2290 Outstanding, end of year .....	13	30	52
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	10	24	42

P.L. 104-299 and P.L. 104-208 authorize HRSA to guarantee up to \$80 million in private loans to health centers for the costs of developing and operating managed care networks or plans and for the construction, renovation and modernization of medical facilities. This program has used \$0.5 million of its available \$139 million in loan guarantee authority, HRSA plans to use approximately \$39 million of the remaining existing loan guarantee limit over 2003 and 2004. As required by the Federal Credit Reform Act of 1990, this financing account records all cash flows to and from the Government resulting from the Health center loan guarantee program. The program account for this activity is displayed in the Health resources and services account (75-0350) as a line in the program and financing schedule.

**Balance Sheet (in millions of dollars)**

Identification code 75-4442-0-3-551	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	4	1	1	1
1999 Total assets .....	4	1	1	1

<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	4	1	1	1
2999 Total liabilities .....	4	1	1	1
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....				
3999 Total net position .....				
4999 Total liabilities and net position .....	4	1	1	1

**HEALTH EDUCATION ASSISTANCE LOANS PROGRAM ACCOUNT**

*Such sums as may be necessary to carry out the purpose of the program, as authorized by title VII of the Public Health Service Act, as amended. For administrative expenses to carry out the guaranteed loan program, including section 709 of the Public Health Service Act, \$3,389,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 75-0340-0-1-552	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Guarantee loan subsidy .....	18	20	18
00.09 Administrative expenses .....	4	4	3
10.00 Total new obligations .....	22	24	21
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	22	24	21
23.95 Total new obligations .....	-22	-24	-21
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	4	4	3
Mandatory:			
60.00 Appropriation .....	18	20	18
70.00 Total new budget authority (gross) .....	22	24	21
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	
73.10 Total new obligations .....	22	24	21
73.20 Total outlays (gross) .....	-22	-24	-21
74.40 Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	4	3
86.97 Outlays from new mandatory authority .....	18	20	18
87.00 Total outlays (gross) .....	22	24	21
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	22	24	21
90.00 Outlays .....	23	24	21

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 75-0340-0-1-552	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 HEAL Loan guarantee .....	165	160	150
215901 Total loan guarantee levels .....	165	160	150
Guaranteed loan subsidy (in percent):			
232001 HEAL Loan guarantee .....	12.43	12.43	12.19
232901 Weighted average subsidy rate .....	12.43	12.43	12.19
Guaranteed loan subsidy budget authority:			
233001 HEAL Loan guarantee .....	21	20	18
233901 Total subsidy budget authority .....	21	20	18
Guaranteed loan subsidy outlays:			
234001 HEAL Loan guarantee .....	18	20	18
234901 Total subsidy outlays .....	18	20	18

Administrative expense data:

351001 Budget authority .....	4	4	3
359001 Outlays from new authority .....	4	4	3

The Health Education Assistance Loan (HEAL) program guarantees loans from private lenders to health professions students to help pay for the costs of their training. As required by the Federal Credit Reform Act of 1990, this account records, for the HEAL program, the subsidy costs associated with HEAL loan guarantees committed in 1992 and beyond (including modifications of HEAL loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of the program. The administrative expenses are estimated on a cash basis.

**Object Classification** (in millions of dollars)

Identification code 75-0340-0-1-552	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	2	2	1
25.3 Other purchases of goods and services from Government accounts .....	2	2	2
41.0 Grants, subsidies, and contributions .....	18	20	18
99.9 Total new obligations .....	22	24	21

**Personnel Summary**

Identification code 75-0340-0-1-552	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	22	22	17

**HEALTH EDUCATION ASSISTANCE LOANS FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 75-4304-0-3-552	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Death and disability claims .....	4	2	2
00.02 Default claims .....	24	37	41
10.00 Total new obligations .....	28	39	43
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	321	345	334
22.00 New financing authority (gross) .....	52	28	27
23.90 Total budgetary resources available for obligation	373	373	361
23.95 Total new obligations .....	-28	-39	-43
24.40 Unobligated balance carried forward, end of year .....	345	334	318
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	52	28	27
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	28	39	43
73.20 Total financing disbursements (gross) .....	-28	-39	-43
87.00 Total financing disbursements (gross) .....	28	39	43
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-18	-20	-18
88.25 Interest on uninvested funds .....		-2	-3
88.40 Recoveries of defaulted loans .....	-34	-6	-6
88.90 Total, offsetting collections (cash) .....	-52	-28	-27
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....	-24	11	16

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 75-4304-0-3-552	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	165	160	150
2150 Total guaranteed loan commitments .....	165	160	150
2199 Guaranteed amount of guaranteed loan commitments	165	160	150
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	1,513	1,646	1,760
2231 Disbursements of new guaranteed loans .....	165	160	150
2251 Repayments and prepayments .....	-5	-6	-6
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-23	-38	-41
2263 Terminations for default that result in claim payments .....	-4	-2	-2
2290 Outstanding, end of year .....	1,646	1,760	1,861
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	1,646	1,760	1,861
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	373	391	423
2331 Disbursements for guaranteed loan claims .....	23	38	41
2351 Repayments of loans receivable .....	-5	-6	-6
2390 Outstanding, end of year .....	391	423	458

This account records all cash flows to and from the Government resulting from HEAL loan guarantees committed between 1992 and 2004.

**Balance Sheet** (in millions of dollars)

Identification code 75-4304-0-3-552	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	321	345	340	331
1206 Non-Federal assets: Receivables, net .....	51	67	67	67
1999 Total assets .....	372	412	407	398
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	372	412	407	398
2999 Total liabilities .....	372	412	407	398
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....				
3999 Total net position .....				
4999 Total liabilities and net position .....	372	412	407	398

**HEALTH EDUCATION ASSISTANCE LOANS LIQUIDATING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 75-4305-0-3-552	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Death and disability claims .....	3	3	3
00.02 Defaulted loans .....	17	19	15
00.03 Debt collection .....	5	6	6
10.00 Total new obligations .....	25	28	24
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	31	28	24
22.10 Resources available from recoveries of prior year obligations .....	17		
22.40 Capital transfer to general fund .....	-23		
23.90 Total budgetary resources available for obligation	25	28	24
23.95 Total new obligations .....	-25	-28	-24

**Credit accounts—Continued**

**HEALTH EDUCATION ASSISTANCE LOANS LIQUIDATING ACCOUNT—  
Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 75-4305-0-3-552	2002 actual	2003 est.	2004 est.	
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.00	Appropriation .....	10	7	4
69.00	Offsetting collections (cash) .....	21	21	20
70.00	Total new budget authority (gross) .....	31	28	24
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	21	4	3
73.10	Total new obligations .....	25	28	24
73.20	Total outlays (gross) .....	-25	-28	-24
73.45	Recoveries of prior year obligations .....	-17		
74.40	Obligated balance, end of year .....	4	3	3
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	25	28	24
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-21	-21	-20
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	10	7	4
90.00	Outlays .....	4	7	4

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 75-4305-0-3-552	2002 actual	2003 est.	2004 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	668	619	566
2251	Repayments and prepayments .....	-39	-42	-35
Adjustments:				
2261	Terminations for default that result in loans receivable .....	-8	-9	-7
2263	Terminations for default that result in claim payments .....	-2	-2	-2
2290	Outstanding, end of year .....	619	566	522
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	619	566	522
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	497	488	458
2331	Disbursements for guaranteed loan claims .....	8	9	7
2351	Repayments of loans receivable .....	-15	-15	-15
2361	Write-offs of loans receivable .....	-24	-24	-24
2364	Other adjustments, net .....	22		
2390	Outstanding, end of year .....	488	458	426

Note.—Includes carryover commitments from prior years.

Note.—The adjustment to loans receivable represents interest, which had not previously been reflected in cumulative outstanding balances.

This account records all cash flows to and from the Government resulting from HEAL loan guarantees committed prior to 1992.

**Statement of Operations (in millions of dollars)**

Identification code 75-4305-0-3-552	2001 actual	2002 actual	2003 est.	2004 est.	
0101	Revenue .....	14	25	28	24
0102	Expense .....	-14	-25	-28	-24
0105	Net income or loss (-) .....				

**Balance Sheet (in millions of dollars)**

Identification code 75-4305-0-3-552	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	21	4	4	4
1206	Non-Federal assets: Receivables, net .....	376	303	376	376
1999	Total assets .....	397	307	380	380
<b>LIABILITIES:</b>					
2204	Non-Federal liabilities: Liabilities for loan guarantees .....	397	307	380	380
2999	Total liabilities .....	397	307	380	380
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....				
3999	Total net position .....				
4999	Total liabilities and net position .....	397	307	380	380

**Object Classification (in millions of dollars)**

Identification code 75-4305-0-3-552	2002 actual	2003 est.	2004 est.	
25.2	Other services .....	5	6	6
42.0	Insurance claims and indemnities .....	20	22	18
99.9	Total new obligations .....	25	28	24

**MEDICAL FACILITIES GUARANTEE AND LOAN FUND**

**Program and Financing (in millions of dollars)**

Identification code 75-9931-0-3-551	2002 actual	2003 est.	2004 est.	
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	67	68	69
22.00	New budget authority (gross) .....	1	1	1
23.90	Total budgetary resources available for obligation .....	68	69	70
24.40	Unobligated balance carried forward, end of year .....	68	69	70
<b>New budget authority (gross), detail:</b>				
Mandatory:				
69.00	Offsetting collections (cash) .....	1	1	1
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1	1	1
73.20	Total outlays (gross) .....	1		
74.40	Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	-1		
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-1	-1	-1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	-1	-1	-1

**Status of Direct Loans (in millions of dollars)**

Identification code 75-9931-0-3-551	2002 actual	2003 est.	2004 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	9	8	7
1251	Repayments: Repayments and prepayments .....	-1	-1	-1
1290	Outstanding, end of year .....	8	7	6

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 75-9931-0-3-551	2002 actual	2003 est.	2004 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	19	16	13
2251	Repayments and prepayments .....	-3	-3	-3
2290	Outstanding, end of year .....	16	13	10

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	16	13	10

Title VII, part C of the Public Health Service Act established a revolving fund from which health professions schools could borrow in order to provide loans to their students.

Public Law 89-751, the Allied Health Professions Personnel Training Act of 1966, amended the Public Health Service Act to authorize the Federal Government to pay the difference between the interest paid by students to the schools and the interest payable by the schools to the Government National Mortgage Association (GNMA) and the Treasury.

Title VI and subsequently title XVI of the Public Health Service Act established a loan and loan guarantee fund for medical facilities with a maximum amount allowable for the Government's liability. Direct loans were made available for public facilities and guaranteed loans for private, nonprofit facilities. Funds under this authority were established in the amount of \$50 million for use in fulfilling guarantees in event of default, \$30 million as a revolving fund for direct loans and an amount for interest subsidy payments on guaranteed loans. Unobligated balances will be used to pay defaults and interest subsidy payments.

**Trust Funds**

**VACCINE INJURY COMPENSATION PROGRAM TRUST FUND**

*For payments from the Vaccine Injury Compensation Program Trust Fund, such sums as may be necessary for claims associated with vaccine-related injury or death with respect to vaccines administered after September 30, 1988, pursuant to subtitle 2 of title XXI of the Public Health Service Act, to remain available until expended: Provided, That for necessary administrative expenses, not to exceed \$2,991,000 shall be available from the Trust Fund to the Secretary of Health and Human Services.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 20-8175-0-7-551	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	1,627	1,759	1,907
Receipts:			
02.00 Deposits .....	109	124	124
02.40 Interest income .....	90	97	105
02.99 Total receipts and collections .....	199	221	229
04.00 Total: Balances and collections .....	1,826	1,980	2,136
Appropriations:			
05.00 Vaccine injury compensation program trust fund .....	- 67	- 73	- 76
05.99 Total appropriations .....	- 67	- 73	- 76
07.99 Balance, end of year .....	1,759	1,907	2,060

**Program and Financing (in millions of dollars)**

Identification code 20-8175-0-7-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Compensation: Claims for post-FY 1989 injuries .....	57	63	66
Administrative expenses:			
01.03 Claims processing (Claims Court) .....	3	3	3
01.04 Claims processing (Public Health Service) .....	3	3	3
01.05 Claims processing (Dept. of Justice) .....	4	4	4
01.91 Total, administrative expenses .....	10	10	10
10.00 Total new obligations .....	67	73	76
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	

22.00	New budget authority (gross) .....	67	73	76
23.90	Total budgetary resources available for obligation .....	68	74	76
23.95	Total new obligations .....	- 67	- 73	- 76
24.40	Unobligated balance carried forward, end of year .....	1		

**New budget authority (gross), detail:**

Discretionary:				
40.26	Appropriation (trust fund) .....	10	10	10
Mandatory:				
60.26	Appropriation (trust fund) .....	57	63	66
70.00	Total new budget authority (gross) .....	67	73	76

**Change in obligated balances:**

73.10	Total new obligations .....	67	73	76
73.20	Total outlays (gross) .....	- 67	- 73	- 76

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	10	10	10
86.97	Outlays from new mandatory authority .....	57	63	66
87.00	Total outlays (gross) .....	67	73	76

**Net budget authority and outlays:**

89.00	Budget authority .....	67	73	76
90.00	Outlays .....	66	73	76

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: Federal securities: Par value .....	1,628	1,758	1,980
92.02	Total investments, end of year: Federal securities: Par value .....	1,758	1,980	2,060

The Vaccine improvement program was established pursuant to Public Law 99-660 and Public Law 100-203, and serves as a source of funds to pay claims for compensation for vaccine related injury or death. This account reflects payments for claims for vaccine related injury or death occurring after October 1, 1988.

**Object Classification (in millions of dollars)**

Identification code 20-8175-0-7-551	2002 actual	2003 est.	2004 est.
25.2 Other services .....	3	3	3
25.3 Other purchases of goods and services from Government accounts .....	7	7	7
42.0 Insurance claims and indemnities .....	57	63	66
99.9 Total new obligations .....	67	73	76

**RICKY RAY HEMOPHILIA RELIEF FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 75-8074-0-7-551	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.41 Interest on investments, Ricky .....	2	2	
Appropriations:			
05.00 Ricky Ray hemophilia relief fund .....	- 2	- 2	
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 75-8074-0-7-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Compensation—claims .....	48	4	1
00.02 Administrative expenses subject to limitation .....	2	3	2
10.00 Total new obligations .....	50	7	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	145	97	92
22.00 New budget authority (gross) .....	2	2	
23.90 Total budgetary resources available for obligation .....	147	99	92
23.95 Total new obligations .....	- 50	- 7	- 3

RICKY RAY HEMOPHILIA RELIEF FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 75-8074-0-7-551	2002 actual	2003 est.	2004 est.
24.40 Unobligated balance carried forward, end of year .....	97	92	89
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	2	2	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	1	
73.10 Total new obligations .....	50	7	3
73.20 Total outlays (gross) .....	-53	-8	-3
74.40 Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	53	8	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2	2	
90.00 Outlays .....	53	8	3
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	130	91	
92.02 Total investments, end of year: Federal securities:			
Par value .....	91		

The Ricky Ray hemophilia relief fund was established pursuant to Public Law 105-369 and serves as a source of funds to pay claims to eligible individuals on behalf of persons with HIV and a blood clotting disorder, who were treated with an anti-hemophilic factor between July 1982 and December 1987.

Object Classification (in millions of dollars)

Identification code 75-8074-0-7-551	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	2	1	1
25.2 Other services .....		2	1
99.0 Limitation acct—direct obligations .....	2	3	2

Personnel Summary

Identification code 75-8074-0-7-551	2002 actual	2003 est.	2004 est.
Total compensable workyears:			
6001 Civilian full-time equivalent employment .....	19	12	6

INDIAN HEALTH SERVICE

Federal Funds

General and special funds:

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act with respect to the Indian Health Service, \$2,502,393,000, together with payments received during the fiscal year pursuant to 42 U.S.C. 238(b) for services furnished by the Indian Health Service: Provided, That funds made available to tribes and tribal organizations through contracts, grant agreements, or any other agreements or compacts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), shall be deemed to be obligated at the time of the grant or contract award and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: Provided further, That up to \$18,000,000 shall remain available until expended, for the Indian Catastrophic Health Emergency Fund: Provided further, That \$493,046,000 for contract medical care shall remain available for obligation until September 30, 2005: Provided further, That of the funds provided, up to \$27,000,000 to remain available until expended, shall be used to carry out the loan repayment

program under section 108 of the Indian Health Care Improvement Act: Provided further, That funds provided in this Act may be used for 1-year contracts and grants which are to be performed in 2 fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: Provided further, That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall remain available until expended for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, or construction of new facilities): Provided further, That funding contained herein, and in any earlier appropriations Acts for scholarship programs under the Indian Health Care Improvement Act (25 U.S.C. 1613) shall remain available until expended: Provided further, That amounts received by tribes and tribal organizations under title IV of the Indian Health Care Improvement Act shall be reported and accounted for and available to the receiving tribes and tribal organizations until expended: Provided further, That, notwithstanding any other provision of law, of the amounts provided herein, not to exceed \$270,734,000 shall be for payments to tribes and tribal organizations for contract or grant support costs associated with contracts, grants, self-governance compacts or annual funding agreements between the Indian Health Service and a tribe or tribal organization pursuant to the Indian Self-Determination Act of 1975, as amended, prior to or during fiscal year 2004, of which not to exceed \$2,500,000 may be used for contract support costs associated with new or expanded self-determination contracts, grants, self-governance compacts or annual funding agreements: Provided further, That funds available for the Indian Health Care Improvement Fund may be used, as needed, to carry out activities typically funded under the Indian Health Facilities account.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 75-0390-0-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Clinical services .....	1,802	1,945	1,987
00.02 Preventive health .....	100	103	108
00.03 Urban health .....	31	32	32
00.04 Indian health professions .....	34	35	35
00.05 Tribal management .....	2	2	2
00.06 Direct operations .....	54	55	57
00.07 Self-governance .....	9	10	10
00.08 Contract support costs .....	268	271	271
00.09 Diabetes funds .....	100	100	150
09.01 Reimbursable program .....	767	805	812
10.00 Total new obligations .....	3,167	3,358	3,464
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	185	241	243
22.00 New budget authority (gross) .....	3,214	3,359	3,464
22.10 Resources available from recoveries of prior year obligations .....	11		
23.90 Total budgetary resources available for obligation .....	3,410	3,600	3,707
23.95 Total new obligations .....	-3,167	-3,358	-3,464
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	241	243	243
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2,390	2,454	2,502
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	2,389	2,454	2,502
Mandatory:			
60.00 Appropriation .....	70	100	150
62.00 Transferred from CMS for diabetes .....	30		
62.50 Appropriation (total mandatory) .....	100	100	150
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	692	805	812
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	33		

68.90	Spending authority from offsetting collections (total discretionary) .....	725	805	812
70.00	Total new budget authority (gross) .....	3,214	3,359	3,464
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	604	605	728
73.10	Total new obligations .....	3,167	3,358	3,464
73.20	Total outlays (gross) .....	-3,212	-3,325	-3,463
73.40	Adjustments in expired accounts (net) .....	9	9	
73.45	Recoveries of prior year obligations .....	-11		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-33		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	81	81	
74.40	Obligated balance, end of year .....	605	728	729
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	2,869	2,964	3,013
86.93	Outlays from discretionary balances .....	243	281	341
86.97	Outlays from new mandatory authority .....	20	20	30
86.98	Outlays from mandatory balances .....	80	60	79
87.00	Total outlays (gross) .....	3,212	3,325	3,463
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-381	-410	-448
88.40	Non-Federal sources .....	-386	-395	-364
88.90	Total, offsetting collections (cash) .....	-767	-805	-812
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-33		
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	75		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	2,489	2,554	2,652
90.00	Outlays .....	2,445	2,520	2,651
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	59	62	67
99.01	Outlays .....	59	62	67

The Indian health services account provides medical care, public health services, and health professions training opportunities to American Indians and Alaska Natives. An estimated \$1,445 million will be administered by tribal governments under self-determination contracts and self-governance compacts in 2004.

**Object Classification** (in millions of dollars)

Identification code 75-0390-0-1-551	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	312	333	346
11.3	Other than full-time permanent .....	17	18	19
11.5	Other personnel compensation .....	29	22	35
11.7	Military personnel .....	72	77	81
11.9	Total personnel compensation .....	430	450	481
12.1	Civilian personnel benefits .....	86	91	97
12.2	Military personnel benefits .....	30	33	38
13.0	Benefits for former personnel .....	7	8	10
<b>Travel and transportation of persons:</b>				
21.0	Travel and transportation of persons .....	29	27	29
21.0	Patient Travel .....	8	8	10
22.0	Transportation of things .....	8	8	10
23.1	Rental payments to GSA .....	11	11	13
23.2	Rental payments to others .....	2	2	4
23.3	Communications, utilities, and miscellaneous charges .....	18	19	21
24.0	Printing and reproduction .....	1	1	3
25.1	Advisory and assistance services .....	5	5	7
25.2	Other services .....	91	87	89
25.4	Operation and maintenance of facilities .....	6	6	8
25.6	Medical care .....	215	215	251
25.7	Operation and maintenance of equipment .....	4	4	6
25.8	Subsistence and support of persons .....	1	2	4
26.0	Supplies and materials .....	126	126	128
31.0	Equipment .....	9	9	11

32.0	Land and structures .....	3	3	5
41.0	Grants, subsidies, and contributions .....	1,310	1,438	1,427
99.0	Direct obligations .....	2,400	2,553	2,652
99.0	Reimbursable obligations .....	767	805	812
99.9	Total new obligations .....	3,167	3,358	3,464

**Personnel Summary**

Identification code 75-0390-0-1-551	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	7,454	7,498	7,528
1101	Military full-time equivalent employment .....	1,071	1,071	1,073
<b>Reimbursable:</b>				
Total compensable workyears:				
2001	Civilian full-time equivalent employment .....	4,415	4,416	4,420
2101	Military full-time equivalent employment .....	619	618	614

**INDIAN HEALTH FACILITIES**

*For construction, repair, maintenance, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of modular buildings, and purchases of trailers; and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act, and the Indian Health Care Improvement Act, and for expenses necessary to carry out such Acts and titles II and III of the Public Health Service Act with respect to environmental health and facilities support activities of the Indian Health Service, \$387,269,000, to remain available until expended: Provided, That notwithstanding any other provision of law, funds appropriated for the planning, design, construction or renovation of health facilities for the benefit of an Indian tribe or tribes may be used to purchase land for sites to construct, improve, or enlarge health or related facilities: Provided further, That not to exceed \$500,000 shall be used by the Indian Health Service to purchase TRANSAM equipment from the Department of Defense for distribution to the Indian Health Service and tribal facilities: Provided further, That not to exceed \$500,000 shall be used by the Indian Health Service to obtain ambulances for the Indian Health Service and tribal facilities in conjunction with an existing interagency agreement between the Indian Health Service and the General Services Administration: Provided further, That not to exceed \$500,000 shall be placed in a Demolition Fund, available until expended, to be used by the Indian Health Service for demolition of Federal buildings.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 75-0391-0-1-551	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....			
<b>Receipts:</b>				
02.20	Rent and charges for quarters, Indian health service, HHS .....	6	6	6
<b>Appropriations:</b>				
05.00	Indian health facilities .....	-6	-6	-6
07.99	Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 75-0391-0-1-551	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
<b>Direct program:</b>				
00.01	Sanitation and health facilities .....	190	166	184
00.02	Maintenance .....	48	53	53
00.03	Facilities and environmental health .....	127	134	140
00.04	Equipment .....	13	16	16
01.00	Total direct program .....	378	369	393
09.01	Reimbursable program .....	2	2	2

**General and special funds—Continued**

**INDIAN HEALTH FACILITIES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 75-0391-0-1-551	2002 actual	2003 est.	2004 est.
10.00 Total new obligations .....	380	371	395
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	138	142	145
22.00 New budget authority (gross) .....	382	376	400
23.90 Total budgetary resources available for obligation	520	518	545
23.95 Total new obligations .....	-380	-371	-395
24.40 Unobligated balance carried forward, end of year .....	142	145	150
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	369	363	387
Mandatory:			
60.20 Appropriation (special fund) .....	6	6	6
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	7	7	7
70.00 Total new budget authority (gross) .....	382	376	400
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	323	323	354
73.10 Total new obligations .....	380	371	395
73.20 Total outlays (gross) .....	-379	-339	-385
74.40 Obligated balance, end of year .....	323	354	364
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	155	116	123
86.93 Outlays from discretionary balances .....	218	217	256
86.97 Outlays from new mandatory authority .....	6	6	6
87.00 Total outlays (gross) .....	379	339	385
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-7	-7	-7
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	375	369	393
90.00 Outlays .....	372	332	378
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	9	9	10
99.01 Outlays .....	9	9	10

The Indian health facilities account supports construction, repair and improvement, equipment, and environmental health and facilities support for the Indian health services.

**Object Classification (in millions of dollars)**

Identification code 75-0391-0-1-551	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	35	38	40
11.3 Other than full-time permanent .....	6	6	7
11.5 Other personnel compensation .....	1	1	1
11.7 Military personnel .....	17	18	20
11.9 Total personnel compensation .....	59	63	68
12.1 Civilian personnel benefits .....	9	10	11
12.2 Military personnel benefits .....	6	6	7
21.0 Travel and transportation of persons .....	3	3	3
22.0 Transportation of things .....	2	3	3
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	11	11	12
25.1 Advisory and assistance services .....	2	2	4
25.2 Other services .....	150	134	151
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
25.4 Operation and maintenance of facilities .....	9	8	3
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials .....	10	10	11
31.0 Equipment .....	3	3	3

32.0 Land and structures .....	15	15	15
41.0 Grants, subsidies, and contributions .....	96	98	99
99.0 Direct obligations .....	378	369	393
99.0 Reimbursable obligations .....	2	2	2
99.9 Total new obligations .....	380	371	395

**Personnel Summary**

Identification code 75-0391-0-1-551	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,162	1,179	1,205
1101 Military full-time equivalent employment .....	168	169	171

**ADMINISTRATIVE PROVISIONS, INDIAN HEALTH SERVICE**

Appropriations in this Act to the Indian Health Service shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem rate equivalent to the maximum rate payable for senior-level positions under 5 U.S.C. 5376; hire of passenger motor vehicles and aircraft; purchase of medical equipment; purchase of reprints; purchase, renovation and erection of modular buildings and renovation of existing facilities; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and for uniforms or allowances therefor as authorized by 5 U.S.C. 5901-5902; and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities.

In accordance with the provisions of the Indian Health Care Improvement Act, non-Indian patients may be extended health care at all tribally administered or Indian Health Service facilities, subject to charges, and the proceeds along with funds recovered under the Federal Medical Care Recovery Act (42 U.S.C. 2651-2653) shall be credited to the account of the facility providing the service and shall be available without fiscal year limitation. Notwithstanding any other law or regulation, funds transferred from the Department of Housing and Urban Development to the Indian Health Service shall be administered under Public Law 86-121 (the Indian Sanitation Facilities Act) and Public Law 93-638, as amended.

Funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation.

Notwithstanding any other provision of law, funds previously or herein made available to a tribe or tribal organization through a contract, grant, or agreement authorized by title I or title III of the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), may be deobligated and reobligated to a self-determination contract under title I, or a self-governance agreement under title III of such Act and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation.

None of the funds made available to the Indian Health Service in this Act shall be used to implement the final rule published in the Federal Register on September 16, 1987, by the Department of Health and Human Services, relating to the eligibility for the health care services of the Indian Health Service until the Indian Health Service has submitted a budget request reflecting the increased costs associated with the proposed final rule, and such request has been included in an appropriations Act and enacted into law.

With respect to functions transferred by the Indian Health Service to tribes or tribal organizations, the Indian Health Service is authorized to provide goods and services to those entities, on a reimbursable basis, including payment in advance with subsequent adjustment. The reimbursements received therefrom, along with the funds received from those entities pursuant to the Indian Self-Determination Act, may be credited to the same or subsequent appropriation account which provided the funding. Such amounts shall remain available until expended.

Reimbursements for training, technical assistance, or services provided by the Indian Health Service will contain total costs, including direct, administrative, and overhead associated with the provision of goods, services, or technical assistance.

The appropriation structure for the Indian Health Service may not be altered without advance notice submitted to the House and Senate Committees on Appropriations.

**CENTERS FOR DISEASE CONTROL AND PREVENTION**

**Federal Funds**

**General and special funds:**

DISEASE CONTROL, RESEARCH, AND TRAINING

To carry out titles II, III, VII, XI, XV, XVII, XIX, XXI, and XXVI of the Public Health Service Act, sections 101, 102, 103, 201, 202, 203, 301, and 501 of the Federal Mine Safety and Health Act of 1977, sections 20, 21, and 22 of the Occupational Safety and Health Act of 1970, title IV of the Immigration and Nationality Act, and section 501 of the Refugee Education Assistance Act of 1980; including insurance of official motor vehicles in foreign countries; and hire, maintenance, and operation of aircraft, \$4,267,330,000, of which \$114,000,000 shall remain available until expended for equipment and construction and renovation of facilities; of which \$293,763,000 for international HIV/AIDS shall remain available until September 30, 2005, including not less than \$150,000,000, to remain available until expended, for the "International Mother and Child HIV Prevention Initiative." In addition, such sums as may be derived from authorized user fees, which shall be credited to this account: Provided, That in addition to amounts provided herein, up to \$51,982,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out the National Center for Health Statistics surveys: Provided further, That none of the funds made available for injury prevention and control at the Centers for Disease Control and Prevention may be used to advocate or promote gun control: Provided further, That the Director may redirect the total amount made available under authority of Public Law 101-502, section 3, dated November 3, 1990, to activities the Director may so designate: Provided further, That the Congress is to be notified promptly of any such transfer: Provided further, That not to exceed \$10,000,000 may be available for making grants under section 1509 of the Public Health Service Act to not more than 15 States.

Note.—A regular 2003 appropriations for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 75-0943-0-1-999	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Cooperative research and development agreements, Centers for Disease Contr	1	1	1
Appropriations:			
05.00 Disease control, research, and training	-1	-1	-1
07.99 Balance, end of year			

**Program and Financing (in millions of dollars)**

Identification code 75-0943-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.19 Birth defects/developmental disabilities/disability and health	90	89	87
00.20 Chronic disease prev & health promotion	747	690	834
00.21 Environmental health	157	152	150
00.22 Epidemic services and response	81	78	76
00.23 Health statistics	103	79	73
00.24 HIV/AIDS, STD and TB prevention	1,148	1,235	1,281
00.25 Immunization	627	628	621
00.26 Infectious disease control	348	335	331
00.27 Injury prevention and control	149	145	145
00.28 Occupational safety and health	281	248	246
00.29 Preventive health and health service block grant	135	135	135
00.30 Public health improvement	148	117	114
00.31 Building and facilities	236	184	114
00.32 Office of the Director	49	51	60
00.33 Response and recovery	12		
09.01 Reimbursable program	224	207	212

10.00	Total new obligations	4,535	4,373	4,479
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	47	66	67
22.00	New budget authority (gross)	4,554	4,374	4,480
22.10	Resources available from recoveries of prior year obligations	1		
23.90	Total budgetary resources available for obligation	4,602	4,440	4,547
23.95	Total new obligations	-4,535	-4,373	-4,479
23.98	Unobligated balance expiring or withdrawn	-1		
24.40	Unobligated balance carried forward, end of year	66	67	68

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation	4,306	4,166	4,267
40.71	Reduction pursuant to P.L. 107-116 (Labor/HHS)	-2		
40.73	Reduction pursuant to P.L. 107-206	-3		
42.00	Transferred from other accounts	25		
43.00	Appropriation (total discretionary)	4,326	4,166	4,267
<b>Mandatory:</b>				
60.20	Appropriation (special fund)	1	1	1
62.00	Transferred from other accounts	3		
62.50	Appropriation (total mandatory)	4	1	1
<b>Spending authority from offsetting collections:</b>				
<b>Discretionary:</b>				
68.00	Offsetting collections (cash)	71	207	212
68.10	Change in uncollected customer payments from Federal sources (unexpired)	153		
68.90	Spending authority from offsetting collections (total discretionary)	224	207	212
70.00	Total new budget authority (gross)	4,554	4,374	4,480

**Change in obligated balances:**

72.40	Obligated balance, start of year	3,246	3,972	4,032
73.10	Total new obligations	4,535	4,373	4,479
73.20	Total outlays (gross)	-3,708	-4,313	-4,396
73.40	Adjustments in expired accounts (net)	-20		
73.45	Recoveries of prior year obligations	-1		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-153		
74.10	Change in uncollected customer payments from Federal sources (expired)	75		
74.40	Obligated balance, end of year	3,972	4,032	4,115

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	1,597	1,582	1,620
86.93	Outlays from discretionary balances	2,110	2,730	2,775
86.97	Outlays from new mandatory authority	1	1	1
87.00	Total outlays (gross)	3,708	4,313	4,396

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
<b>Offsetting collections (cash) from:</b>				
88.00	Federal sources	-145	-205	-210
88.40	Non-Federal sources		-2	-2
88.90	Total, offsetting collections (cash)	-145	-207	-212
<b>Against gross budget authority only:</b>				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-153		
88.96	Portion of offsetting collections (cash) credited to expired accounts	74		

**Net budget authority and outlays:**

89.00	Budget authority	4,330	4,167	4,268
90.00	Outlays	3,565	4,106	4,184

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority	52	55	63
99.01	Outlays	52	55	63

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority	4,330	4,167	4,268
Outlays	3,563	4,106	4,184
Legislative proposal, not subject to PAYGO:			
Budget Authority			-110
Outlays			-48

General and special funds—Continued

DISEASE CONTROL, RESEARCH, AND TRAINING—Continued

Summary of Budget Authority and Outlays—Continued

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Total:			
Budget Authority .....	4,330	4,167	4,158
Outlays .....	3,563	4,106	4,136

The Centers for Disease Control and Prevention (CDC) supports a number of categorical programs designed to improve the health, safety, and protection of all Americans. These programs include immunization, HIV prevention, chronic disease prevention and health promotion, infectious disease control, occupational safety and health, injury prevention and control, environmental health, and programs that reduce the occurrence of birth defects and developmental disabilities. CDC also supports bioterrorism and emergency response activities. Funding for these activities is included in the Public Health and Social Services Emergency Fund provided to CDC from the Office of the Secretary of Health and Human Services. The budget request for the 317 immunization program assumes enactment of a legislative proposal that reduces the discretionary request by \$110 million.

Object Classification (in millions of dollars)

Identification code 75-0943-0-1-999	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	354	372	379
11.3 Other than full-time permanent .....	41	41	42
11.5 Other personnel compensation .....	23	23	24
11.7 Military personnel .....	50	59	60
11.8 Special personal services payments .....	1	1	1
11.9 Total personnel compensation .....	469	496	506
12.1 Civilian personnel benefits .....	106	115	117
12.2 Military personnel benefits .....	31	37	38
21.0 Travel and transportation of persons .....	35	35	36
22.0 Transportation of things .....	8	6	6
23.1 Rental payments to GSA .....	38	40	42
23.2 Rental payments to others .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	21	28	28
24.0 Printing and reproduction .....	7	7	7
25.1 Advisory and assistance services .....	104	93	95
25.2 Other services .....	79	44	22
25.3 Other purchases of goods and services from Government accounts .....	265	125	129
25.4 Operation and maintenance of facilities .....	47	43	44
25.5 Research and development contracts .....	270	241	261
25.6 Medical care .....	2	2	2
25.7 Operation and maintenance of equipment .....	19	17	19
26.0 Supplies and materials .....	32	21	21
31.0 Equipment .....	64	43	39
32.0 Land and structures .....	221	180	110
41.0 Grants, subsidies, and contributions .....	2,491	2,591	2,743
99.0 Direct obligations .....	4,311	4,166	4,267
99.0 Reimbursable obligations .....	224	207	212
99.9 Total new obligations .....	4,535	4,373	4,479

Personnel Summary

Identification code 75-0943-0-1-999	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	6,599	6,559	6,558
1101 Military full-time equivalent employment .....	796	797	796
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	352	347	356
2101 Military full-time equivalent employment .....	32	31	32
Allocation account:			
Total compensable workyears:			
3001 Civilian full-time equivalent employment .....	420	497	497

DISEASE CONTROL, RESEARCH, AND TRAINING

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 75-0943-2-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.25 Immunization .....			-110
10.00 Total new obligations (object class 41.0) .....			-110
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			-110
23.95 Total new obligations .....			110
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			-110
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			-110
73.20 Total outlays (gross) .....			48
74.40 Obligated balance, end of year .....			-62
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			-48
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			-110
90.00 Outlays .....			-48

The budget includes legislative proposals for the Vaccines for Children (VFC) program to expand access to immunizations for VFC-eligible children. Legislation amending the Vaccines for Children program will be proposed to allow underinsured children to receive immunizations at state and local public health clinics and to lift the price cap on the tetanus-diphtheria booster. These proposals will result in approximately \$110 million in savings from the CDC discretionary 317 immunization program. The budget request for the 317 program assumes enactment of this proposal.

AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY

TOXIC SUBSTANCES AND ENVIRONMENTAL PUBLIC HEALTH

For necessary expenses for the Agency for Toxic Substances and Disease Registry (ATSDR) in carrying out activities set forth in sections 104(i), 111(c)(4), and 111(c)(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended; section 118(f) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended; and section 3019 of the Solid Waste Disposal Act, as amended, \$73,467,000, to be derived from the Hazardous Substance Superfund Trust Fund pursuant to section 517(a) of SARA (26 U.S.C. 9507): Provided, That notwithstanding any other provision of law, in lieu of performing a health assessment under section 104(i)(6) of CERCLA, the Administrator of ATSDR may conduct other appropriate health studies, evaluations, or activities, including, without limitation, biomedical testing, clinical evaluations, medical monitoring, and referral to accredited health care providers: Provided further, That in performing any such health assessment or health study, evaluation, or activity, the Administrator of ATSDR shall not be bound by the deadlines in section 104(i)(6)(A) of CERCLA: Provided further, That none of the funds appropriated under this heading shall be available for ATSDR to issue in excess of 40 toxicological profiles pursuant to section 104(i) of CERCLA during fiscal year 2004, and existing profiles may be updated as necessary.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 75-8252-0-7-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	78	77	73
09.01 Reimbursable program .....	31	25	25
10.00 Total new obligations .....	109	102	98
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	109	102	98
23.95 Total new obligations .....	-109	-102	-98
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	78	77	73
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	7	25	25
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	24		
68.90 Spending authority from offsetting collections (total discretionary) .....	31	25	25
70.00 Total new budget authority (gross) .....	109	102	98
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	30	44	32
73.10 Total new obligations .....	109	102	98
73.20 Total outlays (gross) .....	-77	-114	-100
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-24		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	6		
74.40 Obligated balance, end of year .....	44	32	30
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	60	77	75
86.93 Outlays from discretionary balances .....	17	37	25
87.00 Total outlays (gross) .....	77	114	100
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-13	-25	-25
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-24		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	6		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	78	77	73
90.00 Outlays .....	65	89	75
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	4
99.01 Outlays .....	3	3	4

The Agency for Toxic Substances and Disease Registry (ATSDR) is authorized under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA). ATSDR assesses health hazards at specific hazardous waste sites helping to prevent or reduce exposure and illnesses that result, and increasing knowledge and understanding of the health effects that may result from exposure to hazardous substances. ATSDR is financed through the EPA Superfund.

Object Classification (in millions of dollars)			
Identification code 75-8252-0-7-551	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	20	20	21
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	1	1	1
11.7 Military personnel .....	4	4	4
11.9 Total personnel compensation .....	26	26	27
12.1 Civilian personnel benefits .....	5	6	5
12.2 Military personnel benefits .....	2	2	2

21.0 Travel and transportation of persons .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.1 Advisory and assistance services .....	5	4	4
25.2 Other services .....	2	2	1
25.3 Other purchases of goods and services from Government accounts .....	9	7	5
25.5 Research and development contracts .....	3	7	6
31.0 Equipment .....	3	2	2
41.0 Grants, subsidies, and contributions .....	20	18	18
99.0 Direct obligations .....	78	77	73
99.0 Reimbursable obligations .....	31	25	25
99.9 Total new obligations .....	109	102	98

Personnel Summary			
Identification code 75-8252-0-7-551	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	308	301	301
1101 Military full-time equivalent employment .....	63	63	63
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	57	57	57
2101 Military full-time equivalent employment .....	8	8	8

## NATIONAL INSTITUTES OF HEALTH

### Federal Funds

#### General and special funds:

##### NATIONAL CANCER INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cancer, \$4,770,519,000.

##### NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, \$2,867,995,000.

##### NATIONAL INSTITUTE OF DENTAL AND CRANIOFACIAL RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to dental disease, \$382,396,000.

##### NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to diabetes and digestive and kidney disease, \$1,670,007,000.

##### NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

For carrying out section 301 and title IV of the Public Health Service Act with respect to neurological disorders and stroke, \$1,468,926,000.

##### NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

###### (INCLUDING TRANSFER OF FUNDS)

For carrying out section 301 and title IV of the Public Health Service Act with respect to allergy and infectious diseases, \$4,335,255,000: Provided, That \$100,000,000 may be made available to International Assistance Programs, "Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis", to remain available until expended, to further the Institute's efforts to prevent and alleviate these diseases.

##### NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to general medical sciences, \$1,923,133,000.

##### NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

For carrying out section 301 and title IV of the Public Health Service Act with respect to child health and human development, \$1,245,371,000.

##### NATIONAL EYE INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to eye diseases and visual disorders, \$648,299,000.

**General and special funds—Continued**

**NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES**

For necessary expenses for the National Institute of Environmental Health Sciences in carrying out activities set forth in section 311(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, and section 126(g) of the Superfund Amendments and Reauthorization Act of 1986, \$78,774,000.

For carrying out sections 301 and 311 and title IV of the Public Health Service Act with respect to environmental health sciences, \$630,774,000.

**NATIONAL INSTITUTE ON AGING**

For carrying out section 301 and title IV of the Public Health Service Act with respect to aging, \$994,411,000.

**NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES**

For carrying out section 301 and title IV of the Public Health Service Act with respect to arthritis and musculoskeletal and skin diseases, \$502,778,000.

**NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS**

For carrying out section 301 and title IV of the Public Health Service Act with respect to deafness and other communication disorders, \$380,377,000.

**NATIONAL INSTITUTE OF NURSING RESEARCH**

For carrying out section 301 and title IV of the Public Health Service Act with respect to nursing research, \$134,579,000.

**NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM**

For carrying out section 301 and title IV of the Public Health Service Act with respect to alcohol abuse and alcoholism, \$430,121,000.

**NATIONAL INSTITUTE ON DRUG ABUSE**

For carrying out section 301 and title IV of the Public Health Service Act with respect to drug abuse, \$995,614,000.

**NATIONAL INSTITUTE OF MENTAL HEALTH**

For carrying out section 301 and title IV of the Public Health Service Act with respect to mental health, \$1,382,114,000.

**NATIONAL HUMAN GENOME RESEARCH INSTITUTE**

For carrying out section 301 and title IV of the Public Health Service Act with respect to human genome research, \$478,072,000.

**NATIONAL INSTITUTE OF BIOMEDICAL IMAGING AND BIOENGINEERING**

For carrying out section 301 and title IV of the Public Health Service Act with respect to biomedical imaging and bioengineering research, \$282,109,000.

**NATIONAL CENTER FOR RESEARCH RESOURCES**

For carrying out section 301 and title IV of the Public Health Service Act with respect to research resources and general research support grants, \$1,053,926,000: Provided, That none of these funds shall be used to pay recipients of the general research support grants program any amount for indirect expenses in connection with such grants.

**NATIONAL CENTER FOR COMPLEMENTARY AND ALTERNATIVE MEDICINE**

For carrying out section 301 and title IV of the Public Health Service Act with respect to complementary and alternative medicine, \$116,202,000.

**NATIONAL CENTER ON MINORITY HEALTH AND HEALTH DISPARITIES**

For carrying out section 301 and title IV of the Public Health Service Act with respect to minority health and health disparities research, \$192,724,000.

**JOHN E. FOGARTY INTERNATIONAL CENTER**

For carrying out the activities at the John E. Fogarty International Center, \$64,266,000.

**NATIONAL LIBRARY OF MEDICINE**

For carrying out section 301 and title IV of the Public Health Service Act with respect to health information communications,

\$316,040,000, of which \$4,000,000 shall be available until expended for improvement of information systems: Provided, That in fiscal year 2004, the Library may enter into personal services contracts for the provision of services in facilities owned, operated, or constructed under the jurisdiction of the National Institutes of Health.

**OFFICE OF THE DIRECTOR**

(INCLUDING TRANSFER OF FUNDS)

For carrying out the responsibilities of the Office of the Director, National Institutes of Health, \$317,983,000, of which \$60,942,000 shall be for the Office of AIDS Research: Provided, That funding shall be available for the purchase of not to exceed 29 passenger motor vehicles for replacement only: Provided further, That the Director may direct up to 1 percent of the total amount made available in this or any other Act to all National Institutes of Health appropriations to activities the Director may so designate: Provided further, That no such appropriation shall be decreased by more than 1 percent by any such transfers and that the Congress is promptly notified of the transfer: Provided further, That the National Institutes of Health is authorized to collect third party payments for the cost of clinical services that are incurred in National Institutes of Health research facilities and that such payments shall be credited to the National Institutes of Health Management Fund: Provided further, That all funds credited to the National Institutes of Health Management Fund shall remain available for one fiscal year after the fiscal year in which they are deposited.

**BUILDINGS AND FACILITIES**

For the study of, construction of, renovation of, and acquisition of equipment for, facilities of or used by the National Institutes of Health, including the acquisition of real property, \$80,000,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 75-9915-0-1-552	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Cooperative research and development agreements, NIH	15	15	15
Appropriations:			
05.00 National Institutes of Health	-15	-15	-15
07.99 Balance, end of year			

**Program and Financing (in millions of dollars)**

Identification code 75-9915-0-1-552	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 National Cancer Institute	4,178	4,673	4,771
00.02 National Heart, Lung, and Blood Institute	2,570	2,779	2,868
00.03 National Institute of Dental and Craniofacial Research	342	370	382
00.04 National Institute of Diabetes and Digestive and Kidney Disease	1,560	1,704	1,820
00.05 National Institute of Neurological Disorders and Stroke	1,325	1,432	1,469
00.06 National Institute of Allergy and Infectious Diseases	2,340	3,984	4,335
00.07 National Institute of General Medical Sciences	1,723	1,874	1,923
00.08 National Institute of Child Health and Human Development	1,111	1,196	1,245
00.09 National Eye Institute	580	626	648
00.10 National Institute of Environmental Health Sciences	645	685	710
00.11 National Institute on Aging	891	958	994
00.12 National Institute of Arthritis and Musculoskeletal and Skin Disease	448	486	503
00.13 National Institute on Deafness and Other Communication Disorder	341	366	380
00.14 National Institute of Mental Health	1,245	1,344	1,382
00.15 National Institute on Drug Abuse	892	961	996
00.16 National Institute on Alcohol Abuse and Alcoholism	383	415	430
00.17 National Institute of Nursing Research	120	130	135
00.18 National Human Genome Research Institute	428	458	478
00.19 National Institute of Biomedical Imaging and Bioengineering	111	120	282

00.20	National Center for Research Resources .....	1,010	1,090	1,054
00.21	National Center for Complementary and Alternative Medicine .....	104	113	116
00.22	National Center on Minority Health and Health Dis- parities .....	158	186	193
00.23	John E. Fogarty International Center .....	57	63	64
00.24	National Library of Medicine .....	276	308	316
00.25	Office of the Director .....	235	254	318
00.26	Buildings and facilities .....	115	769	80
00.27	Cooperative Research and Development Agreements	9	15	15
00.28	Royalties .....	28		
09.00	Reimbursable program .....	1,628	1,855	1,887
10.00	Total new obligations .....	24,853	29,214	29,794

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	209	466	464
22.00	New budget authority (gross) .....	25,119	29,214	29,794
23.90	Total budgetary resources available for obligation	25,328	29,680	30,258
23.95	Total new obligations .....	-24,853	-29,214	-29,794
23.98	Unobligated balance expiring or withdrawn .....	-8		
24.40	Unobligated balance carried forward, end of year .....	466	464	464

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation .....	23,366	27,244	27,742
40.35	Appropriation rescinded .....	-30		
40.71	Reduction pursuant to P.L. 107-116 (Labor/HHS)	-9		
40.73	Reduction pursuant to P.L. 107-206 .....	-27		
41.00	Transferred to other accounts .....	-125		
42.00	Transferred from other accounts .....	7		
43.00	Appropriation (total discretionary) .....	23,182	27,244	27,742
<b>Mandatory:</b>				
60.00	Appropriation .....	70	100	150
60.20	Appropriation (special fund) .....	15	15	15
62.00	Transferred from other accounts .....	27		
62.50	Appropriation (total mandatory) .....	112	115	165
<b>Spending authority from offsetting collections:</b>				
<b>Discretionary:</b>				
68.00	Offsetting collections (cash) .....	1,533	1,855	1,887
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	292		
68.90	Spending authority from offsetting collections (total discretionary) .....	1,825	1,855	1,887
70.00	Total new budget authority (gross) .....	25,119	29,214	29,794

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	19,238	21,692	25,810
73.10	Total new obligations .....	24,853	29,214	29,794
73.20	Total outlays (gross) .....	-22,201	-25,098	-28,386
73.40	Adjustments in expired accounts (net) .....	-134		
74.00	Change in uncollected customer payments from Fed- eral sources (unexpired) .....	-292		
74.10	Change in uncollected customer payments from Fed- eral sources (expired) .....	228		
74.40	Obligated balance, end of year .....	21,692	25,810	27,218

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	7,095	8,829	8,989
86.93	Outlays from discretionary balances .....	15,022	16,166	19,267
86.97	Outlays from new mandatory authority .....	33	34	51
86.98	Outlays from mandatory balances .....	51	69	79
87.00	Total outlays (gross) .....	22,201	25,098	28,386

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
<b>Offsetting collections (cash) from:</b>				
88.00	Federal sources .....	-1,688	-1,855	-1,887
88.40	Non-Federal sources .....	-63		
88.90	Total, offsetting collections (cash) .....	-1,751	-1,855	-1,887
<b>Against gross budget authority only:</b>				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-292		
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	218		

**Net budget authority and outlays:**

89.00	Budget authority .....	23,294	27,359	27,907
90.00	Outlays .....	20,450	23,243	26,499

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	86	92	104
99.01	Outlays .....	86	92	104

**DISTRIBUTION OF BUDGET AUTHORITY AND OUTLAYS BY ACCOUNT**

(Dollars in millions)

Distribution of budget authority by account:	2002	2003	2004
National Cancer Institute .....	4,177	4,673	4,771
National Heart, Lung, and Blood Institute .....	2,570	2,779	2,868
National Institute of Dental and Craniofacial Research .....	342	370	382
National Institute of Diabetes and Digestive and Kidney Diseases .....	1,561	1,704	1,820
National Institute of Neurological Disorder and Stroke .....	1,325	1,432	1,469
National Institute of Allergy and Infectious Diseases .....	2,340	3,984	4,335
National Institute of General Medical Sciences .....	1,723	1,874	1,923
National Institute of Child Health and Human Development	1,111	1,196	1,245
National Eye Institute .....	580	626	648
National Institute of Environmental Health Sciences .....	645	685	710
National Institute on Aging .....	891	958	994
National Institute of Arthritis and Musculoskeletal and Skin Diseases .....	448	486	503
National Institute on Deafness and Other Communication Disorders .....	341	366	380
National Institute of Nursing Research .....	120	130	135
National Institute on Alcohol Abuse and Alcoholism .....	383	415	430
National Institute on Drug Abuse .....	893	961	996
National Institute of Mental Health .....	1,245	1,344	1,382
National Center for Research Resources .....	1,010	1,090	1,054
National Human Genome Research Institute .....	428	458	478
National Institute of Biomedical Imaging and Bio- engineering .....	112	120	282
National Center for Complementary and Alternative Medi- cine .....	104	113	116
National Center for Minority Health and Health Disparities	158	186	193
John E. Fogarty International Center .....	57	63	64
National Library of Medicine .....	276	308	316
Office of the Director .....	235	254	318
Buildings and facilities .....	204	769	80
Subtotal .....	23,279	27,344	27,892
Cooperative Research and Development Agreements .....	15	15	15
Total Budget Authority, NIH .....	23,294	27,359	27,907

(Dollars in millions)

Distribution of outlays by account:	2002	2003	2004
National Cancer Institute .....	3,934	4,089	4,615
National Heart, Lung, and Blood Institute .....	2,341	2,513	2,744
National Institute of Dental and Craniofacial Research .....	296	340	367
National Institute of Diabetes and Digestive and Kidney Diseases .....	1,327	1,544	1,697
National Institute of Neurological Disorders and Stroke .....	1,145	1,297	1,415
National Institute of Allergy and Infectious Diseases .....	2,075	2,680	3,766
National Institute of General Medical Sciences .....	1,544	1,710	1,861
National Institute of Child Health and Human Development	974	1,099	1,192
National Eye Institute .....	509	572	623
National Institute of Environmental Health Sciences .....	551	635	685
National Institute on Aging .....	782	869	948
National Institute of Arthritis and Musculoskeletal and Skin Diseases .....	394	440	481
National Institute on Deafness and Other Communication Disorders .....	298	336	364
National Institute of Nursing Research .....	99	114	127
National Institute on Alcohol Abuse and Alcoholism .....	331	377	410
National Institute on Drug Abuse .....	765	864	942
National Institute of Mental Health .....	1,101	1,222	1,326
National Center for Research Resources .....	781	962	1,041
National Human Genome Research Institute .....	360	433	465
National Institute of Biomedical Imaging and Bio- engineering .....	20	66	135
National Center for Complementary and Alternative Medi- cine .....	82	99	112
National Center for Minority Health and Health Disparities	86	136	165
John E. Fogarty International Center .....	51	54	61
National Library of Medicine .....	252	282	307
Office of the Director .....	263	232	272
Buildings and Facilities .....	231	268	368
Service and Supply Fund/Management Fund .....	-152	0	0
Subtotal Outlays .....	20,440	23,233	26,489
Cooperative Research and Development Agreements .....	10	10	10
Total Outlays, NIH .....	20,450	23,243	26,499

General and special funds—Continued

BUILDINGS AND FACILITIES—Continued

This program funds biomedical research and research training. These accounts will continue to be appropriated separately, and are displayed in a consolidated format to improve the readability of the presentation. Detailed information is available through the Department of Health and Human Services.

The National Institutes of Health (NIH) is working to meet the management challenges that can arise when an agency receives a substantial infusion of resources over a short period of time. NIH is in the process of identifying strategies and policies that could be implemented in 2004 and beyond to maximize budgetary and management flexibility in the future. Such strategies include funding the total costs of an increasing number of new grants in the grant's first year and managing grant average cost increases.

Object Classification (in millions of dollars)

Identification code 75-9915-0-1-552	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	600	636	657
11.3 Other than full-time permanent .....	267	285	294
11.5 Other personnel compensation .....	37	31	32
11.7 Military personnel .....	24	25	26
11.8 Special personal services payments .....	117	130	133
11.9 Total personnel compensation .....	1,045	1,107	1,142
12.1 Civilian personnel benefits .....	227	241	250
12.2 Military personnel benefits .....	13	14	15
21.0 Travel and transportation of persons .....	44	51	53
22.0 Transportation of things .....	6	7	7
23.1 Rental payments to GSA .....	5	6	7
23.2 Rental payments to others .....	18	23	30
23.3 Communications, utilities, and miscellaneous charges .....	31	38	39
24.0 Printing and reproduction .....	16	19	19
25.1 Advisory and assistance services .....	93	90	92
25.2 Other services .....	432	527	550
25.3 Other purchases of goods and services from Government accounts .....	1,698	1,906	1,989
25.4 Operation and maintenance of facilities .....	294	989	306
25.5 Research and development contracts .....	1,245	2,190	2,329
25.6 Medical care .....	14	16	17
25.7 Operation and maintenance of equipment .....	57	59	61
26.0 Supplies and materials .....	203	239	247
31.0 Equipment .....	177	206	209
41.0 Grants, subsidies, and contributions .....	17,606	19,631	20,545
42.0 Insurance claims and indemnities .....	1		
99.0 Direct obligations .....	23,225	27,359	27,907
99.0 Reimbursable obligations .....	1,628	1,855	1,887
99.9 Total new obligations .....	24,853	29,214	29,794

Personnel Summary

Identification code 75-9915-0-1-552	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	12,259	12,528	12,352
1101 Military full-time equivalent employment .....	379	387	382
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	4,465	4,626	4,640
2101 Military full-time equivalent employment .....	138	143	143

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

Federal Funds

General and special funds:

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

For carrying out titles V and XIX of the Public Health Service Act with respect to substance abuse and mental health services, the Protection and Advocacy for Mentally Ill Individuals Act of 1986, and section 301 of the Public Health Service Act with respect to program management, \$3,393,315,000: Provided, That in addition to amounts provided herein, \$16,000,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out national surveys on drug abuse.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 75-1362-0-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Mental health and substance abuse activities .....	884	900	1,106
00.02 Mental health partnership .....	433	433	433
00.03 Substance abuse partnership .....	1,725	1,785	1,785
00.05 Program management .....	91	77	69
09.01 Reimbursable program .....	73	75	75
10.00 Total new obligations .....	3,206	3,270	3,468
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	6	6
22.00 New budget authority (gross) .....	3,209	3,270	3,468
23.90 Total budgetary resources available for obligation .....	3,215	3,276	3,474
23.95 Total new obligations .....	-3,206	-3,270	-3,468
23.98 Unobligated balance expiring or withdrawn .....	-3		
24.40 Unobligated balance carried forward, end of year .....	6	6	6
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	3,139	3,195	3,393
40.71 Reduction pursuant to P.L. 107-116 .....	-1		
40.73 Reduction pursuant to P.L. 107-206 .....	-2		
43.00 Appropriation (total discretionary) .....	3,136	3,195	3,393
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	70	75	75
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	3		
68.90 Spending authority from offsetting collections (total discretionary) .....	73	75	75
70.00 Total new budget authority (gross) .....	3,209	3,270	3,468
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,156	2,385	2,524
73.10 Total new obligations .....	3,206	3,270	3,468
73.20 Total outlays (gross) .....	-2,957	-3,131	-3,349
73.40 Adjustments in expired accounts (net) .....	-19		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	2		
74.40 Obligated balance, end of year .....	2,385	2,524	2,643
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,314	1,327	1,405
86.93 Outlays from discretionary balances .....	1,643	1,803	1,944
87.00 Total outlays (gross) .....	2,957	3,131	3,349
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-72	-75	-75
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		

88.96	Portion of offsetting collections (cash) credited to expired accounts .....	2		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	3,136	3,195	3,393
90.00	Outlays .....	2,885	3,056	3,274
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	5	5	6
99.01	Outlays .....	5	5	6

This program provides Federal support for treatment and prevention in the areas of alcoholism, drug abuse, and mental health. The Administration has proposed to retain the language of the HHS General Provisions dealing with the penalty in Sec. 1926 of the Public Health Service Act, known as the Synar Amendment. The only penalty allowed under the current law is disproportionately severe, and could penalize those needing substance abuse services. The Administration looks forward to working with Congress to achieve a permanent statutory change that would establish a more fair and sustainable penalty structure.

**Object Classification** (in millions of dollars)

Identification code 75-1362-0-1-551	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	36	37	38
11.3	Other than full-time permanent .....	2	2	2
11.5	Other personnel compensation .....	1	1	1
11.7	Military personnel .....	2	2	2
11.9	Total personnel compensation .....	41	42	43
12.1	Civilian personnel benefits .....	9	9	9
12.2	Military personnel benefits .....	1	1	1
21.0	Travel and transportation of persons .....	2	2	2
23.1	Rental payments to GSA .....	4	6	7
23.3	Communications, utilities, and miscellaneous charges .....	2	2	2
24.0	Printing and reproduction .....	4	6	6
25.1	Advisory and assistance services .....	19	19	18
25.2	Other services .....	221	221	204
25.3	Other purchases of goods and services from Government accounts .....	124	124	122
31.0	Equipment .....	1	1	1
41.0	Grants, subsidies, and contributions .....	2,703	2,760	2,976
42.0	Insurance claims and indemnities .....	2	2	2
99.0	Direct obligations .....	3,133	3,195	3,393
99.0	Reimbursable obligations .....	73	75	75
99.9	Total new obligations .....	3,206	3,270	3,468

**Personnel Summary**

Identification code 75-1362-0-1-551	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
<b>Total compensable workyears:</b>				
1001	Civilian full-time equivalent employment .....	490	499	483
1101	Military full-time equivalent employment .....	36	33	33
<b>Reimbursable:</b>				
<b>Total compensable workyears:</b>				
2101	Military full-time equivalent employment .....	56	56	56

**AGENCY FOR HEALTHCARE RESEARCH AND QUALITY**

**Federal Funds**

**General and special funds:**

**HEALTHCARE RESEARCH AND QUALITY**

For carrying out titles III and IX of the Public Health Service Act, and part A of title XI of the Social Security Act, amounts received from Freedom of Information Act fees, reimbursable and interagency agreements, and the sale of data shall be credited to this appropriation and shall remain available until expended: Provided, That the amount

made available pursuant to section 927(c) of the Public Health Service Act shall not exceed \$279,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 75-1700-0-1-552	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
<b>Direct program:</b>				
01.04	Program support .....	3		
09.00	Reimbursable program .....	320	275	304
10.00	Total new obligations .....	323	275	304
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	7	15	15
22.00	New budget authority (gross) .....	333	275	304
23.90	Total budgetary resources available for obligation .....	340	290	319
23.95	Total new obligations .....	-323	-275	-304
23.98	Unobligated balance expiring or withdrawn .....	-1		
24.40	Unobligated balance carried forward, end of year .....	15	15	15
<b>New budget authority (gross), detail:</b>				
<b>Discretionary:</b>				
40.00	Appropriation .....	3		
<b>Spending authority from offsetting collections:</b>				
68.00	Offsetting collections (cash) .....	329	275	304
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90	Spending authority from offsetting collections (total discretionary) .....	330	275	304
70.00	Total new budget authority (gross) .....	333	275	304
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	278	337	337
73.10	Total new obligations .....	323	275	304
73.20	Total outlays (gross) .....	-263	-275	-304
73.40	Adjustments in expired accounts (net) .....	-1		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40	Obligated balance, end of year .....	337	337	337
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	87	275	304
86.93	Outlays from discretionary balances .....	176		
87.00	Total outlays (gross) .....	263	275	304
<b>Offsets:</b>				
<b>Against gross budget authority and outlays:</b>				
88.00	Offsetting collections (cash) from: Federal sources .....	-329	-275	-304
<b>Against gross budget authority only:</b>				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	3		
90.00	Outlays .....	-66		

This activity supports the development of scientific evidence and tools to improve the quality, safety, and effectiveness of all aspects of the health care system, and initiatives to disseminate and translate scientific findings into health care practice.

**Object Classification** (in millions of dollars)

Identification code 75-1700-0-1-552	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
11.1	Personnel compensation: Full-time permanent .....	2		
12.1	Civilian personnel benefits .....	1		
99.0	Direct obligations .....	3		
99.0	Reimbursable obligations .....	320	275	304
99.9	Total new obligations .....	323	275	304

**General and special funds—Continued**

**HEALTHCARE RESEARCH AND QUALITY—Continued**

**Personnel Summary**

Identification code 75-1700-0-1-552	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	22		
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	246	284	284
2101 Military full-time equivalent employment .....	10	10	10

**CENTERS FOR MEDICARE AND MEDICAID SERVICES**

**Federal Funds**

**General and special funds:**

**GRANTS TO STATES FOR MEDICAID**

For carrying out, except as otherwise provided, titles XI and XIX of the Social Security Act, \$124,892,197,000, to remain available until expended.

For making, after May 31, 2004, payments to States under title XIX of the Social Security Act for the last quarter of fiscal year 2004 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States or in the case of section 1928 on behalf of States under title XIX of the Social Security Act for the first quarter of fiscal year 2005, \$58,416,275,000, to remain available until expended.

Payment under title XIX may be made for any quarter with respect to a State plan or plan amendment in effect during such quarter, if submitted in or prior to such quarter and approved in that or any subsequent quarter.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 75-0512-0-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Medicaid vendor payments .....	142,585	152,485	166,706
00.02 State and local administration .....	8,076	8,902	9,067
00.03 Vaccine purchases .....	983	1,056	980
09.01 Medicare Part B premiums .....		50	
10.00 Total new obligations .....	151,644	162,493	176,754
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	110	7	
22.00 New budget authority (gross) .....	147,342	162,486	176,754
22.10 Resources available from recoveries of prior year obligations .....	4,198		
23.90 Total budgetary resources available for obligation	151,650	162,493	176,754
23.95 Total new obligations .....	-151,644	-162,493	-176,754
24.40 Unobligated balance carried forward, end of year .....	7		
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
<b>Appropriation:</b>			
60.00 Appropriation .....	106,822	112,090	124,892
60.00 Appropriation .....	4,311	3,667	
62.50 Appropriation (total mandatory) .....	111,133	115,757	124,892
65.00 Advance appropriation .....	36,208	46,602	51,861
69.00 Offsetting collections (cash) .....	138	127	
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-136		
69.90 Spending authority from offsetting collections (total mandatory) .....	2	127	
70.00 Total new budget authority (gross) .....	147,343	162,486	176,754

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	5,626	5,557	5,557
73.10 Total new obligations .....	151,644	162,493	176,754
73.20 Total outlays (gross) .....	-147,650	-162,493	-176,754
73.45 Recoveries of prior year obligations .....	-4,198		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	136		
74.40 Obligated balance, end of year .....	5,557	5,557	5,557

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	146,652	161,493	175,754
86.98 Outlays from mandatory balances .....	998	1,000	1,000
87.00 Total outlays (gross) .....	147,650	162,493	176,754

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources	-138	-127	
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	136		

**Net budget authority and outlays:**

89.00 Budget authority .....	147,340	162,359	176,754
90.00 Outlays .....	147,512	162,366	176,754

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Enacted/requested:</b>			
Budget Authority .....	147,341	162,359	176,753
Outlays .....	147,512	162,366	176,754
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority .....		-50	-55
Outlays .....		-50	-55
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority .....		225	5,844
Outlays .....		225	5,844
<b>Total:</b>			
Budget Authority .....	147,341	162,534	182,542
Outlays .....	147,512	162,541	182,543

Medicaid assists States in providing medical care to their low-income population by granting Federal matching payments under title XIX of the Social Security Act to States with approved plans.

**Object Classification (in millions of dollars)**

Identification code 75-0512-0-1-551	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	151,642	162,443	176,754
99.0 Reimbursable obligations: Reimbursable obligations .....	2	50	
99.9 Total new obligations .....	151,644	162,493	176,754

**GRANTS TO STATES FOR MEDICAID**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 75-0512-2-1-551	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....		-50	-55
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		-50	-55
90.00 Outlays .....		-50	-55

This schedule reflects the Administration's Medicaid proposals.

GRANTS TO STATES FOR MEDICAID  
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 75-0512-4-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Targeted reforms .....		175	3,356
09.00 Reimbursable program—Medicare Part B premium .....		50	55
09.21 Reimbursable program from SCHIP .....			2,433
10.00 Total new obligations .....		225	5,844
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		225	5,844
23.95 Total new obligations .....		-225	-5,844
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....		175	3,356
62.00 Transferred from other accounts .....			2,433
62.50 Appropriation (total mandatory) .....		175	5,789
69.00 Offsetting collections (cash) .....		50	55
70.00 Total new budget authority (gross) .....		225	5,844
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		225	5,844
73.20 Total outlays (gross) .....		-225	-5,844
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		225	5,844
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		225	5,844
90.00 Outlays .....		225	5,844

This schedule reflects the Administration's Medicaid proposals.

Object Classification (in millions of dollars)

Identification code 75-0512-4-1-551	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....		175	3,356
99.0 Reimbursable obligations: Reimbursable obligations .....		50	2,488
99.9 Total new obligations .....		225	5,844

STATE GRANTS AND DEMONSTRATIONS

Program and Financing (in millions of dollars)

Identification code 75-0516-0-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 TWWIIA—infrastructure grants .....	21	24	27
00.02 TWWIIA—demo grants .....	4	9	18
00.03 High Risk Pools—seed grants .....		10	10
00.04 High Risk Pools—operations grants .....		30	40
10.00 Total new obligations .....	25	73	95
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	40	83	142
22.00 New budget authority (gross) .....	67	132	117
23.90 Total budgetary resources available for obligation .....	107	215	259
23.95 Total new obligations .....	-25	-73	-95
24.40 Unobligated balance carried forward, end of year .....	83	142	164
<b>New budget authority (gross), detail:</b>			
Mandatory:			
Appropriation:			
60.00 Appropriation .....	67	72	77
60.00 Appropriation .....		60	40
62.50 Appropriation (total mandatory) .....	67	132	117
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	20	35	71

73.10 Total new obligations .....	25	73	95
73.20 Total outlays (gross) .....	-10	-37	-65
74.40 Obligated balance, end of year .....	35	71	101

Outlays (gross), detail:

86.97 Outlays from new mandatory authority .....	2	14	29
86.98 Outlays from mandatory balances .....	8	23	36
87.00 Total outlays (gross) .....	10	37	65

Net budget authority and outlays:

89.00 Budget authority .....	67	132	117
90.00 Outlays .....	10	37	65

State Grants and Demonstrations provides funding for grant programs established under the Ticket to Work and Work Incentives Improvement Act and Title II of the Trade Act of 2002. The Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170), Title II, established two grant programs. Section 203 provides funding for Medicaid infrastructure grants to support the design, establishment and operation of State infrastructures to help working people with disabilities purchase health coverage through Medicaid. Section 204 provides funding for States to establish Demonstrations to Maintain Independence and Employment, which will provide Medicaid benefits and services to working individuals who have a condition that, without medical assistance, will result in disability. Part of Title II of the Trade Act of 2002 (P.L. 107-210) amends the Public Health Service Act by adding section 2745, which addresses promotion of qualified high-risk pools for assisting "high-risk" individuals who may find private health insurance unavailable, unaffordable, or undesirable. This section establishes: (1) seed grants to states for the creation and initial operation of a qualified high-risk pool for those states that do not have one as of the legislative enactment, and (2) grants to states for operation of qualified high-risk pools.

Object Classification (in millions of dollars)

Identification code 75-0516-0-1-551	2002 actual	2003 est.	2004 est.
Grants, subsidies, and contributions:			
41.0 Grants, subsidies, and contributions .....	25	33	45
41.0 Grants, subsidies, and contributions .....		40	50
99.9 Total new obligations .....	25	73	95

PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under section 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, section 278(d) of Public Law 97-248, and for administrative expenses incurred pursuant to section 201(g) of the Social Security Act, \$95,084,100,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 75-0580-0-1-571	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Supplementary medical insurance (SMI) .....	78,318	80,905	94,518
00.02 Hospital insurance for uninsured (HI) .....	292	225	197
00.03 Federal uninsured payment (HI) .....	150	168	168
00.04 Program management (HI) .....	202	173	201
00.05 FHI trust fund, Transfers from general fund (civil monetary penalties) .....		7	7
00.06 Federal payments from taxation of OASDI benefits (HI) .....	10,946	7,780	8,348
00.07 Fraud and abuse control, FBI .....	101	114	114
00.08 Fraud and abuse control, criminal fines .....	440	4	4
10.00 Total new obligations .....	90,449	89,376	103,557

General and special funds—Continued

PAYMENTS TO HEALTH CARE TRUST FUNDS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 75-0580-0-1-571	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	93,467	89,376	103,557
23.95 Total new obligations .....	-90,449	-89,376	-103,557
23.98 Unobligated balance expiring or withdrawn .....	-3,017		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
Appropriation:			
60.00 Appropriation .....	10,946	7,780	8,348
60.00 Appropriation .....	440	11	11
60.00 Appropriation .....	81,980	81,471	95,084
60.00 Appropriation .....	101	114	114
62.50 Appropriation (total mandatory) .....	93,467	89,376	103,557
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	90,449	89,376	103,557
73.20 Total outlays (gross) .....	-90,450	-89,376	-103,557
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	90,450	89,376	103,557
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	93,467	89,376	103,557
90.00 Outlays .....	90,450	89,376	103,557
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	7	7	8
99.01 Outlays .....	7	7	8

Summary of Budget Authority and Outlays

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	93,467	89,376	103,557
Outlays .....	90,450	89,376	103,557
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			150
Outlays .....			150
Total:			
Budget Authority .....	93,467	89,376	103,707
Outlays .....	90,450	89,376	103,707

Payments are made (1) to the Federal Supplementary Medical Insurance trust fund; and (2) to the Federal Hospital Insurance trust fund for individuals aged 65 and over who meet certain transitional insured status requirements, and for civil service employees and annuitants who worked before 1983 and who were employed during January 1983. Since 1992, amounts have been included for non-Medicare activities of CMS program management.

Object Classification (in millions of dollars)

Identification code 75-0580-0-1-571	2002 actual	2003 est.	2004 est.
41.0 Grants, subsidies, and contributions .....	89,805	88,810	102,991
42.0 Insurance claims and indemnities .....	442	393	365
94.0 Financial transfers .....	202	173	201
99.0 Direct obligations .....	90,449	89,376	103,557
99.9 Total new obligations .....	90,449	89,376	103,557

PAYMENTS TO HEALTH CARE TRUST FUNDS  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 75-0580-2-1-571	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.09 Military Service Credits (HI) .....			150
10.00 Total new obligations (object class 42.0) .....			150
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			150
23.95 Total new obligations .....			-150
<b>New budget authority (gross), detail:</b>			
Mandatory:			
Appropriation:			
60.00 Appropriation .....			150
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			150
73.20 Total outlays (gross) .....			-150
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			150
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			150
90.00 Outlays .....			150

The budget proposes to compensate HI for the equivalent of payroll taxes on deemed wages posted to the Social Security earnings records of uniformed services personnel in 2000 and 2001.

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, XIX, and XXI of the Social Security Act, titles XIII and XXVII of the Public Health Service Act, and the Clinical Laboratory Improvement Amendments of 1988, not to exceed \$2,733,507,000, to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by section 201(g) of the Social Security Act; together with all funds collected in accordance with section 353 of the Public Health Service Act and section 1857(e)(2) of the Social Security Act, and such sums as may be collected from authorized user fees and the sale of data, which shall remain available until expended, and together with administrative fees collected relative to Medicare overpayment recovery activities, which shall remain available until expended: Provided, That all funds derived in accordance with 31 U.S.C. 9701 from organizations established under title XIII of the Public Health Service Act shall be credited to and available for carrying out the purposes of this appropriation: Provided further, That \$65,000,000, to remain available until September 30, 2005, is for contract costs for CMS' Systems Revitalization Plan: Provided further, That \$56,991,000, to remain available until September 30, 2005, is for contract costs for the Healthcare Integrated General Ledger Accounting System: Provided further, That not less than \$129,000,000 shall be for processing Medicare appeals: Provided further, That the Secretary of Health and Human Services may use alternate mechanisms in lieu of Administrative Law Judge review: Provided further, That the Secretary is directed to collect fees in fiscal year 2004 from Medicare + Choice organizations pursuant to section 1857(e)(2) of the Social Security Act and from eligible organizations with risk-sharing contracts under section 1876 of that Act pursuant to section 1876(k)(4)(D) of that Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 75-0511-0-1-550	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Medicare operations .....	1,521	1,709	1,777

00.02	Federal administration .....	530	562	581
00.03	State survey and certification .....	253	248	248
00.04	Research, demonstrations, and evaluation projects .....	117	28	63
00.05	Revitalization plan .....			65
01.00	Total direct program .....	2,421	2,547	2,734
09.01	CLIA .....	35	43	43
09.03	Other reimbursements .....	28	2	2
09.06	Medicare+Choice .....	21	16	14
09.09	Total reimbursable program .....	84	61	59
10.00	Total new obligations .....	2,505	2,608	2,793

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year .....	80	99	99
22.00	New budget authority (gross) .....	2,498	2,608	2,793
22.10	Resources available from recoveries of prior year obligations .....	31		
23.90	Total budgetary resources available for obligation .....	2,609	2,707	2,892
23.95	Total new obligations .....	-2,505	-2,608	-2,793
23.98	Unobligated balance expiring or withdrawn .....	-5		
24.40	Unobligated balance carried forward, end of year .....	99	99	99

**New budget authority (gross), detail:**

Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash) .....	1,748	2,608	2,793
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	758		
68.73	Reduction pursuant to P.L. 107-116 .....	-4		
68.76	Reduction pursuant to P.L. 107-206 .....	-4		
68.90	Spending authority from offsetting collections (total discretionary) .....	2,498	2,608	2,793

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	175	-219	-219
73.10	Total new obligations .....	2,505	2,608	2,793
73.20	Total outlays (gross) .....	-2,403	-2,608	-2,793
73.40	Adjustments in expired accounts (net) .....	-33		
73.45	Recoveries of prior year obligations .....	-31		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-758		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	326		
74.40	Obligated balance, end of year .....	-219	-219	-219

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	1,818	2,608	2,793
86.93	Outlays from discretionary balances .....	585		
87.00	Total outlays (gross) .....	2,403	2,608	2,793

**Offsets:**

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-1,959	-2,547	-2,734
88.40	Non-Federal sources .....	-60	-61	-59
88.90	Total, offsetting collections (cash) .....	-2,019	-2,608	-2,793
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-758		
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	271		

**Net budget authority and outlays:**

89.00	Budget authority .....	-8		
90.00	Outlays .....	384		

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	-8		
Outlays .....	384		
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			
Outlays .....			
<b>Total:</b>			
Budget Authority .....	-8		
Outlays .....	384		

Program management activities include funding for research, Medicare operations, survey and certification, CLIA, Medicare+Choice, the CMS systems revitalization plan, and administrative costs.

**Object Classification (in millions of dollars)**

Identification code 75-0511-0-1-550	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent .....	302	332	333
11.3	Other than full-time permanent .....	6	10	10
11.5	Other personnel compensation .....	6	5	4
11.7	Military personnel .....	7	7	8
11.9	Total personnel compensation .....	321	354	355
12.1	Civilian personnel benefits .....	68	71	72
12.2	Military personnel benefits .....	2	2	3
21.0	Travel and transportation of persons .....	10	9	10
22.0	Transportation of things .....	1		
23.1	Rental payments to GSA .....	28	16	16
23.3	Communications, utilities, and miscellaneous charges .....	26	3	3
24.0	Printing and reproduction .....	19	4	3
25.1	Advisory and assistance services .....	3		
25.2	Other services .....	707	359	384
25.3	Other purchases of goods and services from Government accounts .....	8	2	2
25.6	Medical care .....	1,134	1,709	1,834
26.0	Supplies and materials .....	3	2	2
31.0	Equipment .....	6		
32.0	Land and structures .....		10	10
41.0	Grants, subsidies, and contributions .....	85	6	40
99.0	Direct obligations .....	2,421	2,547	2,734
99.0	Reimbursable obligations .....	84	61	59
99.9	Total new obligations .....	2,505	2,608	2,793

**Personnel Summary**

Identification code 75-0511-0-1-550	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	4,333	4,498	4,325
1101	Military full-time equivalent employment .....	84	83	83
<b>Reimbursable:</b>				
Total compensable workyears:				
2001	Civilian full-time equivalent employment .....	80	80	78

**PROGRAM MANAGEMENT**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 75-0511-2-1-550	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Medicare operations .....	-130	-201
09.01	Proposed user fees .....	130	201
10.00	Total new obligations .....		
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources .....	130	201
88.40	Non-Federal sources .....	-130	-201
88.90	Total, offsetting collections (cash) .....		
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....		

The budget includes \$201 million in new user fees to finance CMS activities. Proposed fees include: a duplicate or unprocessable claims fee and a Medicare appeals filing fee. Authorizing legislation for these fees will be proposed to au-

**General and special funds—Continued**

**PROGRAM MANAGEMENT—Continued**

authorize the collection and spending of the fees subject to appropriations language. If authorizing legislation is enacted, the amount appropriated from the Federal hospital insurance and Federal supplementary medical insurance trust funds will be reduced by \$201 million.

**Object Classification** (in millions of dollars)

Identification code 75-0511-2-1-550	2002 actual	2003 est.	2004 est.
25.6 Direct obligations: Medical care .....		-130	-201
99.0 Reimbursable obligations: Reimbursable obligations .....		130	201
99.9 Total new obligations .....			

**STATE CHILDREN'S HEALTH INSURANCE FUND**

**Program and Financing** (in millions of dollars)

Identification code 75-0515-0-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants, subsidies, and contributions .....	5,934	5,382	3,175
10.00 Total new obligations (object class 41.0) .....	5,934	5,382	3,175
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	5,934	5,382	3,175
23.95 Total new obligations .....	-5,934	-5,382	-3,175
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation:			
60.00 Appropriation, BBA .....	3,150	3,150	3,150
60.00 Appropriation, BBRA for territories .....	25	25	25
61.00 Transferred to other accounts .....	-60		
62.50 Appropriation (total mandatory) .....	3,115	3,175	3,175
63.00 Reappropriation .....	2,819	2,207	
70.00 Total new budget authority (gross) .....	5,934	5,382	3,175
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	11,501	10,934	8,099
73.10 Total new obligations .....	5,934	5,382	3,175
73.20 Total outlays (gross) .....	-3,682	-4,751	-5,090
73.40 Adjustments in expired accounts (net) .....	-2,819	-3,466	-831
74.40 Obligated balance, end of year .....	10,934	8,099	5,353
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	413	12	381
86.98 Outlays from mandatory balances .....	3,269	4,739	4,709
87.00 Total outlays (gross) .....	3,682	4,751	5,090
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5,934	5,382	3,175
90.00 Outlays .....	3,682	4,751	5,090

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	5,934	5,382	3,175
Outlays .....	3,682	4,751	5,090
Legislative proposal, subject to PAYGO:			
Budget Authority .....			-2,433
Outlays .....			-2,433
Total:			
Budget Authority .....	5,934	5,382	742
Outlays .....	3,682	4,751	2,657

The Balanced Budget Act of 1997 established the State Children's Health Insurance Program (SCHIP) under Title XXI of the Social Security Act. Title XXI provides Federal matching funds to States to enable them to extend coverage

to uninsured children from low-income families. States are able to use Title XXI funds for obtaining health benefit coverage for uninsured children through a SCHIP program, a SCHIP Medicaid expansion program, or a combination of both.

**STATE CHILDREN'S HEALTH INSURANCE FUND**

(Legislative proposal, subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 75-0515-4-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants, subsidies, and contributions .....			-2,433
10.00 Total new obligations (object class 41.0) .....			-2,433
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			-2,433
23.95 Total new obligations .....			2,433
<b>New budget authority (gross), detail:</b>			
Mandatory:			
61.00 Transferred to other accounts .....			-2,433
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			-2,433
73.20 Total outlays (gross) .....			2,433
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			-2,433
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			-2,433
90.00 Outlays .....			-2,433

This schedule reflects SCHIP legislative proposals, including Medicaid/SCHIP reform.

**HEALTH MAINTENANCE ORGANIZATION LOAN AND LOAN GUARANTEE FUND**

For carrying out subsections (d) and (e) of section 1308 of the Public Health Service Act, any amounts received by the Secretary in connection with loans and loan guarantees under title XIII of the Public Health Service Act, to be available without fiscal year limitation for the payment of outstanding obligations. During fiscal year 2004, no commitments for direct loans or loan guarantees shall be made.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included in 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 75-4420-0-3-551	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	10	10	10
23.98 Unobligated balance expiring or withdrawn .....			-10
24.40 Unobligated balance carried forward, end of year .....	10	10	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The last loan commitments from the HMO loan fund were made in 1983.

**Trust Funds**

**FEDERAL HOSPITAL INSURANCE TRUST FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 20-8005-0-7-571	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	196,791	227,932	254,489
Receipts:			
02.00 Transfers from general fund (FICA taxes)	138,876	141,866	148,900
02.01 Transfers from general fund (SECA taxes)	9,785	10,011	10,487
02.02 Receipts from Railroad Retirement Board	388	398	397
02.03 Civil penalties and damages	330	363	363
02.20 Premiums collected for uninsured individuals not otherwise eligible	1,525	1,568	1,681
02.21 Other proprietary receipts from the public	1		
02.40 Federal employer contributions (FICA)	2,191	2,333	2,402
02.41 Postal service employer contributions (FICA)	722	684	683
02.42 Payments from the general fund (uninsured and program management)	646	566	566
02.43 Taxation on OASDI benefits	10,946	7,780	8,348
02.44 Interest payments by Railroad Retirement Board	36	31	28
02.45 Interest received by trust funds	13,738	14,006	15,331
02.47 FBI, Payment from the general fund	101	114	114
02.48 Criminal fines, transfers from the general fund	431	4	4
02.49 Civil monetary penalties, transfers from the general fund	7	7	7
02.50 Transfers from DOD, HI	16	4	
02.52 Transfer from general fund (in lieu of DOD payments for military service credits)			150
02.81 Health care fraud and abuse control, offsetting collections	7		
02.99 Total receipts and collections	179,746	179,735	189,461
04.00 Total: Balances and collections	376,537	407,667	443,950
Appropriations:			
05.00 Federal hospital insurance trust fund	-147,198	-152,128	-161,113
05.00 Proposed legislation not subject to PAYGO		25	38
05.01 Health care fraud and abuse control account	-1,018	-1,075	-1,075
05.99 Total appropriations	-148,216	-153,178	-162,150
06.10 Unobligated balance returned to receipts	-389		
07.99 Balance, end of year	227,932	254,489	281,800

**Program and Financing (in millions of dollars)**

Identification code 20-8005-0-7-571	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Benefit payments, HI	144,139	150,001	159,418
00.02 Administration, HI	1,552	1,532	1,563
00.03 Quality improvement organizations, HI	244	572	80
00.04 Research, HI	95	23	52
00.05 HI partial transfer of home health to SMI	1,168		
10.00 Total new obligations	147,198	152,128	161,113
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	147,198	152,128	161,113
23.95 Total new obligations	-147,198	-152,128	-161,113
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund)	1,607	1,515	1,574
Mandatory:			
60.26 Appropriation (trust fund)	178,139	178,220	187,737
60.45 Portion precluded from obligation	-32,548	-27,607	-28,198
62.50 Appropriation (total mandatory)	145,591	150,613	159,538
70.00 Total new budget authority (gross)	147,198	152,128	161,113
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	408	966	1,219
73.10 Total new obligations	147,198	152,128	161,113
73.20 Total outlays (gross)	-147,050	-151,875	-161,322
73.40 Adjustments in expired accounts (net)	410		
74.40 Obligated balance, end of year	966	1,219	1,009
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	1,444	1,506	1,556
86.93 Outlays from discretionary balances		60	15

86.97	Outlays from new mandatory authority	145,606	150,155	159,475
86.98	Outlays from mandatory balances		154	275
87.00	Total outlays (gross)	147,050	151,875	161,322

**Net budget authority and outlays:**

89.00	Budget authority	147,198	152,128	161,113
90.00	Outlays	147,050	151,875	161,322

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: Federal securities:			
	Par value	197,137	228,908	255,896
92.02	Total investments, end of year: Federal securities:			
	Par value	228,908	255,896	282,960

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority	38	43	46
99.01	Outlays	38	43	46

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority	147,198	152,128	161,112
Outlays	147,050	151,875	161,321
Legislative proposal, not subject to PAYGO:			
Budget Authority		-25	-38
Outlays		-25	-38
Total:			
Budget Authority	147,198	152,103	161,074
Outlays	147,050	151,850	161,283

The Hospital Insurance (HI) program funds the costs of hospital and related care for individuals age 65 or older and for eligible disabled people.

The status of the trust fund is as follows:

**Status of Funds (in millions of dollars)**

Identification code 20-8005-0-7-571	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100 Treasury balance	247	202	
0101 Federal securities: Par value	197,137	228,908	255,921
0199 Total balance, start of year	197,385	229,110	255,921
Cash income during the year:			
Current law:			
Receipts:			
1200 FHI trust fund, transfers from general fund (FICA taxes)	138,876	141,866	148,900
1201 FHI trust fund, transfers from general fund (SECA taxes)	9,785	10,011	10,487
1202 FHI trust fund, receipts from Railroad Retirement Board	388	398	397
1203 HCFAC: Civil penalties and damages	330	363	363
Offsetting receipts (proprietary):			
1220 FHI trust fund, premiums collected for uninsured individuals not otherwise eligible	1,525	1,568	1,681
1221 Other proprietary receipts	1		
Offsetting receipts (intragovernmental):			
1240 FHI trust fund, Federal employer contributions (FICA)	2,191	2,333	2,402
1241 FHI trust fund, Postal Service employer contributions (FICA)	722	684	683
Offsetting receipts (intragovernmental):			
1242 FHI trust fund, Federal payment for transitional coverage for uninsured Federal employees	150	168	168
1242 FHI trust fund, Federal payment for transitional coverage for the uninsured	292	225	197
1242 FHI trust fund, general fund transfer, program management (HI)	205	173	201
1243 FHI trust fund, Federal payments for OASDI taxes	10,946	7,780	8,348
1244 FHI trust fund, interest payment from Railroad Retirement Board	36	31	28
1245 FHI trust fund, interest on investments	13,738	14,006	15,331
1247 HCFAC: FBI	101	114	114
1248 HCFAC: Criminal fines	431	4	4
1249 HCFAC: Civil monetary penalties	7	7	7
1250 Other intragovernmental transactions	16	4	
Offsetting collections:			
1281 HCFAC user fees	7		
1299 Income under present law	179,746	179,735	189,311

FEDERAL HOSPITAL INSURANCE TRUST FUND—Continued

Status of Funds (in millions of dollars)—Continued

Identification code 20-8005-0-7-571	2002 actual	2003 est.	2004 est.
<b>Proposed legislation:</b>			
<b>Offsetting receipts (intragovernmental):</b>			
2252 Transfer from the general fund in lieu of DOD payments for military service credits .....			150
3299 Total cash income .....	179,746	179,735	189,461
<b>Cash outgo during year:</b>			
<b>Current law:</b>			
<b>Cash outgo during the year (-):</b>			
4500 Benefit Payments .....	-144,140	-150,001	-159,418
4500 Administration .....	-1,425	-1,519	-1,555
4500 Quality Improvement Organizations .....	-258	-268	-291
4500 Research .....	-59	-87	-59
4500 HI Partial Transfer of Home Health to SMI .....	-1,168		
4501 HCFAC .....	-970	-1,075	-1,075
4599 Outgo under current law (-) .....	-148,020	-152,950	-162,397
<b>Proposed legislation:</b>			
5500 Administration, legislative proposal not subject to PAYGO .....		25	38
6599 Total cash outgo (-) .....	-148,020	-152,925	-162,359
<b>Unexpended balance, end of year:</b>			
8700 Uninvested balance .....	202		
8701 Federal securities: Par value .....	228,906	255,921	283,023
8799 Total balance, end of year .....	229,111	255,921	283,022

Object Classification (in millions of dollars)

Identification code 20-8005-0-7-571	2002 actual	2003 est.	2004 est.
41.0 Payment for Quality Improvement Organization (QIO) activities .....	244	572	80
42.0 Insurance claims and indemnities (benefits) .....	144,139	150,001	159,418
94.0 Financial transfers .....	2,815	1,555	1,615
99.0 Direct obligations .....	147,198	152,128	161,113
99.9 Total new obligations .....	147,198	152,128	161,113

FEDERAL HOSPITAL INSURANCE FUND  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 20-8005-2-7-571	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Administration, HI .....		-25	-38
10.00 Total new obligations (object class 94.0) .....		-25	-38
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		-25	-38
23.95 Total new obligations .....		25	38
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.26 Appropriation (trust fund) .....		-25	-38
<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....		25	38
60.45 Portion precluded from obligation .....		-25	-38
62.50 Appropriation (total mandatory) .....			
70.00 Total new budget authority (gross) .....		-25	-38
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		-25	-38
73.20 Total outlays (gross) .....		25	38
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		-25	-38
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		-25	-38

90.00 Outlays .....	-25	-38
<b>Memorandum (non-add) entries:</b>		
92.01 Total investments, start of year: Federal securities:		
Par value .....		25
92.02 Total investments, end of year: Federal securities:		
Par value .....	25	63

The budget proposes new discretionary user fees paid by providers who file a Medicare claims appeal or submit duplicate or unprocessable claims. This account reflects the reduction in payments to HI as a result of this user fee proposal.

HEALTH CARE FRAUD AND ABUSE CONTROL ACCOUNT  
(FEDERAL HOSPITAL INSURANCE TRUST FUND)

Program and Financing (in millions of dollars)

Identification code 75-8393-0-7-571	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Medicare integrity program .....	700	720	720
00.02 FBI fraud and abuse control .....	101	114	114
00.03 Other fraud and abuse control .....	202	241	241
09.01 Reimbursables .....	8		
10.00 Total new obligations .....	1,011	1,075	1,075
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1,018	1,075	1,075
23.95 Total new obligations .....	-1,011	-1,075	-1,075
23.98 Unobligated balance expiring or withdrawn .....	-7		
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
60.28 Appropriation (unavailable balances) .....	1,011	1,075	1,075
69.00 Offsetting collections (cash) .....	7		
70.00 Total new budget authority (gross) .....	1,018	1,075	1,075
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	186	213	213
73.10 Total new obligations .....	1,011	1,075	1,075
73.20 Total outlays (gross) .....	-970	-1,075	-1,075
73.40 Adjustments in expired accounts (net) .....	-14		
74.40 Obligated balance, end of year .....	213	213	213

<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	846	1,075	1,075
86.98 Outlays from mandatory balances .....	124		
87.00 Total outlays (gross) .....	970	1,075	1,075

<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-7		

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,011	1,075	1,075
90.00 Outlays .....	963	1,075	1,075

P.L. 104-191 established the Health Care Fraud and Abuse Control (HCFAC) account within the Federal hospital insurance trust fund and appropriated funds, to be available without further appropriation, from the trust fund to the HCFAC account for specified health care fraud and abuse control activities of the Department of Health and Human Services (HHS), the Department of Justice, and other agencies.

This schedule reflects the estimated distribution of the account for 2003 and 2004. Actual 2003 and 2004 distributions will be determined by the Secretary of HHS and the Attorney General consistent with the Administration's priorities, including augmenting existing program integrity activities for Medicaid and the State Children's Health Insurance Program (SCHIP).

	2002 actual	2003 est.	2004 est.
Department of Justice, DOJ .....	55	50	45

Office of the Inspector General, HHS .....	139	160	160
Centers for Medicare and Medicaid Services, Medicaid/SCHIP Program Integrity, HHS .....	0	10	20
Centers for Medicare and Medicaid Services, Other HHS .....	3	12	9
Office of the General Counsel, HHS .....	3	6	5
Other HHS .....	2	3	2
<b>Total .....</b>	<b>202</b>	<b>241</b>	<b>241</b>

**Object Classification** (in millions of dollars)

Identification code 75-8393-0-7-571	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent (CMS 100 FTEs) .....			8
12.1 Civilian personnel benefits (CMS) .....			2
25.1 Advisory and assistance services (CMS) .....		12	5
25.2 Other services (CMS) .....		5	9
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Other purchases of goods and services from Government accounts (DoJ) .....		50	45
25.3 Other purchases of goods and services from Government accounts (HHS/OIG) .....		160	160
25.3 Other purchases of goods and services from Government accounts (HHS/AoA) .....		3	2
25.3 Other purchases of goods and services from Government accounts (HHS/OGC) .....		6	5
25.6 Medical care (CMS) .....	700	720	720
41.0 Grants, subsidies, and contributions (CMS) .....		5	5
94.0 Financial transfers .....	101	114	114
99.0 Direct obligations .....	801	1,075	1,075
99.0 Reimbursable obligations .....	8		
<b>Allocation Account:</b>			
<b>Travel and transportation of persons:</b>			
21.0 Travel and transportation of persons (OIG) .....	7		
21.0 Travel and transportation of persons (DoJ) .....	1		
22.0 Transportation of things (OIG) .....	1		
<b>Rental payments to GSA:</b>			
23.1 Rental payments to GSA (OIG) .....	9		
23.1 Rental payments to GSA (DoJ) .....	3		
23.1 Rental payments to GSA (OGC) .....	1		
23.3 Communications, utilities, and miscellaneous charges (OIG) .....	2		
24.0 Printing and reproduction (DOJ) .....	1		
<b>Advisory and assistance services:</b>			
25.1 Advisory and assistance services (DOJ) .....	1		
25.1 Advisory and assistance services (CMS) .....	1		
<b>Other services:</b>			
25.2 Other services (DoJ) .....	25		
25.2 Other services (OIG) .....	2		
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Purchases of goods and services from Govern- ment accounts (DoJ) .....	2		
25.3 Purchases of goods and services from Govern- ment accounts (OIG) .....	10		
25.7 Operation and maintenance of equipment (OIG) .....	1		
26.0 Supplies and materials (OIG) .....	2		
<b>Equipment:</b>			
31.0 Equipment (OIG) .....	4		
31.0 Equipment (DOJ) .....	1		
<b>Grants, subsidies, and contributions:</b>			
41.0 Grants, subsidies, and contributions (AoA) .....	1		
41.0 Grants, subsidies, and contributions (CMS) .....	2		
<b>Financial transfers:</b>			
94.0 OIG full-time permanent .....	75		
94.0 DoJ full-time permanent .....	15		
94.0 OGC full-time permanent .....	2		
94.0 AoA full-time permanent .....	1		
94.0 Undistributed (DoJ other than full-time perma- nent) .....	1		
94.0 Undistributed (OIG other than full-time perma- nent) .....	1		
94.0 Undistributed (OIG other personnel compensa- tion) .....	2		
94.0 Undistributed (DoJ special personal services payments) .....	1		
94.0 Undistributed (OIG personnel benefits) .....	23		
94.0 Undistributed (DoJ personnel benefits) .....	4		
99.0 Allocation account .....	202		
99.9 Total new obligations .....	1,011	1,075	1,075

**Personnel Summary**

Identification code 75-8393-0-7-571	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....			100

**FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 20-8004-0-7-571	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	41,663	37,744	27,608
<b>Receipts:</b>			
02.20 Premiums collected for the aged .....	21,173	23,009	25,145
02.21 Premiums collected for the disabled .....	3,254	3,692	4,172
02.22 Other proprietary receipts from the public .....	3		
02.40 Federal contributions .....	78,318	80,905	94,518
<b>Offsetting receipts (intragovernmental):</b>			
02.41 Interest received by trust fund .....	2,916	2,374	1,966
02.41 Interest received by trust fund, legislative proposal not subject to PAYGO .....			-6
02.42 Transfers from DOD, SMI .....	15	4	
02.45 Miscellaneous Federal payments .....	1		
02.80 Federal supplementary medical insurance trust fund, offsetting collections .....	1,168		
02.99 Total receipts and collections .....	106,848	109,984	125,795
04.00 Total: Balances and collections .....	148,511	147,728	153,403
<b>Appropriations:</b>			
<b>Appropriations:</b>			
05.00 Federal supplementary medical insurance trust fund .....	-110,353	-120,175	-121,599
05.00 Legislative proposal not subject to PAYGO .....		55	108
05.99 Total appropriations .....	-110,353	-120,120	-121,491
06.10 Unobligated balance returned to receipts .....	-414		
07.99 Balance, end of year .....	37,744	27,608	31,912

**Program and Financing** (in millions of dollars)

Identification code 20-8004-0-7-571	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Benefit payments, SMI .....	106,909	117,627	119,214
00.02 Administration, SMI .....	2,181	2,273	2,353
00.03 Quality improvement organizations, SMI .....	71	143	20
00.04 Research, SMI .....	22	5	12
00.06 Transfer to Medicaid for payment of SMI premiums	2	127	
09.01 HI partial transfer of home health .....	1,168		
10.00 Total new obligations .....	110,353	120,175	121,599
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	110,353	120,175	121,599
23.95 Total new obligations .....	-110,353	-120,175	-121,599
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.26 Appropriation (trust fund) .....	2,198	2,273	2,360
<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....	103,482	107,711	123,441
60.28 Appropriation (unavailable balances) .....	3,505	10,191	-4,202
62.50 Appropriation (total mandatory) .....	106,987	117,902	119,239
69.00 Offsetting collections (cash) .....	1,168		
70.00 Total new budget authority (gross) .....	110,353	120,175	121,599
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	142	916	1,017
73.10 Total new obligations .....	110,353	120,175	121,599
73.20 Total outlays (gross) .....	-109,993	-120,074	-121,626
73.40 Adjustments in expired accounts (net) .....	414		
74.40 Obligated balance, end of year .....	916	1,017	990
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,712	2,238	2,328
86.97 Outlays from new mandatory authority .....	108,155	117,788	119,223
86.98 Outlays from mandatory balances .....	126	48	75

FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND—  
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 20-8004-0-7-571	2002 actual	2003 est.	2004 est.
87.00 Total outlays (gross) .....	109,993	120,074	121,626
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1,168		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	109,185	120,175	121,599
90.00 Outlays .....	108,825	120,074	121,626
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	41,978	38,804	28,570
92.02 Total investments, end of year: Federal securities: Par value .....	38,804	28,570	32,695
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	35	38	42
99.01 Outlays .....	35	38	42

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	109,185	120,175	121,599
Outlays .....	108,825	120,074	121,626
Legislative proposal, not subject to PAYGO:			
Budget Authority .....		-55	-108
Outlays .....		-55	-108
<b>Total:</b>			
Budget Authority .....	109,185	120,120	121,491
Outlays .....	108,825	120,019	121,518

The Supplementary Medical Insurance (SMI) program is a voluntary program that affords protection against the costs of physician and certain other medical services. The program also covers treatment of end-stage renal disease for eligible enrollees. SMI costs are financed by premium payments from enrollees and contributions from the general revenues.

The status of the trust fund is as follows:

Status of Funds (in millions of dollars)

Identification code 20-8004-0-7-571	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100 Treasury balance .....	-174	-145	
0101 Federal securities: Par value .....	41,978	38,804	28,625
0199 Total balance, start of year .....	41,805	38,660	28,625
Cash income during the year:			
Current law:			
Offsetting receipts (proprietary):			
1220 Premiums collected for the aged, FSMI fund .....	21,173	23,009	25,145
1221 Premiums collected for the disabled, FSMI fund .....	3,254	3,692	4,172
1222 Other proprietary receipts .....	3		
Offsetting receipts (intragovernmental):			
1240 Federal contributions, FSMI fund .....	78,318	80,905	94,518
1241 Interest received by trust fund, FSMI fund .....	2,916	2,374	1,966
1242 Intragovernmental transactions .....	15	4	
1245 Offsetting receipts (intragovernmental) .....	1		
Offsetting collections:			
1280 HI partial transfer of home health .....	1,168		
1299 Income under present law .....	106,848	109,984	125,801
Proposed legislation:			
Offsetting receipts (intragovernmental):			
2241 Interest received by trust fund, legislative proposal not subject to PAYGO .....			-6
3299 Total cash income .....	106,848	109,984	125,795
Cash outgo during year:			
Current law:			
Cash outgo during the year (-):			
4500 Benefit payments & ESRD .....	-106,901	-117,627	-119,214
4500 Administration .....	-1,704	-2,223	-2,320

4500 Quality Improvement Organizations .....	-95	-77	-79
4500 Research .....	-13	-20	-13
4500 HI partial transfer of home health .....	-1,168		
4500 Transfer to Medicaid for payment of SMI premiums .....	-112	-127	
4599 Outgo under current law (-) .....	-109,993	-120,074	-121,626
Proposed legislation:			
5500 Administration, legislative proposal not subject to PAYGO .....		55	108
6599 Total cash outgo (-) .....	-109,993	-120,019	-121,518
Unexpended balance, end of year:			
8700 Uninvested balance .....	-145		
8701 Federal securities: Par value .....	38,804	28,625	32,902
8799 Total balance, end of year .....	38,660	28,625	32,902

Object Classification (in millions of dollars)

Identification code 20-8004-0-7-571	2002 actual	2003 est.	2004 est.
Direct obligations:			
41.0 Payment for Quality Improvement Organization (QIO) activity .....	71	143	20
42.0 Insurance claims and indemnities .....	106,911	117,754	119,214
94.0 Financial transfers .....	2,203	2,278	2,365
99.0 Direct obligations .....	109,185	120,175	121,599
99.0 Reimbursable obligations .....	1,168		
99.9 Total new obligations .....	110,353	120,175	121,599

FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 20-8004-2-7-571	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Administration, SMI .....		-105	-163
00.06 Transfer to Medicaid for payment of SMI premiums .....		50	55
10.00 Total new obligations .....		-55	-108
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		-55	-108
23.95 Total new obligations .....		55	108
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....		-105	-163
Mandatory:			
60.26 Appropriation (trust fund) .....		105	157
60.28 Appropriation (unavailable balances) .....		50	-102
60.45 Portion precluded from obligation .....		-105	
62.50 Appropriation (total mandatory) .....		50	55
70.00 Total new budget authority (gross) .....		-55	-108
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		-55	-108
73.20 Total outlays (gross) .....		55	108
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		-105	-163
86.97 Outlays from new mandatory authority .....		50	55
87.00 Total outlays (gross) .....		-55	-108
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		-55	-108
90.00 Outlays .....		-55	-108
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....			55
92.02 Total investments, end of year: Federal securities: Par value .....		55	207

The budget proposes new discretionary user fees paid by providers who file a Medicare claims appeal or submit duplicate or unprocessable claims. This account reflects the reduction in payments to SMI as a result of this user fee proposal.

The budget proposes to extend the subsidy of Medicare cost sharing for certain qualified individuals.

**Object Classification** (in millions of dollars)

Identification code 20-8004-2-7-571	2002 actual	2003 est.	2004 est.
42.0 Insurance claims and indemnities .....		50	55
94.0 Financial transfers .....		-105	-163
99.9 Total new obligations .....		-55	-108

**ALLOCATION RECEIVED FROM OTHER ACCOUNTS**

*Note.*—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriation as follows: Centers for Medicare and Medicaid Services "Health Care Fraud and Abuse Control Account."

**ADMINISTRATION FOR CHILDREN AND FAMILIES**

**Federal Funds**

**General and special funds:**

**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

**Program and Financing** (in millions of dollars)

Identification code 75-1552-0-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 State family assistance grant .....	16,489	16,489	16,489
00.03 Territories—family assistance grants .....	73	78	78
00.04 Matching grants to territories .....	6	15	15
00.05 Bonus to reward decrease in illegitimacy .....	100	100	100
00.06 Supplemental grants for population increases .....	319	192	
00.07 Bonus to reward high performance States .....	200	400	200
00.08 Tribal work programs .....	8	8	8
10.00 Total new obligations (object class 41.0) .....	17,195	17,282	16,890
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	600	400	
22.00 New budget authority (gross) .....	17,009	16,882	17,690
23.90 Total budgetary resources available for obligation .....	17,609	17,282	17,690
23.95 Total new obligations .....	-17,195	-17,282	-16,890
23.98 Unobligated balance expiring or withdrawn .....	-14		
24.40 Unobligated balance carried forward, end of year .....	400		800
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	17,009	16,882	17,690
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10,543	8,884	6,952
73.10 Total new obligations .....	17,195	17,282	16,890
73.20 Total outlays (gross) .....	-18,749	-19,214	-18,567
73.40 Adjustments in expired accounts (net) .....	-105		
74.40 Obligated balance, end of year .....	8,884	6,952	5,275
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	12,442	12,816	13,028
86.98 Outlays from mandatory balances .....	6,307	6,398	5,539
87.00 Total outlays (gross) .....	18,749	19,214	18,567
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	17,009	16,882	17,690
90.00 Outlays .....	18,749	19,214	18,567

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	17,009	16,882	17,690

Outlays .....	18,749	19,214	18,567
Legislative proposal, subject to PAYGO:			
Budget Authority .....		127	-81
Outlays .....		-5	146
Total:			
Budget Authority .....	17,009	17,009	17,609
Outlays .....	18,749	19,209	18,713

This account provides continued funding for activities established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). The Temporary Assistance for Needy Families block grant provides funding to States for aid to low-income families with children.

**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

(Legislative proposal, subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 75-1552-4-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Promotion of healthy marriage and family formation grants .....		100	100
00.02 Family formation, research, demonstration, and technical assistance .....		100	100
00.03 Supplemental grants for population increases .....		127	319
00.04 Elimination of illegitimacy bonus .....		-100	-100
00.05 Redirect high performance bonus .....		-100	-500
10.00 Total new obligations .....		127	-81
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		127	-81
23.95 Total new obligations .....		-127	81
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....		127	-81
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			132
73.10 Total new obligations .....		127	-81
73.20 Total outlays (gross) .....		5	-146
74.40 Obligated balance, end of year .....		132	-95
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		-5	96
86.98 Outlays from mandatory balances .....			50
87.00 Total outlays (gross) .....		-5	146
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		127	-81
90.00 Outlays .....		-5	146

This schedule reflects additional proposals to be included in the reauthorization of the Temporary Assistance for Needy Families program. These include funding for Supplemental Grants and initiatives to promote healthy marriages and family formation.

**Object Classification** (in millions of dollars)

Identification code 75-1552-4-1-609	2002 actual	2003 est.	2004 est.
25.1 Advisory and assistance services .....		20	
41.0 Grants, subsidies, and contributions .....		107	-81
99.9 Total new obligations .....		127	-81

General and special funds—Continued

CONTINGENCY FUND

Program and Financing (in millions of dollars)

Identification code 75-1522-0-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Program activity			2
10.00 Total new obligations (object class 41.0)			2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year			1,958
22.00 New budget authority (gross)	1,958	1,958	
23.90 Total budgetary resources available for obligation	1,958	1,958	1,958
23.95 Total new obligations			-2
23.98 Unobligated balance expiring or withdrawn	-1,958		
24.40 Unobligated balance carried forward, end of year		1,958	1,956
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation		1,958	
63.00 Reappropriation	1,958		
70.00 Total new budget authority (gross)	1,958	1,958	
<b>Change in obligated balances:</b>			
73.10 Total new obligations			2
73.20 Total outlays (gross)			-1
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances			1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	1,958	1,958	
90.00 Outlays			1

Summary of Budget Authority and Outlays

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority	1,958	1,958	
Outlays			1
Legislative proposal, subject to PAYGO:			
Budget Authority		42	
Outlays		1	1
Total:			
Budget Authority	1,958	2,000	
Outlays		1	2

CONTINGENCY FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 75-1522-4-1-609	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year			42
22.00 New budget authority (gross)		42	
23.90 Total budgetary resources available for obligation		42	42
24.40 Unobligated balance carried forward, end of year		42	42
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation		42	
<b>Change in obligated balances:</b>			
73.20 Total outlays (gross)		-1	-1
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances		1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority		42	
90.00 Outlays		1	1

This schedule reflects a proposal to authorize a more accessible Contingency Fund.

PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT AND FAMILY SUPPORT PROGRAMS

For making payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), \$3,292,970,000, to remain available until expended; and for such purposes for the first quarter of fiscal year 2005, \$1,200,000,000, to remain available until expended.

For making payments to each State for carrying out the program of Aid to Families with Dependent Children under title IV-A of the Social Security Act before the effective date of the program of Temporary Assistance to Needy Families (TANF) with respect to such State, such sums as may be necessary: Provided, That the sum of the amounts available to a State with respect to expenditures under such title IV-A in fiscal year 1997 under this appropriation and under such title IV-A as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 shall not exceed the limitations under section 116(b) of such Act.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), for the last 3 months of the current fiscal year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 75-1501-0-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Child support enforcement (CSE):			
Benefit payments:			
00.01 State child support administrative costs	3,324	3,532	3,905
00.02 Child support incentive payments	450	461	454
00.03 Access and visitation grants	10	10	10
00.91 Subtotal, child support enforcement	3,784	4,003	4,369
01.02 Payments to territories	23	23	23
01.03 Repatriation	1	1	1
01.91 Subtotal, other payments	24	24	24
Aid to families with dependent children (AFDC) payments:			
02.01 AFDC benefit payments	124	10	
02.03 State and local welfare administration	3		
02.91 Subtotal, AFDC programs	127	10	
09.01 Offset obligations (cse grants to states)	157	189	179
10.00 Total new obligations	4,092	4,226	4,572
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	89		
22.00 New budget authority (gross)	4,003	4,226	4,572
23.90 Total budgetary resources available for obligation	4,092	4,226	4,572
23.95 Total new obligations	-4,092	-4,226	-4,572
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation	2,846	2,937	3,293
65.00 Advance appropriation	1,000	1,100	1,100
69.00 Offsetting collections (cash)	157	189	179
70.00 Total new budget authority (gross)	4,003	4,226	4,572
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	803	740	603
73.10 Total new obligations	4,092	4,226	4,572
73.20 Total outlays (gross)	-4,155	-4,363	-4,517
74.40 Obligated balance, end of year	740	603	658
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	3,641	3,817	4,102

86.98	Outlays from mandatory balances .....	514	546	415
87.00	Total outlays (gross) .....	4,155	4,363	4,517
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.45	Offsetting collections (cash) from: Offsetting gov- ernmental collections (from non-Federal sources)	-157	-189	-179
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	3,846	4,037	4,393
90.00	Outlays .....	3,998	4,174	4,338

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	3,846	4,037	4,393
Outlays .....	3,998	4,174	4,338
Legislative proposal, subject to PAYGO:			
Budget Authority .....			-47
Outlays .....			-47
<b>Total:</b>			
Budget Authority .....	3,846	4,037	4,346
Outlays .....	3,998	4,174	4,291

This account provides for payments to States for child support enforcement and other family support programs, including access and visitation programs for families. Spending authority from the Federal share of child support collections is used to pay incentive payments. The remaining net Federal share of collections is returned to the Treasury in a receipt account. The text table below shows the net Federal costs of child support enforcement:

**Net Federal Costs of Child Support Enforcement**

(In millions of dollars)

	2002	2003	2004
Gross Federal share of collections .....	-1,235	-1,127	-1,151
Federal incentive payments to States .....	450	461	454
Hold harmless payments .....		10	
State child support administrative costs .....	3,481	3,711	4,035
Access and visitation grants .....	10	10	10
<b>Total .....</b>	<b>2,706</b>	<b>3,065</b>	<b>3,348</b>

**Object Classification (in millions of dollars)**

Identification code 75-1501-0-1-609	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contribu- tions .....	3,935	4,037	4,393
99.0 Reimbursable obligations: Reimbursable obligations ...	157	189	179
99.9 Total new obligations .....	4,092	4,226	4,572

**PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT AND FAMILY SUPPORT PROGRAMS**

(Legislative proposal, subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 75-1501-4-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Child support enforcement (CSE):			
Benefit payments:			
00.01 State child support administrative costs .....			-49
00.03 Access and visitation grants .....			2
10.00 Total new obligations (object class 41.0) .....			-47
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			-47
23.95 Total new obligations .....			47

<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00	Appropriation .....		-47
<b>Change in obligated balances:</b>			
73.10	Total new obligations .....		-47
73.20	Total outlays (gross) .....		47
<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority .....		-47
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		-47
90.00	Outlays .....		-47

This legislative package repropose provisions in the TANF reauthorization plan, including proposals to increase child support collections and to direct more of these payments to families. Also included are provisions to streamline current and introduce new data matching efforts to more effectively seize child support payments through state, tribal, and private industry participation.

**LOW INCOME HOME ENERGY ASSISTANCE**

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, \$1,700,000,000.

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, \$300,000,000: Provided, That these funds are for the unanticipated home energy assistance needs of one or more States, as authorized by section 2604(e) of the Act, and notwithstanding the designation requirement of section 2602(e).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 75-1502-0-1-609	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	1,800	1,550	1,850
10.00	Total new obligations (object class 41.0) .....	1,800	1,550	1,850
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	300	300	300
22.00	New budget authority (gross) .....	2,000	1,700	2,000
23.90	Total budgetary resources available for obligation .....	2,300	2,000	2,300
23.95	Total new obligations .....	-1,800	-1,550	-1,850
23.98	Unobligated balance expiring or withdrawn .....	-200	-150	-150
24.40	Unobligated balance carried forward, end of year .....	300	300	300
<b>New budget authority (gross), detail:</b>				
Discretionary:				
Appropriation:				
40.00	Appropriation [Base Program] .....	1,700	1,400	1,700
40.00	Appropriation [Emergency] .....	300	300	300
43.00	Appropriation (total discretionary) .....	2,000	1,700	2,000
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	512	536	459
73.10	Total new obligations .....	1,800	1,550	1,850
73.20	Total outlays (gross) .....	-1,773	-1,628	-1,774
73.40	Adjustments in expired accounts (net) .....	-3		-5
74.40	Obligated balance, end of year .....	536	459	530
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	1,329	1,147	1,369
86.93	Outlays from discretionary balances .....	444	481	405
87.00	Total outlays (gross) .....	1,773	1,628	1,774
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	2,000	1,700	2,000
90.00	Outlays .....	1,773	1,628	1,774

**General and special funds—Continued**

**LOW INCOME HOME ENERGY ASSISTANCE—Continued**

This program makes grants to States and Indian tribes to aid low-income households with high energy costs through payments to eligible households, energy suppliers, and weatherization providers. Obligation estimates for the contingency fund are based on average historical obligation rates.

**REFUGEE AND ENTRANT ASSISTANCE**

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96-422), \$417,626,000: Provided, That funds appropriated pursuant to section 414(a) of the Immigration and Nationality Act for fiscal year 2004 shall be available for the costs of assistance provided and other activities through September 30, 2006: Provided further, That up to \$10,000,000 is available to carry out the Trafficking Victims Protection Act of 2000.

For carrying out section 5 of the Torture Victims Relief Act of 1998 (Public Law 105-320), \$10,000,000. For carrying out section 462 of the Homeland Security Act of 2002 (P.L. 107-296), \$34,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 75-1503-0-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Refugee and entrant assistance .....	468	490	462
00.02 Assistance for treatment of torture victims .....	10	10	10
10.00 Total new obligations .....	478	500	472
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	24	24	10
22.00 New budget authority (gross) .....	460	486	462
22.10 Resources available from recoveries of prior year obligations .....	19		
23.90 Total budgetary resources available for obligation .....	503	510	472
23.95 Total new obligations .....	-478	-500	-472
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	24	10	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	460	453	462
42.00 Transferred from other accounts .....		33	
43.00 Appropriation (total discretionary) .....	460	486	462
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	570	544	559
73.10 Total new obligations .....	478	500	472
73.20 Total outlays (gross) .....	-480	-483	-476
73.40 Adjustments in expired accounts (net) .....	-2		
73.45 Recoveries of prior year obligations .....	-19		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	-3		
74.40 Obligated balance, end of year .....	544	559	555
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	138	146	139
86.93 Outlays from discretionary balances .....	342	337	337
87.00 Total outlays (gross) .....	480	483	476
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	460	486	462
90.00 Outlays .....	480	483	476

States are subsidized for administering the refugee assistance program. Funds are also provided to assist in the rehabilitation of victims of torture. The transferred amounts from the Department of Homeland Security to HHS in 2003 relat-

ing to the care and placement of unaccompanied alien children are estimates. Final amounts transferred will be included in a determination order issued by the Director of the Office of Management and Budget.

**Object Classification (in millions of dollars)**

Identification code 75-1503-0-1-609	2002 actual	2003 est.	2004 est.
25.1 Advisory and assistance services .....	1	1	1
25.2 Other services .....	2	2	2
25.3 Other purchases of goods and services from Government accounts .....	2	2	2
41.0 Grants, subsidies, and contributions .....	473	495	467
99.9 Total new obligations .....	478	500	472

**PROMOTING SAFE AND STABLE FAMILIES**

For carrying out section 436 of the Social Security Act, \$305,000,000; for section 437, \$199,978,000; and for section 439, \$50,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 75-1512-0-1-506	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants to States and Tribes .....	353	475	475
00.02 Research, training and technical assistance .....	9	13	13
00.03 State court assessment activities .....	13	17	17
00.04 Mentoring children of prisoners .....		25	50
10.00 Total new obligations .....	375	530	555
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	375	530	555
23.95 Total new obligations .....	-375	-530	-555
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	70	200	200
40.00 Appropriation .....		25	50
43.00 Appropriation (total discretionary) .....	70	225	250
Mandatory:			
60.00 Appropriation .....	305	305	305
70.00 Total new budget authority (gross) .....	375	530	555
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	339	402	541
73.10 Total new obligations .....	375	530	555
73.20 Total outlays (gross) .....	-301	-391	-507
73.40 Adjustments in expired accounts (net) .....	-11		
74.40 Obligated balance, end of year .....	402	541	591
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	12	37	39
86.93 Outlays from discretionary balances .....		45	150
86.97 Outlays from new mandatory authority .....	56	55	55
86.98 Outlays from mandatory balances .....	233	254	263
87.00 Total outlays (gross) .....	301	391	507
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	375	530	555
90.00 Outlays .....	301	391	507

This program provides funds for a broad range of child welfare services, including family preservation and family support services. It also includes funding for competitive grants to mentor the children of prisoners.

Object Classification (in millions of dollars)				
Identification code	75-1512-0-1-506	2002 actual	2003 est.	2004 est.
25.1	Advisory and assistance services .....	3	4	4
25.3	Other purchases of goods and services from Government accounts .....	2	2	2
41.0	Grants, subsidies, and contributions .....	370	524	549
99.9	Total new obligations .....	375	530	555

JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAM

Program and Financing (in millions of dollars)				
Identification code	75-1509-0-1-504	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	8		
73.20	Total outlays (gross) .....	-23		
73.40	Adjustments in expired accounts (net) .....	15		
<b>Outlays (gross), detail:</b>				
86.98	Outlays from mandatory balances .....	23		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	23		

This activity was replaced by Temporary Assistance for Needy Families.

CHILD CARE ENTITLEMENT TO STATES

Program and Financing (in millions of dollars)				
Identification code	75-1550-0-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Mandatory child care .....	1,178	1,178	1,178
00.02	Matching child care .....	1,519	1,478	1,478
00.03	Training and technical assistance .....	7	7	7
00.04	Child care tribal grants .....	54	54	54
10.00	Total new obligations .....	2,758	2,717	2,717
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	2,758	2,717	2,717
23.95	Total new obligations .....	-2,758	-2,717	-2,717
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.00	Appropriation .....	2,717	2,717	2,717
63.00	Reappropriation .....	41		
70.00	Total new budget authority (gross) .....	2,758	2,717	2,717
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	814	1,144	1,171
73.10	Total new obligations .....	2,758	2,717	2,717
73.20	Total outlays (gross) .....	-2,365	-2,690	-2,813
73.40	Adjustments in expired accounts (net) .....	-63		
74.40	Obligated balance, end of year .....	1,144	1,171	1,075
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	1,774	1,842	1,926
86.98	Outlays from mandatory balances .....	591	848	887
87.00	Total outlays (gross) .....	2,365	2,690	2,813
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	2,758	2,717	2,717
90.00	Outlays .....	2,365	2,690	2,813

This account provides child care funding for welfare recipients and low-income working families and was established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).

Object Classification (in millions of dollars)				
Identification code	75-1550-0-1-609	2002 actual	2003 est.	2004 est.
25.1	Advisory and assistance services .....	6	6	6
25.2	Other services .....	1	1	1
41.0	Grants, subsidies, and contributions .....	2,751	2,710	2,710
99.9	Total new obligations .....	2,758	2,717	2,717

PAYMENTS TO STATES FOR THE CHILD CARE AND DEVELOPMENT BLOCK GRANT

For carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), \$2,099,729,000 shall be used to supplement, not supplant state general revenue funds for child care assistance for low-income families: Provided, That \$19,120,000 shall be available for child care resource and referral and school-aged child care activities, of which \$1,000,000 shall be for the Child Care Aware toll free hotline: Provided further, That in addition to the amounts required to be reserved by the States under section 658G, \$272,672,000 shall be reserved by the States for activities authorized under section 658G, of which \$100,000,000 shall be for activities that improve the quality of infant and toddler care: Provided further, That \$9,864,000 shall be for use by the Secretary for child care research, demonstration, and evaluation activities.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code	75-1515-0-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Block grant payments to States .....	2,090	2,090	2,090
00.04	Research and evaluation fund .....	10	10	10
10.00	Total new obligations .....	2,100	2,100	2,100
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	2,100	2,100	2,100
23.95	Total new obligations .....	-2,100	-2,100	-2,100
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	2,100	2,100	2,100
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1,121	1,044	1,064
73.10	Total new obligations .....	2,100	2,100	2,100
73.20	Total outlays (gross) .....	-2,174	-2,080	-2,093
73.40	Adjustments in expired accounts (net) .....	-3		
74.40	Obligated balance, end of year .....	1,044	1,064	1,071
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	1,349	1,344	1,344
86.93	Outlays from discretionary balances .....	825	736	749
87.00	Total outlays (gross) .....	2,174	2,080	2,093
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	2,100	2,100	2,100
90.00	Outlays .....	2,174	2,080	2,093

This appropriation helps low-income families pay for child care and related services and supports grants to States for child care quality activities.

Object Classification (in millions of dollars)

Identification code	75-1515-0-1-609	2002 actual	2003 est.	2004 est.
25.1	Advisory and assistance services .....	6	6	6
25.3	Other purchases of goods and services from Government accounts .....	1	1	1
41.0	Grants, subsidies, and contributions .....	2,093	2,093	2,093
99.9	Total new obligations .....	2,100	2,100	2,100

**General and special funds—Continued**

**SOCIAL SERVICES BLOCK GRANT**

For making grants to States pursuant to section 2002 of the Social Security Act, \$1,700,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 75-1534-0-1-506	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1,700	1,700	1,700
10.00 Total new obligations (object class 41.0) .....	1,700	1,700	1,700
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross) .....	1,700	1,700	1,700
23.90 Total budgetary resources available for obligation	1,701	1,701	1,701
23.95 Total new obligations .....	-1,700	-1,700	-1,700
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	1,700	1,700	1,700
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	746	666	574
73.10 Total new obligations .....	1,700	1,700	1,700
73.20 Total outlays (gross) .....	-1,780	-1,792	-1,790
73.40 Adjustments in expired accounts (net) .....			-4
74.40 Obligated balance, end of year .....	666	574	480
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1,452	1,445	1,445
86.98 Outlays from mandatory balances .....	328	347	345
87.00 Total outlays (gross) .....	1,780	1,792	1,790
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,700	1,700	1,700
90.00 Outlays .....	1,780	1,792	1,790

**CHILDREN AND FAMILIES SERVICES PROGRAMS**

For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, the Developmental Disabilities Assistance and Bill of Rights Act, the Head Start Act, the Child Abuse Prevention and Treatment Act, sections 310 and 316 of the Family Violence Prevention and Services Act, as amended, the Native American Programs Act of 1974, title II of Public Law 95-266 (adoption opportunities), the Adoption and Safe Families Act of 1997 (Public Law 105-89), sections 1201 and 1211 of the Children's Health Act of 2000, the Abandoned Infants Assistance Act of 1988, sections 413, 429A, 1110, and 1115 of the Social Security Act, and sections 40155, 40211, and 40241 of Public Law 103-322; for making payments under the Community Services Block Grant Act, section 473A of the Social Security Act, and title IV of Public Law 105-285, and for necessary administrative expenses to carry out said Acts and titles I, IV, X, XI, XIV, XVI, and XX of the Social Security Act, the Act of July 5, 1960 (24 U.S.C. ch. 9), the Omnibus Budget Reconciliation Act of 1981, title IV of the Immigration and Nationality Act, section 501 of the Refugee Education Assistance Act of 1980, section 5 of the Torture Victims Relief Act of 1998 (Public Law 105-320), sections 40155, 40211, and 40241 of Public Law 103-322, and section 126 and titles IV and V of Public Law 100-485, \$8,547,382,000, of which \$43,000,000, to remain available until September 30, 2005, shall be for grants to States for adoption incentive payments, as authorized by section 473A of title IV of the Social Security Act (42 U.S.C. 670-679) and may be made for adoptions completed before September 30, 2004; of which \$552,312,000 shall be for making payments under the Community Services Block Grant Act; and of which \$6,815,570,000 shall be for making payments under the Head Start Act, of which \$1,400,000,000 shall become available October 1, 2004 and remain available through September 30, 2005: Provided, That to the extent

Community Services Block Grant funds are distributed as grant funds by a State to an eligible entity as provided under the Act, and have not been expended by such entity, they shall remain with such entity for carryover into the next fiscal year for expenditure by such entity consistent with program purposes: Provided further, That all eligible entities currently in good standing in the Community Services Block Grant program shall receive an increase in funding proportionate to the increase provided in this Act for the Community Services Block Grant: Provided further, That \$100,000,000 is for a compassion capital fund to provide grants to charitable organizations to emulate model social service programs and to encourage research on the best practices of social service organizations: Provided further, That the Secretary shall establish procedures regarding the disposition of intangible property which permits grant funds, or intangible assets acquired with funds authorized under section 680 of the Community Services Block Grant Act, as amended, to become the sole property of such grantees after a period of not more than 12 years after the end of the grant for purposes and uses consistent with the original grant: Provided further, That funds appropriated for section 680(a)(2) of the Community Services Block Grant Act, as amended, shall be available for financing construction and rehabilitation and loans or investments in private business enterprises owned by community development corporations.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 75-1536-0-1-506	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Head start .....	6,537	6,667	6,816
Runaway and homeless youth:			
01.03 Runaway and homeless youth .....	48	48	62
01.04 Transitional living .....	40	40	26
01.05 Education grants to reduce sexual abuse of runaway youth .....	15	15	15
Child abuse programs:			
01.07 Child abuse State grants .....	22	22	22
01.08 Child abuse discretionary grants .....	26	26	26
01.09 Community based resource centers .....	33	33	33
Child welfare programs:			
01.11 Child welfare services .....	292	292	292
01.12 Child welfare training .....	8	8	7
01.15 Abandoned infants .....	12	12	13
01.16 Adoption incentives .....	40	43	43
01.17 Adoption opportunities .....	27	27	27
01.18 Children's health act programs .....	13	13	13
01.19 Social services and income maintenance research .....	31	6	6
01.20 Native American programs .....	46	45	45
01.21 Compassion capital fund .....	30	100	100
01.23 Early learning fund .....	25		
Developmental disabilities programs:			
01.24 Protection and advocacy .....	35	35	35
01.25 Projects of national significance .....	12	12	12
01.26 Centers for excellence .....	24	24	24
01.27 State grants .....	70	70	70
01.28 Federal administration .....	171	171	180
01.29 Faith-based center .....	2	2	1
01.91 Subtotal .....	1,022	1,044	1,052
Community services programs:			
03.01 Community services block grants .....	649	570	495
03.03 Community food and nutrition .....	7	7	
03.04 Community services discretionary .....	39	39	32
03.05 National youth sports .....	17		
03.06 Individual development accounts .....	25	25	25
03.08 Domestic violence hotline .....	2	2	3
03.09 Grants for battered women's shelters .....	125	125	124
03.91 Subtotal .....	864	768	679
04.00 Total, direct program .....	8,423	8,479	8,547
09.01 Reimbursable program .....	18	15	15
10.00 Total new obligations .....	8,441	8,494	8,562
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3	4	1
22.00 New budget authority (gross) .....	8,445	8,494	8,562
23.90 Total budgetary resources available for obligation	8,448	8,498	8,563
23.95 Total new obligations .....	-8,441	-8,494	-8,562

23.98	Unobligated balance expiring or withdrawn .....	-1	-3	
24.40	Unobligated balance carried forward, end of year .....	4	1	1
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	7,030	7,079	7,147
40.71	Reduction pursuant to P.L. 107-116 .....	-1		
40.73	Reduction pursuant to P.L. 107-206 .....	-2		
43.00	Appropriation (total discretionary) .....	7,027	7,079	7,147
55.00	Advance appropriation .....	1,400	1,400	1,400
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	15	15	15
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	3		
68.90	Spending authority from offsetting collections (total discretionary) .....	18	15	15
70.00	Total new budget authority (gross) .....	8,445	8,494	8,562
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	4,374	4,693	4,771
73.10	Total new obligations .....	8,441	8,494	8,562
73.20	Total outlays (gross) .....	-8,084	-8,416	-8,464
73.40	Adjustments in expired accounts (net) .....	-35		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	1		
74.40	Obligated balance, end of year .....	4,693	4,771	4,869
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	4,412	4,391	4,429
86.93	Outlays from discretionary balances .....	3,672	4,025	4,035
87.00	Total outlays (gross) .....	8,084	8,416	8,464
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-15	-15	-15
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	8,427	8,479	8,547
90.00	Outlays .....	8,071	8,401	8,449
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	11	11	13
99.01	Outlays .....	11	11	13

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	8,427	8,479	8,547
Outlays .....	8,069	8,401	8,449
Legislative proposal, not subject to PAYGO:		30	30
Budget Authority .....		30	30
Outlays .....		5	18
Total:			
Budget Authority .....	8,427	8,509	8,577
Outlays .....	8,069	8,406	8,467

Provides funding for a Compassion Capital Fund to support public and private partnerships in funding community and faith-based charitable organizations that expand upon or emulate model social service programs.

**Object Classification (in millions of dollars)**

Identification code 75-1536-0-1-506				
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent .....	111	113	113
11.3	Other than full-time permanent .....	2	1	1
11.5	Other personnel compensation .....	1	1	1
11.9	Total personnel compensation .....	114	115	115
12.1	Civilian personnel benefits .....	21	22	22
21.0	Travel and transportation of persons .....	4	5	5

23.1	Rental payments to GSA .....	14	16	16
23.3	Communications, utilities, and miscellaneous charges .....	4	2	2
24.0	Printing and reproduction .....	2	3	3
25.1	Advisory and assistance services .....	105	124	124
25.2	Other services .....	5	41	41
25.3	Other purchases of goods and services from Government accounts .....	55	30	30
25.7	Operation and maintenance of equipment .....	3	1	1
26.0	Supplies and materials .....	1	2	2
31.0	Equipment .....	1	1	1
41.0	Grants, subsidies, and contributions .....	8,094	8,117	8,185
99.0	Direct obligations .....	8,423	8,479	8,547
99.0	Reimbursable obligations .....	18	15	15
99.9	Total new obligations .....	8,441	8,494	8,562

**Personnel Summary**

Identification code 75-1536-0-1-506				
2002 actual				
2003 est.				
2004 est.				
Direct:				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	1,448	1,512	1,472

**CHILDREN AND FAMILY SERVICES PROGRAMS**  
(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 75-1536-2-1-506				
2002 actual				
2003 est.				
2004 est.				
<b>Obligations by program activity:</b>				
01.19	Maternity group homes .....		10	10
01.20	Strengthening fatherhood and healthy marriages .....		20	20
04.00	Total, direct program .....		30	30
10.00	Total new obligations .....		30	30
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....		30	30
23.95	Total new obligations .....		-30	-30
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....		30	30
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....			25
73.10	Total new obligations .....		30	30
73.20	Total outlays (gross) .....		-5	-18
74.40	Obligated balance, end of year .....		25	37
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....		5	5
86.93	Outlays from discretionary balances .....			13
87.00	Total outlays (gross) .....		5	18
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....		30	30
90.00	Outlays .....		5	18

This legislative proposal establishes the Responsible Fatherhood and Healthy Marriages Program. The budget provides grants to faith-based and community organizations to assist non-custodial fathers in becoming more involved in the lives of their children. In addition, the Administration includes funding for grants to provide young, pregnant and parenting women with access to maternity group homes.

**Object Classification (in millions of dollars)**

Identification code 75-1536-2-1-506				
2002 actual				
2003 est.				
2004 est.				
25.3	Other purchases of goods and services from Government accounts .....		7	7
41.0	Grants, subsidies, and contributions .....		23	23
99.9	Total new obligations .....		30	30

General and special funds—Continued

VIOLENT CRIME REDUCTION PROGRAMS

Program and Financing (in millions of dollars)

Identification code 75-8605-0-1-754	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	29	15	6
73.20 Total outlays (gross)	-13	-9	-3
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	15	6	3
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	13	9	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	13	9	3

CHILDREN'S RESEARCH AND TECHNICAL ASSISTANCE

Program and Financing (in millions of dollars)

Identification code 75-1553-0-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Training and technical assistance	12	12	12
00.02 Federal parent locator service	25	23	23
00.04 Welfare research	15	15	15
09.01 Reimbursable program	9	9	9
10.00 Total new obligations	46	59	59
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	
22.00 New budget authority (gross)	46	59	59
23.90 Total budgetary resources available for obligation	47	60	59
23.95 Total new obligations	-46	-59	-59
24.40 Unobligated balance carried forward, end of year	1		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation	58	50	50
60.35 Appropriation rescinded	-21		
62.50 Appropriation (total mandatory)	37	50	50
69.00 Offsetting collections (cash)	9	9	9
70.00 Total new budget authority (gross)	46	59	59
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	34	31	44
73.10 Total new obligations	46	59	59
73.20 Total outlays (gross)	-48	-47	-53
74.40 Obligated balance, end of year	31	44	50
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	24	25	24
86.98 Outlays from mandatory balances	24	22	29
87.00 Total outlays (gross)	48	47	53
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-4	-4	-4
88.40 Non-Federal sources	-5	-5	-5
88.90 Total, offsetting collections (cash)	-9	-9	-9
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	37	50	50
90.00 Outlays	40	38	44

This account provides funding for research and technical assistance activities established in P.L. 104-193. Amounts for welfare research are in addition to research amounts in the Children and families services program account and the

Temporary Assistance to Needy Families account under Illegitimacy Reduction and Family Formation activities.

Object Classification (in millions of dollars)

Identification code 75-1553-0-1-609	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.1 Advisory and assistance services	14	20	20
25.2 Other services	5	5	5
25.3 Other purchases of goods and services from Government accounts	13	13	13
41.0 Grants, subsidies, and contributions	2	9	9
99.0 Direct obligations	37	50	50
99.0 Reimbursable obligations	9	9	9
99.9 Total new obligations	46	59	59

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

For making payments to States or other non-Federal entities under title IV-E of the Social Security Act, \$5,043,200,000. In addition, for carrying out section 477(i), \$60,000,000.

For making payments to States or other non-Federal entities under title IV-E of the Act, for the first quarter of fiscal year 2005, \$1,767,700,000.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under section 474 of title IV-E, for the last 3 months of the current fiscal year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 75-1545-0-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Foster care	4,536	4,666	4,939
00.02 Independent living	140	140	140
00.03 Education and training vouchers		60	60
00.04 Adoption assistance	1,393	1,539	1,700
10.00 Total new obligations	6,069	6,405	6,839
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	6,622	6,556	6,839
23.95 Total new obligations	-6,069	-6,405	-6,839
23.98 Unobligated balance expiring or withdrawn	-552	-151	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation		60	60
Mandatory:			
60.00 Appropriation	4,886	4,742	5,043
65.00 Advance appropriation	1,736	1,754	1,736
70.00 Total new budget authority (gross)	6,622	6,556	6,839
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	934	1,117	1,216
73.10 Total new obligations	6,069	6,405	6,839
73.20 Total outlays (gross)	-5,885	-6,306	-6,736
73.40 Adjustments in expired accounts (net)	-2		
74.40 Obligated balance, end of year	1,117	1,216	1,320
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority		9	9
86.93 Outlays from discretionary balances			40
86.97 Outlays from new mandatory authority	5,235	5,412	5,831
86.98 Outlays from mandatory balances	650	885	856
87.00 Total outlays (gross)	5,885	6,306	6,736
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	6,622	6,556	6,839

90.00	Outlays	5,885	6,306	6,736
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**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority	6,622	6,556	6,839
Outlays	5,885	6,306	6,736
Legislative proposal, subject to PAYGO:			
Budget Authority			35
Outlays			31
<b>Total:</b>			
Budget Authority	6,622	6,556	6,874
Outlays	5,885	6,306	6,767

**Foster care.**—The proposed level will support eligible low-income children who must be placed outside the home. An average of 240,600 children per month will be served in 2004.

**Adoption assistance.**—The proposed funding level will support subsidies for families adopting eligible low-income children with special needs. An average of 348,700 children per month will be served in 2004.

**Object Classification** (in millions of dollars)

Identification code	2002 actual	2003 est.	2004 est.
75-1545-0-1-609			
25.1 Advisory and assistance services	9	12	17
25.5 Research and development contracts		2	2
41.0 Grants, subsidies, and contributions	6,060	6,391	6,820
99.9 Total new obligations	6,069	6,405	6,839

**PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE**

(Legislative proposal, subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code	2002 actual	2003 est.	2004 est.
75-1545-4-1-609			
<b>Obligations by program activity:</b>			
00.01 Foster care			35
10.00 Total new obligations (object class 41.0)			35
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			35
23.95 Total new obligations			-35
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation			35
<b>Change in obligated balances:</b>			
73.10 Total new obligations			35
73.20 Total outlays (gross)			-31
74.40 Obligated balance, end of year			5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority			31
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			35
90.00 Outlays			31

This legislative proposal includes provisions to introduce an option available to all states to participate in an alternative financing system for child welfare that will better meet the needs of each state's foster care population. States choosing to participate will face fewer administrative burdens and will receive funds in the form of flexible grants.

**ADMINISTRATION ON AGING**

**Federal Funds**

**General and special funds:**

**AGING SERVICES PROGRAMS**

*For carrying out, to the extent not otherwise provided, the Older Americans Act of 1965, as amended, and section 398 of the Public Health Service Act, \$1,343,701,000 of which \$5,000,000 shall be available for activities regarding medication management, screening, and education to prevent incorrect medication and adverse drug reactions; of which \$2,842,000 shall remain available until September 30, 2006 for the White House Conference on Aging; and of which \$149,670,000 shall be for making payments to or on behalf of States and other eligible grantees, consistent with section 311 of the Older Americans Act of 1965: Provided, That references to the Secretary of Agriculture in section 311(b) and (d)(1) shall be deemed to be references to the Secretary of Health and Human Services: Provided further, That in those instances in which the eligible entity elects to receive its allotment, in part or in total, in the form of commodities, the Secretary of Agriculture shall supply such commodities and be reimbursed for the costs thereof from amounts provided herein.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code	2002 actual	2003 est.	2004 est.
75-0142-0-1-506			
<b>Obligations by program activity:</b>			
01.01 Home and community-based supportive services	357	357	357
01.02 Preventive health	21	21	21
01.03 National family caregiver support program	142	142	142
01.05 Congregate meals	390	492	390
01.06 Home-delivered meals	176	224	178
01.07 Nutrition services incentive program			150
01.08 Grants to Indian tribes	26	28	26
01.09 Program innovations	39	28	28
01.10 Aging network support activities	2	2	2
01.11 Federal administration	18	18	18
01.13 Alzheimer's disease demonstration grants to States	11	11	11
01.14 Grants to States for the protection of vulnerable older Americans	18	18	18
01.15 White House Conference on Aging			3
02.00 Total, Direct Program	1,200	1,341	1,344
09.01 Reimbursable program (HCFAC)		3	3
10.00 Total new obligations	1,200	1,344	1,347
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2	1	1
22.00 New budget authority (gross)	1,200	1,344	1,347
23.90 Total budgetary resources available for obligation	1,202	1,345	1,348
23.95 Total new obligations	-1,200	-1,344	-1,347
24.40 Unobligated balance carried forward, end of year	1	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	1,200	1,341	1,344
Mandatory:			
69.00 Offsetting collections (cash)		3	3
70.00 Total new budget authority (gross)	1,200	1,344	1,347
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	456	548	601
73.10 Total new obligations	1,200	1,344	1,347
73.20 Total outlays (gross)	-1,105	-1,291	-1,344
73.40 Adjustments in expired accounts (net)	-3		
74.40 Obligated balance, end of year	548	601	603
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	727	832	834
86.93 Outlays from discretionary balances	378	456	507
86.97 Outlays from new mandatory authority		3	3
87.00 Total outlays (gross)	1,105	1,291	1,344

General and special funds—Continued

AGING SERVICES PROGRAMS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 75-0142-0-1-506	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....		-3	-3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,200	1,341	1,344
90.00 Outlays .....	1,105	1,288	1,341
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

Note.—The reimbursable program (HCFAC) in the Administration on Aging (AoA) reflects the estimated distribution of the allocation account for fiscal years 2003 and 2004. Actual 2003 and 2004 distributions will be determined by the Secretary of HHS and the Attorney General.

**Administration on Aging.**—The proposed level will provide continued funding for core formula grant programs that provide nutrition, supportive services and caregiver support services through the aging network. AoA programs are part of a comprehensive system of support for older people and their families. The proposed level also includes funding for the White House Conference on Aging.

In order to improve program management, the budget proposes to transfer the smaller Department of Agriculture nutrition program for the elderly to AoA, while preserving State access to commodities and ensuring that the funds continue to be dedicated exclusively to the provision of meals. Although both Departments currently fund these services, HHS is the lead agency and has greater interaction with service providers. This transfer will improve program oversight and streamline reporting requirements.

Object Classification (in millions of dollars)

Identification code 75-0142-0-1-506	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	9	9	10
12.1 Civilian personnel benefits .....	2	2	2
23.1 Rental payments to GSA .....	1	2	2
25.1 Advisory and assistance services .....	5	6	6
25.2 Other services .....	1	1	1
25.3 Other purchases of goods and services from Government accounts .....	6	4	6
41.0 Grants, subsidies, and contributions .....	1,176	1,317	1,317
99.0 Direct obligations .....	1,200	1,341	1,344
99.0 Reimbursable obligations .....		3	3
99.9 Total new obligations .....	1,200	1,344	1,347

Personnel Summary

Identification code 75-0142-0-1-506	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	112	112	112
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....		8	8
<b>Allocation account:</b>			
Total compensable workyears:			
3001 Civilian full-time equivalent employment .....	8		

DEPARTMENTAL MANAGEMENT

Federal Funds

General and special funds:

GENERAL DEPARTMENTAL MANAGEMENT

For necessary expenses, not otherwise provided, for general departmental management, including hire of six sedans, and for carrying out titles III, XVII, and XX of the Public Health Service Act, and the United States-Mexico Border Health Commission Act, \$348,100,000 together with \$5,851,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Hospital Insurance Trust Fund and the Supplemental Medical Insurance Trust Fund: Provided, That of the funds made available under this heading for carrying out title XX of the Public Health Service Act, \$11,885,000 shall be for activities specified under section 2003(b)(2), of which \$10,157,000 shall be for prevention service demonstration grants under section 510(b)(2) of title V of the Social Security Act, as amended, without application of the limitation of section 2010(c) of said title XX: Provided further, That of this amount, \$50,000,000 is for minority AIDS prevention and treatment activities; and \$18,400,000 is for an Information Technology Security and Innovation Fund for Department-wide activities involving cybersecurity, information technology security, and related innovation projects, and \$5,000,000 is to assist Afghanistan in the development of maternal and child health clinics, consistent with section 103(a)(4)(H) of the Afghanistan Freedom Support Act of 2002.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, \$30,936,000, together with not to exceed \$3,314,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Hospital Insurance Trust Fund and the Supplemental Medical Insurance Trust Fund.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act and title III of the Public Health Service Act, \$2,499,000: Provided, That in addition to amounts provided herein, \$21,000,000 shall be available from amounts available under section 241 of the Public Health Service Act to carry out national health or human services research and evaluation activities: Provided further, That the expenditure of any funds available under section 241 of the Public Health Service Act are subject to the requirements of section 205 of this Act.

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

For expenses necessary to support activities related to countering potential biological, disease and chemical threats to civilian populations, \$1,896,149,000, of which \$100,000,000 shall be for activities to ensure a year-round influenza vaccine production capacity and the development and implementation of rapidly expandable production technologies: Provided, That the Secretary of Health and Human Services may increase funding for such pandemic influenza activities by transfer of up to \$150,000,000 from available unobligated amounts in discretionary accounts (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) of the Department of Health and Human Services funded in this or prior appropriations Acts: Provided further, That funding for pandemic influenza activities shall remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 75-9912-0-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct activities:</b>			
00.01 General departmental management .....	343	341	353
00.02 Office for Civil Rights .....	28	30	31
00.03 Policy research .....	2	2	2
00.04 Public health and social services emergency fund .....	1,625	1,807	1,896
09.01 Reimbursable program .....	141	168	186
09.02 Reimbursable program (HCFAC) .....		6	5
10.00 Total new obligations .....	2,139	2,354	2,473

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	109	147	149
22.00	New budget authority (gross)	2,182	2,356	2,475
23.90	Total budgetary resources available for obligation	2,291	2,503	2,624
23.95	Total new obligations	-2,139	-2,354	-2,473
23.98	Unobligated balance expiring or withdrawn	-4		
24.40	Unobligated balance carried forward, end of year	147	149	151

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation	2,029	2,176	2,278
40.73	Reduction pursuant to P.L. 107-206	-3		
42.00	Transferred from other accounts	9		
43.00	Appropriation (total discretionary)	2,035	2,176	2,278
<b>Spending authority from offsetting collections:</b>				
<b>Offsetting collections (cash):</b>				
68.00	Offsetting collections (cash)	81	174	192
68.00	Offsetting collections (cash) HCFAC		6	5
68.10	Change in uncollected customer payments from Federal sources (unexpired)	66		
68.90	Spending authority from offsetting collections (total discretionary)	147	180	197
70.00	Total new budget authority (gross)	2,182	2,356	2,475

**Change in obligated balances:**

72.40	Obligated balance, start of year	562	1,555	1,996
73.10	Total new obligations	2,139	2,354	2,473
73.20	Total outlays (gross)	-1,092	-1,913	-2,432
73.40	Adjustments in expired accounts (net)	-17		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-66		
74.10	Change in uncollected customer payments from Federal sources (expired)	28		
74.40	Obligated balance, end of year	1,555	1,996	2,037

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	760	806	851
86.93	Outlays from discretionary balances	332	1,107	1,581
87.00	Total outlays (gross)	1,092	1,913	2,432

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
88.00	Offsetting collections (cash) from: Federal sources	-108	-180	-197
<b>Against gross budget authority only:</b>				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-66		
88.96	Portion of offsetting collections (cash) credited to expired accounts	27		

**Net budget authority and outlays:**

89.00	Budget authority	2,035	2,176	2,278
90.00	Outlays	982	1,733	2,235

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority	10	10	12
99.01	Outlays	10	10	12

Note.—The reimbursable program (HCFAC) in Departmental Management reflects the estimated distribution from the allocation account for fiscal year 2003 and 2004. Actual 2003 and 2004 distributions will be determined by the Secretary of HHS and the Attorney General.

(Dollars in millions)

	2002 actual	2003 est.	2004 est.
<b>Distribution of budget authority by account:</b>			
General Departmental Management	334	337	349
Office for Civil Rights	28	30	31
Policy Research	2	2	2
Public Health and Social Services Emergency Fund	1,671	1,807	1,896
<b>Distribution of outlays by account:</b>			
General Departmental Management	319	324	341
Office for Civil Rights	25	30	32
Policy research	11	2	2
Public Health and Social Services Emergency Fund	627	1,377	1,860

Departmental management (DM) is a consolidated display of accounts that fund activities which provide leadership, policy, legal, and administrative guidance to HHS components; carry out the Department's civil rights and nondiscrimination and health information privacy compliance enforcement programs; and support research to develop policy initiatives and

improve existing HHS programs. DM also includes the activities of the Office of Public Health and Science, including adolescent family life, disease prevention and health promotion, physical fitness and sports, minority health, research integrity, women's health, as well as programs to counter bioterrorist threats.

**Object Classification** (in millions of dollars)

Identification code 75-9912-0-1-551	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent	106	113	115
11.3	Other than full-time permanent	4	6	6
11.5	Other personnel compensation	3	2	2
11.7	Military personnel	2	3	3
11.9	Total personnel compensation	115	124	126
12.1	Civilian personnel benefits	24	26	27
12.2	Military personnel benefits	1	1	1
21.0	Travel and transportation of persons	6	6	4
23.1	Rental payments to GSA	15	18	24
23.3	Communications, utilities, and miscellaneous charges	4	6	4
24.0	Printing and reproduction	2	2	2
25.1	Advisory and assistance services	7	1	1
25.2	Other services	24	37	41
25.3	Other purchases of goods and services from Government accounts	48	43	41
25.4	Operation and maintenance of facilities	9	8	9
25.7	Operation and maintenance of equipment	18	25	28
26.0	Supplies and materials	5	8	3
31.0	Equipment	7	7	3
41.0	Grants, subsidies, and contributions	111	127	134
99.0	Direct obligations	396	439	448
99.0	Reimbursable obligations	142	174	191
<b>Allocation Account:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent	29	13	13
11.3	Other than full-time permanent	3	2	2
11.5	Other personnel compensation	2	2	2
11.8	Special personal services payments	1		
11.9	Total personnel compensation	35	17	17
12.1	Civilian personnel benefits	10	9	9
21.0	Travel and transportation of persons	4	3	3
23.1	Rental payments to GSA		5	5
23.3	Communications, utilities, and miscellaneous charges	7	3	3
25.1	Advisory and assistance services	51	11	11
25.2	Other services	36	12	12
25.3	Other purchases of goods and services from Government accounts	63	22	22
25.4	Operation and maintenance of facilities	39	52	52
25.5	Research and development contracts	22	22	22
25.6	Medical care	6		
25.7	Operation and maintenance of equipment	1	1	1
26.0	Supplies and materials	6	20	20
31.0	Equipment	20	14	14
41.0	Grants, subsidies, and contributions	1,301	1,549	1,642
42.0	Insurance claims and indemnities		1	1
99.0	Allocation account	1,601	1,741	1,834
99.9	Total new obligations	2,139	2,354	2,473

**Personnel Summary**

Identification code 75-9912-0-1-551	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
<b>Total compensable workyears:</b>				
1001	Civilian full-time equivalent employment	1,300	1,424	1,419
1101	Military full-time equivalent employment	61	61	61
<b>Reimbursable:</b>				
<b>Total compensable workyears:</b>				
2001	Civilian full-time equivalent employment	257	277	278

**ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS**

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation as follows: Centers for Medicare and Medicaid Services "Health Care Fraud and Abuse Control Account."

**PROGRAM SUPPORT CENTER**

**General and special funds:**

**RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS**

*For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, for payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan, and for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C. ch. 55 and 56), such amounts as may be required during the current fiscal year.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 75-0379-0-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Retirement payments .....	204	219	234
00.02 Survivors' benefits .....	13	14	15
00.03 Medical care .....	56	52	54
10.00 Total new obligations .....	273	285	303
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	278	285	303
23.95 Total new obligations .....	-273	-285	-303
23.98 Unobligated balance expiring or withdrawn .....	-5		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	278	285	303
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	20	45	49
73.10 Total new obligations .....	273	285	303
73.20 Total outlays (gross) .....	-253	-281	-301
73.40 Adjustments in expired accounts (net) .....	5		
74.40 Obligated balance, end of year .....	45	49	51
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	234	242	258
86.98 Outlays from mandatory balances .....	19	39	43
87.00 Total outlays (gross) .....	253	281	301
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	278	285	303
90.00 Outlays .....	253	281	301
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....			27
99.01 Outlays .....			27

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	278	285	303
Outlays .....	253	281	301
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			13
Outlays .....			13
Total:			
Budget Authority .....	278	285	316
Outlays .....	253	281	314

This activity funds annuities of retired Public Health Service (PHS) commissioned officers and survivors of retirees, and medical care to active duty PHS commissioned officers, retirees, and dependents of members and retirees of the PHS Commissioned Corps.

The estimates in the following table support the President's Budget proposal to extend accrual financing for health care provided to non-Medicare-eligible uniformed services retirees.

**Uniformed Services Non-Medicare Eligible Retiree Health Care Accrual Proposal Effects on Public Health Accounts in 2004**

(Dollars in millions)	Mandatory	Discretionary
Mandatory Offsetting Collection through the Defense Health Account from the Uniformed Services Retiree Health Care Fund for Non-Medicare Eligible Retiree Health Care:		
Public Health Service .....	54	
Adjustments to Public Health Discretionary Appropriation Payments to the Uniformed Services Retiree Health Care Fund Ret. Pay and Med. Benefits for Commissioned Officers Account .....		27
Adj. to Ret. Pay and Med. Benefits for Commissioned Officers Account .....		-54
Change to Public Health Discretionary Appropriation .....		-27

**Object Classification (in millions of dollars)**

Identification code 75-0379-0-1-551	2002 actual	2003 est.	2004 est.
13.0 Benefits for former personnel .....	217	233	249
25.6 Medical care .....	56	52	54
99.9 Total new obligations .....	273	285	303

**RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 75-0379-2-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 Medical care .....			13
10.00 Total new obligations (object class 12.2) .....			13
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			13
23.95 Total new obligations .....			-13
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			13
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			13
73.20 Total outlays (gross) .....			-13
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			13
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			13
90.00 Outlays .....			13

A Department of Defense legislative proposal will change the accrual amount that HHS pays into the Uniformed Services Retiree Health Care Fund for health benefits for Medicare-eligible Public Health Service Commissioned Corps officers. The new accrual rate more accurately reflects the all-officer nature of the Commissioned Corps.

**HEALTH ACTIVITIES FUNDS**

**Program and Financing (in millions of dollars)**

Identification code 75-9913-0-1-552	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	7	7
24.40 Unobligated balance carried forward, end of year .....	7	7	7
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	2
74.40 Obligated balance, end of year .....	2	2	2

**Net budget authority and outlays:**

89.00	Budget authority	.....	.....	.....
90.00	Outlays	.....	.....	.....

This display shows activities in support of St. Elizabeths Hospital and scientific activities overseas that were supported by foreign currencies by the United States abroad.

**Intragovernmental funds:**

**HHS SERVICE AND SUPPLY FUND**

**Program and Financing (in millions of dollars)**

Identification code 75-9941-0-4-551		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
09.01	Program support center	287	320	321
09.02	Federal employee occupational health	110	129	138
09.03	OS activities	8	7	7
10.00	Total new obligations	405	456	466
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	69	89	89
22.00	New budget authority (gross)	417	456	466
22.10	Resources available from recoveries of prior year obligations	8		
23.90	Total budgetary resources available for obligation	494	545	555
23.95	Total new obligations	-405	-456	-466
24.40	Unobligated balance carried forward, end of year	89	89	89
<b>New budget authority (gross), detail:</b>				
Mandatory:				
69.00	Offsetting collections (cash)	385	456	466
69.10	Change in uncollected customer payments from Federal sources (unexpired)	32		
69.90	Spending authority from offsetting collections (total mandatory)	417	456	466
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	-15	-46	-46
73.10	Total new obligations	405	456	466
73.20	Total outlays (gross)	-397	-456	-466
73.45	Recoveries of prior year obligations	-8		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-32		
74.40	Obligated balance, end of year	-46	-46	-46
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority	397	456	466
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-385	-456	-466
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-32		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	.....	.....	.....
90.00	Outlays	11		

HHS Service and Supply Fund (SSF) provides a wide range of logistical and support services to components of the Department and other Federal agencies. The Program Support Center line includes activities such as personnel and payroll administration, financial management operations, and administrative services, including acquisitions management, building and property management, information technology and telecommunication services, and medical supplies repackaging and distribution services. The Federal Occupational Health program is also financed by the SSF, and provides clinical health services, environmental and industrial hygiene-related services, and employee assistance programs. The Office of Secretary activities line includes the fund manager, departmental contracts, audit resolutions, and the regional health administrators.

**Object Classification (in millions of dollars)**

Identification code 75-9941-0-4-551		2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>				
11.1	Full-time permanent	67	73	77
11.3	Other than full-time permanent	2	2	2
11.5	Other personnel compensation	2	2	2
11.7	Military personnel	7	8	8
11.9	Total personnel compensation	78	85	89
12.1	Civilian personnel benefits	19	18	19
12.2	Military personnel benefits	4	3	4
21.0	Travel and transportation of persons	3	3	3
22.0	Transportation of things	2	2	3
23.1	Rental payments to GSA	11	13	13
23.3	Communications, utilities, and miscellaneous charges	8	8	8
24.0	Printing and reproduction	1	1	2
25.1	Advisory and assistance services	13	15	15
25.2	Other services	100	119	109
25.3	Other purchases of goods and services from Government accounts	27	31	32
25.4	Operation and maintenance of facilities	18	21	21
25.6	Medical care	34	39	40
26.0	Supplies and materials	80	86	94
31.0	Equipment	7	12	14
99.9	Total new obligations	405	456	466

This year's budget includes an improved display for Public Health Service Commissioned Corps Officers. Most Commissioned Corps officers work for agencies in the Department of Health and Human Services. However, some of these officers are detailed to perform work in other Federal agencies. The allocation account section in the table below shows the total number of these detailed FTE.

**Personnel Summary**

Identification code 75-9941-0-4-551		2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>				
Total compensable workyears:				
2001	Civilian full-time equivalent employment	1,122	1,122	1,122
2101	Military full-time equivalent employment	71	71	71
<b>Allocation account:</b>				
Total compensable workyears:				
3101	Military full-time equivalent employment	1,131	1,281	1,281

**Trust Funds**

**MISCELLANEOUS TRUST FUNDS**

**Unavailable Collections (in millions of dollars)**

Identification code 75-9971-0-7-551		2002 actual	2003 est.	2004 est.
01.99	Balance, start of year			
<b>Receipts:</b>				
02.00	Gifts and contributions, miscellaneous trust funds	47	47	47
02.20	Contributions, Indian health facilities, Health Services Administration	60	60	60
02.40	Interest, Miscellaneous trust funds	1	1	1
02.99	Total receipts and collections	108	108	108
<b>Appropriations:</b>				
05.00	Miscellaneous trust funds	-108	-108	-108
07.99	Balance, end of year			

**Program and Financing (in millions of dollars)**

Identification code 75-9971-0-7-551		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.02	Gifts	38	48	48
00.03	Contributions, Indian health facilities	42	60	60
10.00	Total new obligations	80	108	108

MISCELLANEOUS TRUST FUNDS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 75-9971-0-7-551	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	74	101	101
22.00 New budget authority (gross)	108	108	108
23.90 Total budgetary resources available for obligation	182	209	209
23.95 Total new obligations	-80	-108	-108
24.40 Unobligated balance carried forward, end of year	101	101	101
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund)	108	108	108
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	76	99	129
73.10 Total new obligations	80	108	108
73.20 Total outlays (gross)	-57	-78	-96
74.40 Obligated balance, end of year	99	129	141
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	24	32	32
86.98 Outlays from mandatory balances	33	46	64
87.00 Total outlays (gross)	57	78	96
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	108	108	108
90.00 Outlays	57	78	96
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value	25	30	30
92.02 Total investments, end of year: Federal securities: Par value	30	30	30

(Dollars in millions)

	2002	2003	2004
<b>Distribution of budget authority by account:</b>			
Gifts	48	48	48
Contributions, Indian health facilities	60	60	60
<b>Distribution of outlays by account:</b>			
Gifts	26	35	43
Contributions, Indian health facilities	31	43	53

Gifts to the Public Health Service are for the benefit of patients and for research. Contributions are made for the construction, improvement, extension, and provision of sanitation facilities.

Object Classification (in millions of dollars)

Identification code 75-9971-0-7-551	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent	1	1	1
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	2	2	2
21.0 Travel and transportation of persons	1	1	1
22.0 Transportation of things	1	1	1
25.1 Advisory and assistance services	1	1	1
25.2 Other services	11	15	15
25.3 Other purchases of goods and services from Government accounts	1	1	1
25.4 Operation and maintenance of facilities	1	1	1
25.5 Research and development contracts	8	11	11
25.7 Operation and maintenance of equipment	22	30	30
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
32.0 Land and structures	5	7	7
41.0 Grants, subsidies, and contributions	27	36	36
99.9 Total new obligations	80	108	108

Personnel Summary

Identification code 75-9971-0-7-551	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	22	22	22

OFFICE OF THE INSPECTOR GENERAL

General and special funds:

OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$39,497,000: Provided, That, of such amount, necessary sums are available for providing protective services to the Secretary and investigating non-payment of child support cases for which non-payment is a Federal offense under 18 U.S.C. 228.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 75-0128-0-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program	36	40	39
09.01 HCFAC reimbursable program	166	166	166
09.02 Reimbursable program	17	12	12
10.00 Total new obligations	53	218	217
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross)	52	218	217
23.90 Total budgetary resources available for obligation	53	219	218
23.95 Total new obligations	-53	-218	-217
24.40 Unobligated balance carried forward, end of year	1	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	36	40	39
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	6	12	12
68.10 Change in uncollected customer payments from Federal sources (unexpired)	10		
68.90 Spending authority from offsetting collections (total discretionary)	16	12	12
Mandatory:			
69.00 Offsetting collections (cash)	166	166	166
70.00 Total new budget authority (gross)	52	218	217
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	1		4
73.10 Total new obligations	53	218	217
73.20 Total outlays (gross)	-54	-214	-217
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-10		
74.10 Change in uncollected customer payments from Federal sources (expired)	11		
74.40 Obligated balance, end of year		4	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	32	48	47
86.93 Outlays from discretionary balances	22		4
86.97 Outlays from new mandatory authority	166	166	166
87.00 Total outlays (gross)	54	214	217
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-18	-178	-178
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-10		
88.96 Portion of offsetting collections (cash) credited to expired accounts	12		

<b>Net budget authority and outlays:</b>				
99.00	Budget authority .....	36	40	39
90.00	Outlays .....	36	36	39
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	9	9	10
99.01	Outlays .....	9	9	10

The Office of Inspector General (OIG) identifies and recommends actions to correct fraud, waste, and abuse in HHS administered and assisted programs and operations through audits and investigations.

In addition to the discretionary resources appropriated to the OIG, the Health Insurance Portability and Accountability Act of 1996 makes available mandatory funding for use by the OIG. These funds are used to combat Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP) fraud and abuse through a coordinated Health care fraud and abuse control (HCFAC) program with the Department of Justice. The following table shows total funding resources for the OIG:

	(In millions of dollars)		
	2002 actual	2003 est.	2004 est.
<b>Budget Authority:</b>			
Discretionary appropriations .....	36	40	39
Mandatory (HCFAC Account) .....	139	160	160
<b>Total .....</b>	<b>175</b>	<b>200</b>	<b>199</b>

Note.—The reimbursable program (HCFAC) in Office of the Inspector General reflects the estimated distribution of the allocation account for fiscal years 2003 and 2004. Actual 2003 and 2004 distributions will be determined by the Secretary of HHS and the Attorney General.

**Object Classification (in millions of dollars)**

Identification code 75-0128-0-1-551	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	20	24	24
12.1 Civilian personnel benefits .....	6	6	6
21.0 Travel and transportation of persons .....	2	2	2
23.1 Rental payments to GSA .....	3	3	3
25.3 Other purchases of goods and services from Government accounts .....	4	4	4
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	36	40	39
99.0 Reimbursable obligations .....	17	178	178
99.9 Total new obligations .....	53	218	217

**Personnel Summary**

Identification code 75-0128-0-1-551	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	296	320	307
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	56	1,320	1,252
<b>Allocation account:</b>			
Total compensable workyears:			
3001 Civilian full-time equivalent employment .....	1,217		

**ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS**

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows: Centers for Medicare and Medicaid Services "Health Care Fraud and Abuse Control Account."

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Offsetting receipts from the public:</b>			
75-310700 Federal share of child support collections .....	1,235	1,117	1,137
Legislative proposal, subject to PAYGO .....			14

General Fund Offsetting receipts from the public .....	1,235	1,117	1,151
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**GENERAL PROVISIONS**

SEC. 201. Funds appropriated in this title shall be available for not to exceed \$37,000 for official reception and representation expenses when specifically approved by the Secretary.

SEC. 202. The Secretary shall make available through assignment not more than 60 employees of the Public Health Service to assist in child survival activities and to work in AIDS programs through and with funds provided by the Agency for International Development, the United Nations International Children's Emergency Fund or the World Health Organization.

SEC. 203. None of the funds appropriated under this Act may be used to implement section 399F(b) of the Public Health Service Act or section 1503 of the National Institutes of Health Revitalization Act of 1993, Public Law 103-43.

SEC. 204. None of the funds appropriated in this Act for the National Institutes of Health, the Agency for Healthcare Research and Quality, and the Substance Abuse and Mental Health Services Administration shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II.

SEC. 205. Notwithstanding section 241(a) of the Public Health Service Act, such portion as the Secretary shall determine, but not more than 1.25 percent, of any amounts appropriated for programs authorized under said Act shall be made available for the evaluation (directly, or by grants or contracts) of the implementation and effectiveness of such programs.

(TRANSFER OF FUNDS)

SEC. 206. Not to exceed 3 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) which are appropriated for the current fiscal year for the Department of Health and Human Services in this or any other Act may be transferred between appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfer: Provided, That the Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of any transfer.

SEC. 207. The Director of the National Institutes of Health, jointly with the Director of the Office of AIDS Research, may transfer up to 3 percent among institutes, centers, and divisions from the total amounts identified by these two Directors as funding for research pertaining to the human immunodeficiency virus: Provided, That the Congress is promptly notified of the transfer.

SEC. 208. Of the amounts made available in this Act for the National Institutes of Health, the amount for research related to the human immunodeficiency virus, as jointly determined by the Director of the National Institutes of Health and the Director of the Office of AIDS Research, shall be made available to the "Office of AIDS Research" account. The Director of the Office of AIDS Research shall transfer from such account amounts necessary to carry out section 2353(d)(3) of the Public Health Service Act.

SEC. 209. None of the funds appropriated in this Act may be made available to any entity under title X of the Public Health Service Act unless the applicant for the award certifies to the Secretary that it encourages family participation in the decision of minors to seek family planning services and that it provides counseling to minors on how to resist attempts to coerce minors into engaging in sexual activities.

SEC. 210. None of the funds appropriated by this Act (including funds appropriated to any trust fund) may be used to carry out the Medicare+Choice program if the Secretary denies participation in such program to an otherwise eligible entity (including a Provider Sponsored Organization) because the entity informs the Secretary that it will not provide, pay for, provide coverage of, or provide referrals for abortions: Provided, That the Secretary shall make appropriate prospective adjustments to the capitation payment to such an entity (based on an actuarially sound estimate of the expected costs of providing the service to such entity's enrollees): Provided further, That nothing in this section shall be construed to change the Medicare program's coverage for such services and a Medicare+Choice organization described in this section shall be responsible for informing enrollees where to obtain information about all Medicare covered services.

## (TRANSFER OF FUNDS)—Continued

SEC. 211. Notwithstanding any other provision of law, no provider of services under title X of the Public Health Service Act shall be exempt from any State law requiring notification or the reporting of child abuse, child molestation, sexual abuse, rape, or incest.

SEC. 212. (a) Except as provided by subsection (e) none of the funds appropriated by this Act may be used to withhold substance abuse funding from a State pursuant to section 1926 of the Public Health Service Act (42 U.S.C. 300x-26) if such State certifies to the Secretary of Health and Human Services by May 1, 2004 that the State will commit additional State funds, in accordance with subsection (b), to ensure compliance with State laws prohibiting the sale of tobacco products to individuals under 18 years of age.

(b) The amount of funds to be committed by a State under subsection (a) shall be equal to 1 percent of such State's substance abuse block grant allocation for each percentage point by which the State misses the retailer compliance rate goal established by the Secretary of Health and Human Services under section 1926 of such Act.

(c) The State is to maintain State expenditures in fiscal year 2004 for tobacco prevention programs and for compliance activities at a level that is not less than the level of such expenditures maintained by the State for fiscal year 2003, and adding to that level the additional funds for tobacco compliance activities required under subsection (a). The State is to submit a report to the Secretary on all fiscal year 2003 State expenditures and all fiscal year 2004 obligations for tobacco prevention and compliance activities by program activity by July 31, 2004.

(d) The Secretary shall exercise discretion in enforcing the timing of the State obligation of the additional funds required by the certification in subsection (a) as late as July 31, 2004.

(e) None of the funds appropriated by this Act may be used to withhold substance abuse funding pursuant to section 1926 from a territory that receives less than \$1,000,000.

SEC. 213. In order for the Centers for Disease Control and Prevention to carry out international health activities, including HIV/AIDS and other infectious disease, chronic and environmental disease, and other health activities abroad during fiscal year 2004, the Secretary of Health and Human Services is authorized to—

(1) utilize the authorities contained in subsection 2(c) of the State Department Basic Authorities Act of 1956, as amended; and

(2) utilize the authorities contained in 22 U.S.C. 291 and 292 and directly or through contract or cooperative agreement to lease, alter or renovate facilities in foreign countries, to carry out programs supported by this appropriation notwithstanding PHS Act section 307.

In exercising the authority set forth in paragraphs (1) and (2), the Secretary of Health and Human Services shall consult with the Department of State to assure that planned activities are within the legal strictures of the State Department Basic Authorities Act of 1956, as amended, and other applicable parts of title 22, United States Code.

SEC. 214. The Division of Federal Occupational Health may utilize personal services contracting to employ professional management/administrative and occupational health professionals.

SEC. 215. With the funds appropriated to the National Institutes of Health in this Act, NIH is authorized to obligate in fiscal year 2004 the full multi-year cost of a grant or contract that is awarded in that year, and any funds which may be deobligated subsequently shall remain available until expended for the same purposes.

# DEPARTMENT OF HOMELAND SECURITY

## DEPARTMENTAL MANAGEMENT

### Federal Funds

#### General and special funds:

#### DEPARTMENTAL OPERATIONS

*For necessary expenses to administer the Department of Homeland Security, \$294,000,000, of which not to exceed \$2,000,000 may be used for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of Homeland Security; and of which not to exceed \$30,000,000, shall remain available until expended for planning and design of a departmental headquarters.*

*Note.*—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 70-0100-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Headquarters Operations:			
00.01 Administrative activities .....	171	202	230
00.02 Headquarters rental payments and building security .....	6	6	34
00.03 Site design and planning .....			30
00.04 Other activities .....			101
10.00 Total new obligations .....	177	208	395
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	36	84	101
22.00 New budget authority (gross) .....	225	225	294
23.90 Total budgetary resources available for obligation	261	309	395
23.95 Total new obligations .....	-177	-208	-395
24.40 Unobligated balance carried forward, end of year .....	84	101	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	215	215	294
43.00 Appropriation (total discretionary) .....	215	215	294
68.62 Spending authority from offsetting collections: Transferred from other accounts .....	10	10	
70.00 Total new budget authority (gross) .....	225	225	294
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		4	4
73.10 Total new obligations .....	177	208	395
73.20 Total outlays (gross) .....	-173	-208	-264
74.40 Obligated balance, end of year .....	4	4	135
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	170	189	237
86.93 Outlays from discretionary balances .....	3	19	27
87.00 Total outlays (gross) .....	173	208	264
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	225	225	294
90.00 Outlays .....	172	208	264

The Departmental Operations account funds basic support to the Secretary of Homeland Security, including executive planning and decision-making, management of departmental operations and the departmental headquarters building, institutional and public liaison activities, and other program support requirements to ensure effective operation and management of the Department. Specific activities funded by the Departmental Operations account include:

*Office of the Secretary and Executive Management.*—Directs and leads management of the Department and provides policy guidance to operating bureaus within the organization. Oversees the Department's Office of Civil Rights and Civil Liberties Protection as well as departmental privacy policies and the Department's Privacy Offices. Includes support for the Department's State and local coordination function. Plans and executes departmental strategies to accomplish agency objectives.

*Undersecretary for Management.*—Oversees management and operations of the Department, including financial planning and execution, information systems management, human capital planning and policies, and building management. Oversees standard-setting and maintenance of all departmental immigration statistical information.

*General Counsel.*—Provides legal services including provision of legal opinions, advice and guidance to both administrative and program offices.

*Departmental Operations Center.*—Provides 24-hour-per-day/7-day-per-week command-and-control and monitoring capabilities for the Department of Homeland Security.

*Site Design.*—The Departmental Operations account includes \$30 million for design and acquisition of a site suitable for construction of a permanent headquarters for the Department of Homeland Security. The Department will develop its headquarters in close consultation with the General Services Administration.

#### Object Classification (in millions of dollars)

Identification code 70-0100-0-1-999	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	80	80	80
12.1 Civilian personnel benefits .....	24	24	24
21.0 Travel and transportation of persons .....	1	2	9
22.0 Transportation of things .....		1	2
23.1 Rental payments .....	6	6	
23.2 Rental payments .....			17
23.3 Communications, utilities, and miscellaneous charges	2	3	33
25.2 Other services .....	62	90	171
25.4 Operation and maintenance of facilities .....			17
31.0 Equipment .....	2	2	10
32.0 Land and structures .....			30
91.0 Unvouchered .....			2
99.9 Total new obligations .....	177	208	395

#### Personnel Summary

Identification code 70-0100-0-1-999	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment <sup>1</sup> .....	800	800	800

<sup>1</sup> Personnel levels associated with this account are estimates based on preliminary analysis performed by the DHS Transition Planning Office. DHS headquarters personnel have been drawn primarily from existing operational components within the department. As such, unfilled positions at headquarters will be returned to operating departmental accounts.

#### COUNTERTERRORISM FUND

*For necessary expenses, as determined by the Secretary of Homeland Security, \$40,000,000, to remain available until expended, to reimburse any Federal agency for the costs of providing support to counter, investigate, or prosecute unexpected threats or acts of terrorism, including payment of rewards in connection with these activities: Provided, That any amount provided under this heading may be obligated only after notice of its proposed use has been transmitted to the Con-*

**General and special funds—Continued**  
**COUNTERTERRORISM FUND—Continued**

*gress and such amount has been apportioned pursuant to 31 U.S.C. 1513.*

*Note.*—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 70-0101-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Counterterrorism-related activities .....	27	40	40
10.00 Total new obligations (object class 25.2) .....	27	40	40
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	38	54	54
22.00 New budget authority (gross) .....	40	40	40
22.10 Resources available from recoveries of prior year obligations .....	3		
23.90 Total budgetary resources available for obligation .....	81	94	94
23.95 Total new obligations .....	-27	-40	-40
24.40 Unobligated balance carried forward, end of year .....	54	54	54
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	40	40	40
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10	19	20
73.10 Total new obligations .....	27	40	40
73.20 Total outlays (gross) .....	-15	-39	-40
73.45 Recoveries of prior year obligations .....	-3		
74.40 Obligated balance, end of year .....	19	20	20
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	15	20	20
86.93 Outlays from discretionary balances .....		19	20
87.00 Total outlays (gross) .....	15	39	40
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	40	40	40
90.00 Outlays .....	15	39	40

The Counterterrorism Fund request includes \$40 million to cover unbudgeted critical costs associated with: (1) providing support to counter, investigate, or pursue domestic or international terrorism, including payment of rewards in connection with these activities; and (2) re-establishing the operational capacity of an office, facility or other property damaged or destroyed as a result of any domestic or international terrorist incident. Pursuant to the Homeland Security Act of 2002, the Department of Homeland Security has responsibility for preventing terrorism within the United States and responding to and recovering from terrorist attacks if they do occur. Funds from this account can be reimbursed to operating entities within the Department for unforeseen expenses arising from the prevention of or response to terrorist attacks. Additionally, the Counterterrorism Fund may be used to reimburse other Federal agencies for costs related to their participation over and above normal operations in particular terrorism prevention or response activities.

DEPARTMENT-WIDE TECHNOLOGY INVESTMENTS

*For development and acquisition of information technology equipment, software, services, and related activities for the Department of Homeland Security, and for the costs of conversion to narrowband communications, including the cost for operation of the Land Mobile Radio legacy systems, \$206,000,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing

resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 70-0102-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Information technology services .....	25	58	143
00.02 Wireless Programs .....	44	38	63
01.00 Subtotal, Direct Programs .....	69	96	206
Reimbursable Program:			
09.01 Reimbursable information technology services .....	18	18	
09.02 Reimbursable wireless programs .....		6	5
09.09 Subtotal, Reimbursable programs .....	18	24	5
10.00 Total new obligations .....	87	120	211
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	87	120	211
23.95 Total new obligations .....	-87	-120	-211
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	69	96	206
43.00 Appropriation (total discretionary) .....	69	96	206
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....		6	5
68.62 Transferred from other accounts .....	18	18	
68.90 Spending authority from offsetting collections (total discretionary) .....	18	24	5
70.00 Total new budget authority (gross) .....	87	120	211
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		8	27
73.10 Total new obligations .....	87	120	211
73.20 Total outlays (gross) .....	-75	-101	-175
73.40 Adjustments in expired accounts (net) .....	-4		
74.40 Obligated balance, end of year .....	8	27	61
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	49	83	140
86.93 Outlays from discretionary balances .....	26	18	35
87.00 Total outlays (gross) .....	75	101	175
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....		-6	-5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	87	114	206
90.00 Outlays .....	75	95	170

This account includes funding for department-wide investments in information technology and wireless communications technology. Funding from this account will be used for department-wide investments or high-priority investments that DHS directorates need to modernize business processes and increase efficiency through technological improvements. In particular, this account will fund the Homeland Security Information Technology and Evaluation program, which will work to improve homeland security-related information sharing across the federal government, as well as with state and local governments and the private sector. This program was previously requested through the Bureau of Industry Security Critical Infrastructure Assurance Office. In addition, this account includes proposed funding for the conversion of wireless radio communications to narrowband operations, as required by 47 U.S.C. 903(d)(1). Requested resources will be allocated to invest in new narrowband infrastructure and subscriber equipment while continuing to support components' existing legacy land mobile radio systems.

**Object Classification** (in millions of dollars)

Identification code 70-0102-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.3 Personnel compensation: Other than full-time permanent .....		1	1
12.1 Civilian personnel benefits .....		1	1
21.0 Travel and transportation of persons .....		1	
25.1 Advisory and assistance services .....	34	34	67
25.2 Other services .....	25	38	
25.3 Other purchases of goods and services from Government accounts .....		3	
26.0 Supplies and materials .....		2	
31.0 Equipment (I/T investments) .....	10	16	137
99.0 Direct obligations .....	69	96	206
99.0 Reimbursable obligations .....	18	24	5
99.9 Total new obligations .....	87	120	211

**Personnel Summary**

Identification code 70-0102-0-1-999	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....		15	15

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing** (in millions of dollars)

Identification code 70-4188-0-4-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	25	55	42
10.00 Total new obligations .....	25	55	42
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	9	28	
22.00 New budget authority (gross) .....	43	27	42
23.90 Total budgetary resources available for obligation .....	52	55	42
23.95 Total new obligations .....	-25	-55	-42
24.40 Unobligated balance carried forward, end of year .....	28		
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	44	27	42
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
68.90 Spending authority from offsetting collections (total discretionary) .....	44	27	42
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	9	34
73.10 Total new obligations .....	25	55	42
73.20 Total outlays (gross) .....	-25	-30	-36
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
74.40 Obligated balance, end of year .....	9	34	40
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	16	18	27
86.93 Outlays from discretionary balances .....	9	12	9
87.00 Total outlays (gross) .....	25	30	36
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-44	-27	-42
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-20	3	-6

The working capital fund finances, on a reimbursable basis, those administrative services that can be performed most efficiently at the Department level. In addition, the Department of Homeland Security working capital fund also includes administration of the fees charged for services provided at the Mt. Weather Emergency Assistance Center, including conference, training, and office support, motor pool services, and temporary lodging. Mt. Weather services are available to organizations within the Department of Homeland Security and other Federal agencies.

**Object Classification** (in millions of dollars)

Identification code 70-4188-0-4-999	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	8	9	17
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	9	10	18
12.1 Civilian personnel benefits .....	2	2	4
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	1	27	3
25.3 Other purchases of goods and services from Government accounts .....	3	2	2
25.4 Operation and maintenance of facilities .....		3	6
25.7 Operation and maintenance of equipment .....	1	1	1
25.8 Subsistence and support of persons .....	1		
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	2	1	1
32.0 Land and structures .....	3	6	4
99.0 Reimbursable obligations .....	25	55	42
99.9 Total new obligations .....	25	55	42

**Personnel Summary**

Identification code 70-4188-0-4-999	2002 actual	2003 est.	2004 est.
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	187	222	419

**Trust Funds**

**GIFTS AND DONATIONS**

**Program and Financing** (in millions of dollars)

Identification code 70-8244-0-7-453	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	2	2
24.40 Unobligated balance carried forward, end of year .....	2	2	2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	2	2	2
92.02 Total investments, end of year: Federal securities:			
Par value .....	2	2	2

This account represents contributions to the Department from private sources, and includes bequests and gifts from the estate of Cora Brown given to the Federal Emergency Management Agency.

**OFFICE OF THE INSPECTOR GENERAL**

**Federal Funds**

**General and special funds:**

**OPERATING EXPENSES**

*For necessary expenses for the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as*

**General and special funds—Continued**

**OPERATING EXPENSES—Continued**

*amended, \$58,118,000; of which not to exceed \$1,000,000 may be used for unforeseen emergencies of a confidential nature, to be allocated under the direction of the Inspector General of the Department of Homeland Security. In addition, \$22,000,000, to be derived by transfer from the Emergency Preparedness and Response Disaster Relief Fund.*

*Note.*—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 70-0200-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Inspections and Investigations .....	47	71	80
10.00 Total new obligations .....	47	71	80
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	47	71	80
23.95 Total new obligations .....	-47	-71	-80
23.98 Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	47	49	58
42.00 Transferred from other accounts .....		22	22
43.00 Appropriation (total discretionary) .....	47	71	80
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	3	11
73.10 Total new obligations .....	47	71	80
73.20 Total outlays (gross) .....	-48	-65	-79
74.40 Obligated balance, end of year .....	3	11	12
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	45	62	70
86.93 Outlays from discretionary balances .....	3	3	9
87.00 Total outlays (gross) .....	48	65	79
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	47	71	80
90.00 Outlays .....	49	65	79
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

This account finances the cost of conducting and supervising audits and investigations relating to the programs and operations of the Department to promote economy, efficiency, and effectiveness and to prevent and detect fraud, waste, and abuse in such programs and operations.

**Object Classification (in millions of dollars)**

Identification code 70-0200-0-1-999	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	21	25	32
11.3 Other than full-time permanent .....		7	7
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	23	34	41
12.1 Civilian personnel benefits .....	9	12	12
21.0 Travel and transportation of persons .....	3	6	6
23.1 Rental payments to GSA .....	4	5	4
23.2 Rental payments to others .....	1	1	2
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	2	8	9
25.3 Other purchases of goods and services from Government accounts .....	3	3	3
31.0 Equipment .....	1	1	1
91.0 Unvouchered .....			1
99.9 Total new obligations .....	47	71	80

**Personnel Summary**

Identification code 70-0200-0-1-999	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	336	456	457

**CITIZENSHIP AND IMMIGRATION SERVICES**

**Federal Funds**

**General and special funds:**

**OPERATING EXPENSES**

*For necessary expenses for citizenship and immigration services, including international services, \$235,000,000.*

*Note.*—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 70-0300-0-1-751	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	188	128	191
Receipts:			
02.60 Immigration examination fee .....	1,171	1,492	1,550
02.61 H-1 B nonimmigrant petitioner account .....	165	250	75
02.99 Total receipts and collections .....	1,336	1,742	1,625
04.00 Total: Balances and collections .....	1,524	1,870	1,816
Appropriations:			
05.00 Immigration fees .....	-1,208	-1,413	-1,550
05.01 Operating Expenses (H1-B) .....	-14	-10	-10
05.02 Customs and Border Security (Exams Fees) .....	-15	-24	-25
05.03 Employment and training administration, DOL (H1-B) .....	-91	-98	
05.04 Salaries and expenses, DOL (H1-B) .....	-7	-7	
05.05 Education and human resources, NSF (H1-B) .....	-61	-127	-127
05.99 Customs and Border Security .....	-1,396	-1,679	-1,712
07.99 Balance, end of year .....	128	191	104

**Program and Financing (in millions of dollars)**

Identification code 70-0300-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Citizenship and immigration services .....	1,413	1,656	1,799
09.01 Reimbursable program .....	18	18	18
10.00 Total new obligations .....	1,431	1,674	1,817
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	79	265	265
22.00 New budget authority (gross) .....	1,622	1,674	1,817
23.90 Total budgetary resources available for obligation .....	1,701	1,939	2,082
23.95 Total new obligations .....	-1,431	-1,674	-1,817
23.98 Unobligated balance expiring or withdrawn .....	-5		
24.40 Unobligated balance carried forward, end of year .....	265	265	265
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	241	229	235
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
41.00 Transferred to other accounts .....	-3		
43.00 Appropriation (total discretionary) .....	237	229	235
Mandatory:			
Appropriation (special fund):			
60.20 Appropriation (examinations fee) .....	1,338	1,413	1,550
60.20 Appropriation (H1B fee) .....	26	10	10
60.20 Appropriation (User Fee) .....	3	4	4
62.50 Appropriation (total mandatory) .....	1,367	1,427	1,564
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	18	18	18
70.00 Total new budget authority (gross) .....	1,622	1,674	1,817

Change in obligated balances:				
72.40	Obligated balance, start of year	499	409	518
73.10	Total new obligations	1,431	1,674	1,817
73.20	Total outlays (gross)	-1,481	-1,565	-1,521
73.40	Adjustments in expired accounts (net)	-40		
74.40	Obligated balance, end of year	409	518	814

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	208	197	202
86.93	Outlays from discretionary balances	22	76	27
86.97	Outlays from new mandatory authority	1,100	1,141	1,141
86.98	Outlays from mandatory balances	151	151	151
87.00	Total outlays (gross)	1,481	1,565	1,521

Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-18	-18	-18

Net budget authority and outlays:				
89.00	Budget authority	1,604	1,656	1,799
90.00	Outlays	1,463	1,547	1,503

Additional net budget authority and outlays to cover cost of fully accruing retirement:				
99.00	Budget authority	28	29	29
99.01	Outlays	28	29	29

The mission of the new Bureau of Citizenship and Immigration Services is to deliver services to the public in a timely, consistent, fair and high quality manner. This activity encompasses efforts to (1) establish and maintain an asylum process that is fair and timely, and that denies meritless claims quickly without discouraging legitimate seekers of asylum, (2) establish and maintain immigration and naturalization processes that deliver benefits to customers in a fair, accurate and timely manner, (3) make "user friendly" customer service an integral, permanent aspect of all activities, and (4) provide employers, benefit providers and other appropriate entities with immigration information and alien status, and the assistance and tools needed to allow them to comply with the laws while safeguarding the civil and privacy rights of citizens and aliens alike. The 2004 Budget continues to support a five-year, \$500 million initiative to support a universal six-month processing standard for all immigration applications.

Object Classification (in millions of dollars)				
Identification code 70-0300-0-1-751				
		2002 actual	2003 est.	2004 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	377	463	479
11.3	Other than full-time permanent	31	47	49
11.5	Other personnel compensation	9	23	24
11.9	Total personnel compensation	417	533	552
12.1	Civilian personnel benefits	109	112	119
13.0	Benefits for former personnel		2	2
21.0	Travel and transportation of persons	18	11	11
22.0	Transportation of things	3	4	5
23.1	Rental payments to GSA	14	98	97
23.2	Rental payments to others		2	2
23.3	Communications, utilities, and miscellaneous charges	100	20	20
24.0	Printing and reproduction	8	4	4
25.2	Other services	668	683	749
25.3	Other purchases of goods and services from Government accounts	12	88	88
25.4	Operation and maintenance of facilities		2	2
26.0	Supplies and materials	33	10	11
31.0	Equipment	23	41	89
32.0	Land and structures		44	46
42.0	Insurance claims and indemnities	8	2	2
99.0	Direct obligations	1,413	1,656	1,799
99.0	Reimbursable obligations	18	18	18
99.9	Total new obligations	1,431	1,674	1,817

Personnel Summary

Identification code 70-0300-0-1-751				
	2002 actual	2003 est.	2004 est.	
Total compensable workyears:				
1001	Civilian full-time equivalent employment	8,150	9,664	9,701

UNITED STATES SECRET SERVICE

Federal Funds

General and special funds:

OPERATING EXPENSES

For necessary expenses of the United States Secret Service, \$1,120,372,000, including purchase of not to exceed 725 vehicles for police-type use for replacement only; purchase of American-made side-car compatible motorcycles; hire of aircraft; services of expert witnesses at such rates as may be determined by the Director; rental buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; for payment of per diem and/or subsistence allowances to employees where a protective assignment during the actual day or days of the visit of a protectee require an employee to work 16 hours per day or to remain overnight at his or her post of duty; the conducting of and participating in firearms matches; presentation of awards; for travel of Secret Service employees on protective missions; for research and development; for making grants to conduct behavioral research in support of protective research and operations; not to exceed \$100,000 to provide technical assistance and equipment to foreign law enforcement organizations in counterfeit investigations; for payment in advance for commercial accommodations as may be necessary to perform protective functions; and for uniforms without regard to the general purchase limitation for the current fiscal year: Provided, That \$1,633,000 shall be available for forensic and related support of investigations of missing and exploited children; Provided further, That \$3,009,000 shall be available as a grant for activities related to the investigations of exploited children and shall remain available until expended: Provided further, That up to \$18,000,000 for protective travel shall remain available until September 30, 2005: Provided further, That subject to the reimbursement of actual costs to this account, funds appropriated in this account shall be available, at the discretion of the Director, for the following: training United States Postal Service law enforcement personnel and Postal police officers, training federal law enforcement officers, training State and local government law enforcement officers on a space-available basis, training private sector security officials on a space-available basis: Provided further, That the United States Secret Service is authorized to obligate funds in anticipation of reimbursements from agencies and entities, as defined in 5 U.S.C. 105, receiving training sponsored by the James J. Rowley Training Center, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available under this heading at the end of the fiscal year: Provided further, That the James J. Rowley Training Center is authorized to provide short-term medical services for students undergoing training at the Center.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 70-0400-0-1-751				
	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
Direct program:				
00.01	Protection, investigations, and uniformed activities	1,036	1,205	1,280
00.02	Other security programs	66	76	
00.03	Presidential candidate protective activities		8	40
09.01	Reimbursable program	40	28	28
10.00	Total new obligations	1,142	1,317	1,348
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	97	86	
22.00	New budget authority (gross)	1,259	1,231	1,348
22.10	Resources available from recoveries of prior year obligations	8		
22.22	Unobligated balance transferred from other accounts	27		

## General and special funds—Continued

## OPERATING EXPENSES—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 70-0400-0-1-751	2002 actual	2003 est.	2004 est.
23.90 Total budgetary resources available for obligation	1,391	1,317	1,348
23.95 Total new obligations	-1,142	-1,317	-1,348
23.98 Unobligated balance expiring or withdrawn	-163		
24.40 Unobligated balance carried forward, end of year	86		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	1,019	1,003	1,120
40.73 Reduction pursuant to P.L. 107-206	-1		
43.00 Appropriation (total discretionary)	1,018	1,003	1,120
50.00 Reappropriation	1		
Mandatory:			
60.00 Appropriation	200	200	200
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	39	28	28
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
68.90 Spending authority from offsetting collections (total discretionary)	40	28	28
70.00 Total new budget authority (gross)	1,259	1,231	1,348
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	172	193	267
73.10 Total new obligations	1,142	1,317	1,348
73.20 Total outlays (gross)	-1,111	-1,243	-1,350
73.40 Adjustments in expired accounts (net)	-5		
73.45 Recoveries of prior year obligations	-8		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.10 Change in uncollected customer payments from Federal sources (expired)	4		
74.40 Obligated balance, end of year	193	267	265
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	811	870	969
86.93 Outlays from discretionary balances	165	173	181
86.97 Outlays from new mandatory authority	124	200	168
86.98 Outlays from mandatory balances	11		32
87.00 Total outlays (gross)	1,111	1,243	1,350
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-46	-28	-28
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
88.96 Portion of offsetting collections (cash) credited to expired accounts	7		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	1,219	1,203	1,320
90.00 Outlays	1,065	1,215	1,322
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority	33	36	39
99.01 Outlays	33	36	39

The Secret Service is responsible for the security of the President, the Vice President and other dignitaries and designated individuals; for enforcement of laws relating to obligations and securities of the United States and financial crimes such as financial institution fraud and other fraud; and for protection of the White House and other buildings within the Washington, DC area.

*Investigations, protection, and uniformed activities.*—The Service must provide for the protection of the President of the United States, immediate family members, the President-elect, the Vice President, or other officer next in the order of succession to the Office of the President, and the Vice President-elect, and the members of their immediate families

unless the members decline such protection; protection of the person of a visiting head and accompanying spouse of a foreign state or foreign government and, at the direction of the President, other distinguished foreign visitors to the United States and official representatives of the United States performing special missions abroad; the protection of former Presidents, their spouses and minor children, unless such protection is declined. The Service is also responsible for investigation of counterfeiting of currency and securities; forgery and altering of Government checks and bonds; thefts and frauds relating to Treasury electronic funds transfers; financial access device fraud, telecommunications fraud, computer and telemarketing fraud; fraud relative to federally insured financial institutions; and other criminal and non-criminal cases. The Secret Service Uniformed Division protects the Executive Residence and grounds in the District of Columbia; any building in which White House offices are located; the President and members of his immediate family; the official residence and grounds of the Vice President in the District of Columbia; the Vice President and members of his immediate family; foreign diplomatic missions located in the Washington metropolitan area; the headquarters buildings and grounds of the Departments of Homeland Security and the Treasury, and such other areas as the President may direct on a case-by-case basis.

*Presidential candidate protective activities.*—The Secret Service is authorized to protect major Presidential and Vice-Presidential candidates, as determined by the Secretary of the Department of Homeland Security after consultation with an advisory committee. In addition, the Service is authorized to protect the spouses of major Presidential and Vice-Presidential candidates; however, such protection may not commence more than 120 days prior to the general Presidential election.

*Contributions for Annuity Payments.*—The District of Columbia is reimbursed for benefit payments made from the revenue of the District of Columbia to or for members of the Secret Service Uniformed Division and such members of the U.S. Secret Service entitled to benefits under the Policemen and Firemen's Retirement and Disability Act (4 D.C. Code 521). Funds to support these contributions were previously displayed in a separate account in the Department of the Treasury, but have been consolidated here for display purposes.

## Object Classification (in millions of dollars)

Identification code 70-0400-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent	334	377	395
11.3 Other than full-time permanent	3	28	29
11.5 Other personnel compensation	119	98	105
11.9 Total personnel compensation	456	503	529
12.1 Civilian personnel benefits	282	377	387
21.0 Travel and transportation of persons	80	105	107
22.0 Transportation of things	6	7	6
23.1 Rental payments to GSA	54	65	67
23.2 Rental payments to others	5	2	2
23.3 Communications, utilities, and miscellaneous charges	19	29	29
24.0 Printing and reproduction	1	1	1
25.2 Other services	59	60	95
26.0 Supplies and materials	12	17	17
31.0 Equipment	108	81	61
32.0 Land and structures	18	39	16
41.0 Grants, subsidies, and contributions	2	3	3
99.0 Direct obligations	1,102	1,289	1,320
99.0 Reimbursable obligations	39	28	28
99.5 Below reporting threshold	1		
99.9 Total new obligations	1,142	1,317	1,348

**Personnel Summary**

Identification code 70-0400-0-1-751	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	5,760	6,066	6,066

**CAPITAL ACQUISITIONS**

For necessary expenses of construction, repair, alteration, and improvement of facilities, \$3,579,000, to remain available until expended.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 70-0401-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Capital costs .....	6	8	4
10.00 Total new obligations .....	6	8	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	4	
22.00 New budget authority (gross) .....	3	4	4
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	10	8	4
23.95 Total new obligations .....	-6	-8	-4
24.40 Unobligated balance carried forward, end of year .....	4		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3	4	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4	4	1
73.10 Total new obligations .....	6	8	4
73.20 Total outlays (gross) .....	-4	-11	-4
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	4	1	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	3	3
86.93 Outlays from discretionary balances .....	1	8	1
87.00 Total outlays (gross) .....	4	11	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	4	4
90.00 Outlays .....	4	11	4

This account provides funding for security upgrades of existing facilities and the James J. Rowley Training Center to continue development of the current Master Plan and to maintain and renovate existing facilities to ensure efficient and full utilization of the center. This account was previously titled Acquisition, Construction, Improvements, and Related Expenses.

**Object Classification (in millions of dollars)**

Identification code 70-0401-0-1-751	2002 actual	2003 est.	2004 est.
23.3 Communications, utilities, and miscellaneous charges .....	1	2	1
25.2 Other services .....	2	4	2
32.0 Land and structures .....	3	2	1
99.9 Total new obligations .....	6	8	4

**BORDER AND TRANSPORTATION SECURITY**

**Federal Funds**

**General and special funds:**

**CUSTOMS AND BORDER PROTECTION**

For necessary expenses of the Directorate of Border and Transportation Security for enforcement of laws relating to border security, immigration, customs, and agricultural inspections and regulatory activities related to plant and animal imports, including planning, construction, and necessary related activities of buildings and facilities, \$5,644,000,000; of which not to exceed \$1,129,826,000 to remain available until expended, for implementation of an integrated Entry-Exit System, automation modernization including the Automated Commercial Environment (ACE), acquisition, operation and maintenance of air and marine assets, and conducting special operations pursuant to 19 U.S.C. 2081; of which not to exceed \$119,000,000 to remain available until September 30, 2005, for inspection technology; of which such sums as become available in the Customs User Fee Account, except sums subject to section 13021(f)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (19 U.S.C. 58c(f)(3)), shall be derived from that account; of which not to exceed \$5,000,000 is for payments or advances arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to immigration: Provided, That none of the funds available to the Directorate of Border and Transportation Security shall be available to pay any employee overtime pay in an amount in excess of \$30,000 during the calendar year beginning January 1, 2004, except that the Undersecretary for Border and Transportation Security may exceed this cap as necessary for national security purposes and in cases of immigration emergencies: Provided further, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year. In addition, for administrative expenses related to the collection of the Harbor Maintenance Fee, pursuant to Public Law 103-182, and notwithstanding section 1511 (e)(1) of Public Law 107-296, \$3,000,000 to be derived from the Harbor Maintenance Trust Fund and to be transferred to and merged with this account.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 70-0503-0-1-999	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	963	716	693
<b>Receipts:</b>			
02.00 Deposits, duties, and taxes, Puerto Rico .....	85	87	89
02.20 User fees for customs services at small airports .....	3	4	5
02.60 Land border inspection fee .....	4	28	28
02.61 Immigrant enforcement account .....	434	642	492
02.62 Customs user fees account, conveyance/passenger/other .....	271	288	305
02.63 Customs user fees account, merchandise processing .....	955	1,022	1,093
02.99 Total receipts and collections .....	1,752	2,071	2,012
04.00 Total: Balances and collections .....	2,715	2,787	2,705
<b>Appropriations:</b>			
05.01 Customs and border protection (user fee) .....	-528	-519	-509
05.02 Land border inspections .....	-4	-28	-28
05.03 Enforcement fines .....	-7	-7	-6
05.04 COBRA .....	-225	-239	-253
05.05 MPF .....	-793	-848	-907
05.06 Puerto Rico .....	-85	-87	-89
05.07 Small airports .....	-3	-4	-5
05.09 Customs and border protection (user fee) .....	-143	-135	-132
05.10 COBRA .....	-46	-49	-52
05.11 MPF .....	-162	-174	-186
05.12 Citizenship and immigration services (user fee) .....	-3	-4	-4
05.99 Total Appropriations .....	-1,999	-2,094	-2,171
07.99 Balance, end of year .....	716	693	534

General and special funds—Continued

CUSTOMS AND BORDER PROTECTION—Continued

Program and Financing (in millions of dollars)

Identification code 70-0503-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct Program:			
00.01 Other border protection activities .....	3,705	4,128	4,227
00.02 Customs activities .....	1,983	2,318	2,347
00.03 Customs activities (ERF) .....	185	145	.....
09.00 Reimbursable program .....	449	431	437
10.00 Total new obligations .....	6,322	7,022	7,011
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	125	314	262
22.00 New budget authority (gross) .....	6,372	6,980	7,174
22.10 Resources available from recoveries of prior year obligations .....	70	.....	.....
22.22 Unobligated balance transferred from other accounts	85	.....	.....
23.90 Total budgetary resources available for obligation	6,652	7,294	7,436
23.95 Total new obligations .....	-6,322	-7,022	-7,011
23.98 Unobligated balance expiring or withdrawn .....	-16	-10	-11
24.40 Unobligated balance carried forward, end of year .....	314	262	414
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	4,185	4,609	4,730
Appropriation (special fund):			
40.20 Appropriation (salaries and expenses) .....	793	848	907
40.20 Appropriation (small airports) .....	3	4	5
40.26 Appropriation (harbor maintenance trust fund) .....	3	3	3
40.73 Reduction pursuant to P.L. 107-206 .....	-2	.....	.....
40.76 Reduction pursuant to P.L. 107-206 .....	-1	.....	.....
41.00 Transferred to other accounts .....	-76	.....	.....
42.00 Transferred from other accounts .....	26	.....	.....
43.00 Appropriation (total discretionary) .....	4,930	5,464	5,644
50.00 Reappropriation .....	3	2	5
Mandatory:			
60.00 Appropriation (wool payments) .....	36	.....	.....
Appropriation (special fund):			
60.20 Appropriation (immigration user fee) .....	528	519	509
60.20 Appropriation (immigration examinations fee) .....	15	24	25
60.20 Appropriation (immigration enforcement fines) .....	7	7	6
60.20 Appropriation (land border inspection fee) .....	4	28	28
60.20 Appropriation (COBRA) .....	225	239	253
60.20 Appropriation (Puerto Rico expenses) .....	85	87	89
62.00 Transferred from other accounts .....	90	179	177
62.50 Appropriation (total mandatory) .....	990	1,083	1,087
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	372	365	370
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	72	62	63
68.90 Spending authority from offsetting collections (total discretionary) .....	444	427	433
Mandatory:			
69.00 Offsetting collections (cash) .....	4	4	4
70.00 Total new budget authority (gross) .....	6,372	6,980	7,174
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,350	2,101	2,069
73.10 Total new obligations .....	6,322	7,022	7,011
73.20 Total outlays (gross) .....	-5,398	-6,992	-6,845
73.40 Adjustments in expired accounts (net) .....	-82	-74	-62
73.45 Recoveries of prior year obligations .....	-70	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-72	-62	-63
74.10 Change in uncollected customer payments from Federal sources (expired) .....	51	74	62
74.40 Obligated balance, end of year .....	2,101	2,069	2,172
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3,713	4,862	5,015
86.93 Outlays from discretionary balances .....	849	1,107	791
86.97 Outlays from new mandatory authority .....	676	916	929
86.98 Outlays from mandatory balances .....	160	107	110
87.00 Total outlays (gross) .....	5,398	6,992	6,845

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-407	-427	-360
88.40 Non-Federal sources .....	-15	-16	-14
88.90 Total, offsetting collections (cash) .....	-422	-443	-374
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-72	-62	-63
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	46	74	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5,924	6,549	6,737
90.00 Outlays .....	4,977	6,549	6,471
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	192	170	177
99.01 Outlays .....	192	170	177

Among the missions of the Directorate of Border and Transportation Security is to prevent, preempt, and deter aggression targeted at the U.S. through land, sea, and air ports-of-entry. The Customs and Border Protection account includes funding for inspecting travelers at land, sea, and air ports-of-entry for immigration, customs and agriculture compliance, as well as interdicting illegal crossers between ports-of-entry. This account consolidates funding previously provided for specific functions of the U.S. Customs Service; specific functions of the Immigration and Naturalization Service including Border Patrol, intelligence, inspections, and related administrative functions; and the inspections function of the Agriculture Quarantine and Inspection (AQI) program, formerly part of the Department of Agriculture's Animal and Plant Health Inspection Service. The realignment of border and safety functions will improve the government's efficiency and effectiveness through consolidated overhead, training, information technology, equipment, communications, and oversight.

Funding provided through this account will ensure that the Department of Homeland Security is able to enforce the laws regarding admission of foreign-born persons into the U.S., and ensuring that all goods and persons entering and exiting the U.S. do so legally.

Object Classification (in millions of dollars)

Identification code 70-0503-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	1,678	1,961	2,110
11.3 Other than full-time permanent .....	212	48	49
11.5 Other personnel compensation .....	476	502	560
11.9 Total personnel compensation .....	2,366	2,511	2,719
12.1 Civilian personnel benefits .....	760	828	891
13.0 Benefits for former personnel .....	.....	4	4
21.0 Travel and transportation of persons .....	125	109	115
22.0 Transportation of things .....	19	33	36
23.1 Rental payments to GSA .....	223	374	303
23.2 Rental payments to others .....	29	16	16
23.3 Communications, utilities, and miscellaneous charges .....	80	250	253
24.0 Printing and reproduction .....	5	5	6
25.1 Advisory and assistance services .....	89	51	86
25.2 Other services .....	904	1,104	884
25.3 Other purchases of goods and services from Government accounts .....	112	101	112
25.4 Operation and maintenance of facilities .....	48	27	27
25.5 Research and development contracts .....	2	1	7
25.7 Operation and maintenance of equipment .....	150	110	111
25.8 Subsistence and support of persons .....	2	10	28
26.0 Supplies and materials .....	161	151	156
31.0 Equipment .....	715	593	656
32.0 Land and structures .....	3	266	119
41.0 Grants, subsidies, and contributions .....	34	38	38
42.0 Insurance claims and indemnities .....	2	2	.....
44.0 Refunds .....	42	7	7
91.0 Unvouchered .....	1	.....	.....

99.0	Direct obligations .....	5,872	6,591	6,574
99.0	Reimbursable obligations .....	448	430	436
99.5	Below reporting threshold .....	2	1	1
99.9	Total new obligations .....	6,322	7,022	7,011

**Personnel Summary**

Identification code 70-0503-0-1-999	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	35,272	39,921	40,813
<b>Reimbursable:</b>				
Total compensable workyears:				
2001	Civilian full-time equivalent employment .....	1,392	1,392	1,392

**IMMIGRATION AND CUSTOMS ENFORCEMENT**

For necessary expenses of the Department of Homeland Security for enforcement of immigration and customs laws, detention and removals, investigations, including planning, construction, and necessary related activities of buildings and facilities, \$2,063,000,000; in addition, \$424,211,000 shall be transferred from the revenues and collections in the General Services Administration, Federal Buildings Fund for the Federal Protective Service: Provided, That none of the funds available to the Directorate of Border and Transportation Security shall be available to pay any employee overtime pay in an amount in excess of \$30,000 during the calendar year beginning January 1, 2004, except that the Undersecretary for Border and Transportation Security may exceed this cap as necessary for national security purposes and in cases of immigration emergencies: Provided further, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 70-0504-0-1-999	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....			
<b>Receipts:</b>				
02.60	Breached bond/detention fund .....	78	171	116
<b>Appropriations:</b>				
05.00	Breached bond/detention fund .....	-78	-171	-116
07.99	Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 70-0504-0-1-999	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Immigration and Customs Enforcement:				
00.01	Other enforcement activities .....	1,680	1,856	1,871
00.02	Customs enforcement activities .....	406	475	481
00.03	Customs enforcement activities (ERF) .....	39	30	
09.00	Reimbursable program .....	723	853	862
10.00	Total new obligations .....	2,848	3,214	3,214

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	194	268	214
22.00	New budget authority (gross) .....	2,926	3,162	3,226
22.10	Resources available from recoveries of prior year obligations .....	1		
22.21	Unobligated balance transferred to other accounts	-12		
22.22	Unobligated balance transferred from other accounts	8		
23.90	Total budgetary resources available for obligation	3,117	3,430	3,440
23.95	Total new obligations .....	-2,848	-3,214	-3,214
23.98	Unobligated balance expiring or withdrawn .....	-1	-2	-2
24.40	Unobligated balance carried forward, end of year .....	268	214	224

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation .....	1,755	1,822	1,877
40.20	Appropriation (MPF) .....	162	174	186
40.73	Reduction pursuant to P.L. 107-206 .....	-1		

41.00	Transferred to other accounts .....		-33	
42.00	Transferred from other accounts .....	111		
43.00	Appropriation (total discretionary) .....	2,027	1,963	2,063
50.00	Reappropriation .....	1	1	1
<b>Mandatory:</b>				
Appropriation (special fund):				
60.20	Appropriation (User Fee) .....	143	135	132
60.20	Appropriation (Breached bond/detention fund) .....	78	171	116
60.20	Appropriation (COBRA) .....	46	49	52
62.50	Appropriation (total mandatory) .....	267	355	300
<b>Spending authority from offsetting collections:</b>				
<b>Discretionary:</b>				
68.00	Offsetting collections (cash) .....	338	419	425
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	15	13	13
68.62	Transferred from other accounts .....	278	411	424
68.90	Spending authority from offsetting collections (total discretionary) .....	631	843	862
70.00	Total new budget authority (gross) .....	2,926	3,162	3,226

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	367	354	723
73.10	Total new obligations .....	2,848	3,214	3,214
73.20	Total outlays (gross) .....	-2,789	-2,832	-2,959
73.40	Adjustments in expired accounts (net) .....	-66	-15	-13
73.45	Recoveries of prior year obligations .....	-1		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-15	-13	-13
74.10	Change in uncollected customer payments from Federal sources (expired) .....	10	15	13
74.40	Obligated balance, end of year .....	354	723	965

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	2,284	2,463	2,563
86.93	Outlays from discretionary balances .....	253	228	266
86.97	Outlays from new mandatory authority .....	209	44	47
86.98	Outlays from mandatory balances .....	43	97	83
87.00	Total outlays (gross) .....	2,789	2,832	2,959

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-345	-432	-423
88.40	Non-Federal sources .....	-2	-2	-2
88.90	Total, offsetting collections (cash) .....	-347	-434	-425
<b>Against gross budget authority only:</b>				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-15	-13	-13
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	9	15	

**Net budget authority and outlays:**

89.00	Budget authority .....	2,573	2,730	2,788
90.00	Outlays .....	2,442	2,398	2,534

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	61	59	60
99.01	Outlays .....	61	59	60

Funding requested in the Immigration and Customs Enforcement account supports Department of Homeland Security activities focused on enforcement of immigration and customs laws within the United States, as well as investigation into activities such as fraud, forced labor, trade agreement non-compliance, smuggling and illegal transshipment, and vehicle and cargo theft. Additionally, funds requested in this account will be transferred from the General Service Administration's Federal Buildings Fund to provide security at federal buildings through the Department of Homeland Security's Federal Protective Service.

Immigration-related programs funded through this account will maximize deterrence to unlawful migration and enforce immigration laws in the interior of the United States, as well as focus on detaining and removing deportable or inadmissible aliens expeditiously.

Customs law enforcement activities funded through this account include interdiction of smuggled merchandise and con-

**General and special funds—Continued**

**IMMIGRATION AND CUSTOMS ENFORCEMENT—Continued**

traband, detection of violations of customs and related laws, strategic and tactical intelligence and communications functions, and deterrence and detection of prohibited entry of contraband or other customs violations through land, sea, or air operations.

The amounts transferred from the Department of Homeland Security to the Department of Health and Human Services in 2003 for the care and placement of unaccompanied alien children are estimates. Final amounts transferred will be included in a determination order issued by the Director of the Office of Management and Budget.

**Statement of Operations** (in millions of dollars)

Identification code 70-0504-0-1-999	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue		245	327	332
0102 Expense		-245	-327	-332
0105 Net income or loss (-)				

**Object Classification** (in millions of dollars)

Identification code 70-0504-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent	519	571	598
11.3 Other than full-time permanent	36	15	15
11.5 Other personnel compensation	130	113	111
11.8 Special personal services payments		1	1
11.9 Total personnel compensation	685	700	725
12.1 Civilian personnel benefits	226	228	239
13.0 Benefits for former personnel		2	2
21.0 Travel and transportation of persons	76	44	46
22.0 Transportation of things	6	8	9
23.1 Rental payments to GSA	91	110	109
23.2 Rental payments to others	2	2	2
23.3 Communications, utilities, and miscellaneous charges	26	20	21
24.0 Printing and reproduction	3	2	2
25.1 Advisory and assistance services	7	7	15
25.2 Other services	556	364	346
25.3 Other purchases of goods and services from Government accounts	29	519	512
25.4 Operation and maintenance of facilities	10	5	5
25.5 Research and development contracts			1
25.6 Medical care		4	4
25.7 Operation and maintenance of equipment	6	8	8
25.8 Subsistence and support of persons	187	103	100
26.0 Supplies and materials	72	21	24
31.0 Equipment	119	71	150
32.0 Land and structures		136	29
41.0 Grants, subsidies, and contributions	21	2	1
42.0 Insurance claims and indemnities	1	1	
91.0 Unvouchered	2	4	2
99.0 Direct obligations	2,125	2,361	2,352
99.0 Reimbursable obligations	723	853	862
99.9 Total new obligations	2,848	3,214	3,214

**Personnel Summary**

Identification code 70-0504-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment	11,261	12,155	12,446
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment	1,959	1,959	1,959

**TRANSPORTATION SECURITY ADMINISTRATION**

For necessary expenses of the Transportation Security Administration, \$4,812,000,000; of which \$715,000,000 shall remain available

until September 30, 2005: Provided, That security service fees authorized under 49 U.S.C. 44940 shall be credited to this appropriation as offsetting collections and used for providing security services authorized by that section: Provided further, That the sum herein appropriated from the General Fund shall be reduced as such offsetting collections are received during fiscal year 2004: Provided further, That any security service fees collected in excess of the amount appropriated under this heading shall become available during fiscal year 2005.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 70-0508-0-1-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Security, non-fee funded	2,952	2,801	2,324
09.01 Reimbursable program	1,128	2,529	2,488
10.00 Total new obligations	4,080	5,330	4,812
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year		952	960
22.00 New budget authority (gross)	3,677	5,338	4,812
22.22 Unobligated balance transferred from other accounts	1,355		
23.90 Total budgetary resources available for obligation	5,032	6,290	5,772
23.95 Total new obligations	-4,080	-5,330	-4,812
24.40 Unobligated balance carried forward, end of year	952	960	960

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation	4,707	2,809	2,324
40.74 Reduction pursuant to P.L. 107-87	-1,128		
41.00 Transferred to other accounts	-1,030		
43.00 Appropriation (total discretionary)	2,549	2,809	2,324
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1,128	2,529	2,488
70.00 Total new budget authority (gross)	3,677	5,338	4,812

**Change in obligated balances:**

72.40 Obligated balance, start of year		2,894	784
73.10 Total new obligations	4,080	5,330	4,812
73.20 Total outlays (gross)	-1,186	-7,440	-5,509
74.40 Obligated balance, end of year	2,894	784	87

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	1,186	4,538	4,090
86.93 Outlays from discretionary balances		2,902	1,419
87.00 Total outlays (gross)	1,186	7,440	5,509

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources		-124	
88.40 Non-Federal sources	-1,128	-2,405	-2,488
88.90 Total, offsetting collections (cash)	-1,128	-2,529	-2,488

**Net budget authority and outlays:**

89.00 Budget authority	2,549	2,809	2,324
90.00 Outlays	58	4,911	3,021

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority			289
99.01 Outlays			289

For FY 2004, the Budget proposes \$4,812 million for the Transportation Security Administration, of which an estimated \$2,488 million will be financed by offsetting collections from aviation passenger security fees and airline security fees. Funds will be used primarily to fund airport security screener and supervisory staff necessary to manage passenger and baggage screening; State and local law enforcement personnel for screening checkpoints; Federal air marshals; research and development of more effective and efficient screening technologies; and activities to improve flight deck safety.

**Object Classification** (in millions of dollars)

Identification code 70-0508-0-1-402	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	133	1,181	1,013
12.1 Civilian personnel benefits .....	27	370	317
21.0 Travel and transportation of persons .....	28	66	56
23.1 Rental payments to GSA .....	3	38	33
25.2 Other services .....	1,804	526	548
26.0 Supplies and materials .....	7	36	31
31.0 Equipment .....	858	143	122
41.0 Grants, subsidies, and contributions .....	92	441	204
99.0 Direct obligations .....	2,952	2,801	2,324
99.0 Reimbursable obligations .....	1,128	2,529	2,488
99.9 Total new obligations .....	4,080	5,330	4,812

**Personnel Summary**

Identification code 70-0508-0-1-402	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	3,397	58,338	53,960
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	37	1,156	1,196

**FEDERAL LAW ENFORCEMENT TRAINING CENTER OPERATING EXPENSES**

For necessary expenses of the Federal Law Enforcement Training Center including room and board for student interns and services as authorized by 5 U.S.C. 3109, \$122,379,000; of which not to exceed \$24,635,000 shall remain available until September 30, 2006 for materials and support costs of Federal law enforcement basic training, and of which up to 20 percent of the \$24,635,000 also may be used for travel, room and board costs for participating agency basic training during the first quarter of a fiscal year, subject to full reimbursement by the benefiting agency.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 70-0509-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Law enforcement training .....	94	104	65
00.02 Plant operations .....	24	29	.....
00.04 Law Enforcement Training Support .....	.....	.....	18
00.05 Facilities/Capacity .....	.....	.....	21
00.06 Management .....	.....	.....	20
00.07 Accreditation .....	.....	.....	1
09.01 Reimbursable program .....	64	61	62
10.00 Total new obligations .....	182	194	187
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	6	16	3
22.00 New budget authority (gross) .....	188	181	184
22.10 Resources available from recoveries of prior year obligations .....	5	.....	.....
23.90 Total budgetary resources available for obligation	199	197	187
23.95 Total new obligations .....	-182	-194	-187
24.40 Unobligated balance carried forward, end of year .....	16	3	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	127	120	122
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	54	61	62
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	7	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	61	61	62

70.00	Total new budget authority (gross) .....	188	181	184
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	28	25	42
73.10	Total new obligations .....	182	194	187
73.20	Total outlays (gross) .....	-171	-177	-185
73.40	Adjustments in expired accounts (net) .....	-8	.....	.....
73.45	Recoveries of prior year obligations .....	-5	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-7	.....	.....
74.10	Change in uncollected customer payments from Federal sources (expired) .....	6	.....	.....
74.40	Obligated balance, end of year .....	25	42	44

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	128	155	158
86.93	Outlays from discretionary balances .....	43	22	27
87.00	Total outlays (gross) .....	171	177	185

<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-54	-61	-62
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-7	.....	.....

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	127	120	122
90.00	Outlays .....	117	116	123

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	3	4	4
99.01	Outlays .....	3	4	4

The Federal Law Enforcement Training Center provides the necessary facilities, equipment, and support services for conducting recruit, advanced, specialized, and refresher training for Federal law enforcement personnel. Center personnel conduct the instructional programs for the basic recruit and some of the advanced training. This appropriation is for operating expenses of the Center, for research in law enforcement training methods, and curriculum content. In addition, the Center has a reimbursable program to accommodate the training requirements of various Federal agencies. As funds are available, law enforcement training is provided to certain State, local and foreign law enforcement personnel on a space-available basis.

The 2004 Budget continues funding for the Center to work with other Federal law enforcement agencies to establish written standards for the accreditation of Federal law enforcement training.

**Object Classification** (in millions of dollars)

Identification code 70-0509-0-1-751	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent .....	43	47	49
11.5	Other personnel compensation .....	4	4	3
11.8	Special personal services payments .....	1	1	1
11.9	Total personnel compensation .....	48	52	53
12.1	Civilian personnel benefits .....	15	20	16
21.0	Travel and transportation of persons .....	4	4	4
22.0	Transportation of things .....	1	1	1
23.3	Communications, utilities, and miscellaneous charges .....	4	5	5
24.0	Printing and reproduction .....	4	4	4
25.2	Other services .....	25	28	27
26.0	Supplies and materials .....	6	11	7
31.0	Equipment .....	7	7	7
32.0	Land and structures .....	4	1	1
99.0	Direct obligations .....	118	133	125
99.0	Reimbursable obligations .....	64	61	62
99.9	Total new obligations .....	182	194	187

**General and special funds—Continued**

**FEDERAL LAW ENFORCEMENT TRAINING CENTER OPERATING EXPENSES—Continued**

**Personnel Summary**

Identification code 70-0509-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	665	748	754
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	62	85	85

**FEDERAL LAW ENFORCEMENT TRAINING CENTER CAPITAL ACQUISITIONS**

*For expansion of the Federal Law Enforcement Training Center, for acquisition of necessary additional real property and facilities, and for ongoing maintenance, facility improvements, and related expenses, \$23,679,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 70-0510-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Facilities/Capacity .....	49	59	24
10.00 Total new obligations .....	49	59	24
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	41	35	.....
22.00 New budget authority (gross) .....	41	23	24
22.10 Resources available from recoveries of prior year obligations .....	2	.....	.....
23.90 Total budgetary resources available for obligation .....	84	58	24
23.95 Total new obligations .....	-49	-59	-24
24.40 Unobligated balance carried forward, end of year .....	35	.....	.....
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	41	23	24
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	34	35	15
73.10 Total new obligations .....	49	59	24
73.20 Total outlays (gross) .....	-46	-79	-37
73.45 Recoveries of prior year obligations .....	-2	.....	.....
74.40 Obligated balance, end of year .....	35	15	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	3	3
86.93 Outlays from discretionary balances .....	42	76	34
87.00 Total outlays (gross) .....	46	79	37
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	41	23	24
90.00 Outlays .....	46	79	37

This account provides for the acquisition and related costs for expansion and maintenance of facilities of the Federal Law Enforcement Training Center.

This includes funding for the Facilities Master Plan, Minor Construction and Maintenance, Firearms Environmental Restoration and Reconstruction, Environmental Compliance, and installation of fiber optics communications systems. The Master Plan provides the long range blueprint for expansion of facilities to meet the training requirements of the over 76 partner organizations. Minor construction and maintenance provides alterations and maintenance funding for approximately 300 buildings at three locations (Glynco, Georgia,

Artesia, New Mexico, and Cheltenham, Maryland). The Firearms Environmental Restoration and Reconstruction funds the clean-up of the existing outdoor ranges and reconstruction. The Environmental Compliance funds are to ensure compliance with the EPA and State environmental laws and regulations. The fiber optics funding will be used to replace the existing antiquated twisted copper wire telecommunications system with a state-of-the-art fiber optic telecommunications cable system.

**Object Classification (in millions of dollars)**

Identification code 70-0510-0-1-751	2002 actual	2003 est.	2004 est.
25.2 Other services .....	3	2	2
31.0 Equipment .....	1	1	1
32.0 Land and structures .....	45	56	21
99.9 Total new obligations .....	49	59	24

**OFFICE FOR DOMESTIC PREPAREDNESS**

*For grants, contracts, cooperative agreements, and other activities of the Office for Domestic Preparedness, as authorized by the Homeland Security Act of 2002 (P.L. 107-296) and the USA PATRIOT Act of 2001 (P.L. 107-56), \$3,558,000,000, to remain available until expended; of which not less than \$500,000,000 shall be for grants as authorized by section 33 of the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), and not less than \$500,000,000 shall be for grants to State and local law enforcement for terrorism prevention activities: Provided, That such grantees shall provide a matching amount for each grant of not less than 25 percent at the time of award.*

*Note.*—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 70-0511-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Obligations by program activity:</b>			
00.06 State and Local Terrorism Preparedness .....	976	3,095	2,539
00.07 State and Local Terrorism Prevention Grants .....	.....	.....	500
00.08 Management and Administration .....	19	19	26
00.09 Firefighter Grants .....	.....	.....	500
10.00 Total new obligations .....	995	3,114	3,565
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	173	72	522
22.00 New budget authority (gross) .....	895	3,564	3,558
23.90 Total budgetary resources available for obligation .....	1,068	3,636	4,080
23.95 Total new obligations .....	-995	-3,114	-3,565
24.40 Unobligated balance carried forward, end of year .....	72	522	515
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	895	3,564	3,558
43.00 Appropriation (total discretionary) .....	895	3,564	3,558
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	.....	846	2,122
73.10 Total new obligations .....	995	3,114	3,565
73.20 Total outlays (gross) .....	-144	-1,838	-3,298
73.40 Adjustments in expired accounts (net) .....	-5	.....	.....
74.40 Obligated balance, end of year .....	846	2,122	2,389
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	59	1,614	1,496
86.93 Outlays from discretionary balances .....	85	224	1,802
87.00 Total outlays (gross) .....	144	1,838	3,298
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	895	3,564	3,558

90.00	Outlays .....	144	1,838	3,298
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The Office for Domestic Preparedness (ODP) provides state and local governments with grants, training, and technical assistance to improve their readiness for terrorism incidents. Most of this assistance is aimed at strengthening "first responders," police, fire, rescue, and emergency personnel who are first on scene in the event of a terrorist attack. In addition to ODP's existing preparedness programs, the 2004 Budget requests significant grant funding for both fire departments and law enforcement anti-terrorism initiatives. ODP will also provide up to \$181 million for Citizen Corps activities.

The ODP account reflects the program structure specified in Public Law 107-296, the Homeland Security Act of 2002, which transferred ODP out of the Department of Justice and into the DHS Border and Transportation Security Directorate. The Act also merged FEMA's Office of National Preparedness with ODP.

**Object Classification** (in millions of dollars)

Identification code 70-0511-0-1-999	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	8	10	10
11.9 Total personnel compensation .....	8	10	10
12.1 Civilian personnel benefits .....	2	3	3
21.0 Travel and transportation of persons .....	1		8
25.2 Other services .....	83	76	76
25.3 Other purchases of goods and services from Government accounts .....	80		198
31.0 Equipment .....	1		
41.0 Grants, subsidies, and contributions .....	820	3,025	3,270
99.9 Total new obligations .....	995	3,114	3,565

**Personnel Summary**

Identification code 70-0511-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	128	146	146

**Trust Funds**

**U.S. CUSTOMS REFUNDS, TRANSFERS AND EXPENSES, UNCLAIMED AND ABANDONED GOODS**

**Unavailable Collections** (in millions of dollars)

Identification code 70-8789-0-7-751	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....		1	1
<b>Receipts:</b>			
02.00 Proceeds of the sales of unclaimed abandoned, seized goods .....	7	7	7
04.00 Total: Balances and collections .....	7	8	8
<b>Appropriations:</b>			
05.00 US Customs Refunds, Transfers and Expenses, Unclaimed and Abando .....	-6	-7	-7
07.99 Balance, end of year .....	1	1	1

**Program and Financing** (in millions of dollars)

Identification code 70-8789-0-7-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Refunds, Transfers and Expenses, Unclaimed and Abandoned Goods .....	8	5	5
10.00 Total new obligations .....	8	5	5
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		
22.00 New budget authority (gross) .....	6	7	7

22.10	Resources available from recoveries of prior year obligations .....	1		
23.90	Total budgetary resources available for obligation .....	8	7	7
23.95	Total new obligations .....	-8	-5	-5
24.40	Unobligated balance carried forward, end of year .....			1

**New budget authority (gross), detail:**

<b>Mandatory:</b>				
60.26	Appropriation (trust fund) .....	6	7	7

**Change in obligated balances:**

72.40	Obligated balance, start of year .....		2	
73.10	Total new obligations .....	8	5	5
73.20	Total outlays (gross) .....	-6	-7	-7
73.45	Recoveries of prior year obligations .....	-1		
74.40	Obligated balance, end of year .....	2		

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority .....	6	7	7
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**Net budget authority and outlays:**

89.00	Budget authority .....	6	7	7
90.00	Outlays .....	6	7	7

This account expends proceeds from the auction of unclaimed and abandoned goods. This account will be moved to the Department of Homeland Security as specified in Public Law 107-296, the Homeland Security Act of 2002.

**Object Classification** (in millions of dollars)

Identification code 70-8789-0-7-751	2002 actual	2003 est.	2004 est.	
25.2	Other services .....	7	4	4
44.0	Refunds .....	1	1	1
99.9	Total new obligations .....	8	5	5

**UNITED STATES COAST GUARD**

**Federal Funds**

**General and special funds:**

**OPERATING EXPENSES**

For necessary expenses for the operation and maintenance of the Coast Guard and of the Coast Guard Reserve; purchase of not to exceed five passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note); and recreation and welfare, \$4,838,000,000, of which \$340,000,000 shall be available for defense-related activities; of which \$25,000,000 shall be derived from the Oil Spill Liability Trust Fund; and of which \$17,000,000 shall remain available until expended for environmental compliance and restoration functions under chapter 19 of title 14, United States Code: Provided, That none of the funds appropriated in this or any other Act shall be available for pay of administrative expenses in connection with shipping commissioners in the United States: Provided further, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109, except to the extent fees are collected from yacht owners and credited to this appropriation.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 70-0600-0-1-999	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
<b>Direct program:</b>				
00.01	Search and rescue .....	424	525	566
00.02	Aids to navigation .....	695	797	887
00.03	Marine safety and security .....	879	1,316	1,421
00.04	Marine environmental protection .....	126	211	224
00.05	Enforcement of laws and treaties .....	1,186	1,230	1,376
00.06	Ice operations .....	127	160	175
00.07	Defense readiness .....	410	164	188

**General and special funds—Continued**

**OPERATING EXPENSES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 70-0600-0-1-999	2002 actual	2003 est.	2004 est.
08.00 Total direct program .....	3,847	4,403	4,837
09.01 Reimbursable program .....	88	93	102
10.00 Total new obligations .....	3,935	4,496	4,939
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		
22.00 New budget authority (gross) .....	3,945	4,496	4,940
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	3,947	4,496	4,940
23.95 Total new obligations .....	-3,935	-4,496	-4,939
23.98 Unobligated balance expiring or withdrawn .....	-12		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3,836	4,378	4,813
40.35 Appropriation rescinded .....	-1		
40.76 Reduction pursuant to P.L. 107-206 .....	-3		
43.00 Appropriation (total discretionary) .....	3,832	4,378	4,813
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	113	118	127
70.00 Total new budget authority (gross) .....	3,945	4,496	4,940
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	756	931	1,202
73.10 Total new obligations .....	3,935	4,496	4,939
73.20 Total outlays (gross) .....	-3,759	-4,225	-4,512
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	931	1,202	1,630
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2,989	3,618	3,977
86.93 Outlays from discretionary balances .....	770	607	535
87.00 Total outlays (gross) .....	3,759	4,225	4,512
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Other Federal sources .....	-105	-111	-119
88.40 Non-Federal sources .....	-8	-7	-8
88.90 Total, offsetting collections (cash) .....	-113	-118	-127
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,832	4,378	4,813
90.00 Outlays .....	3,646	4,107	4,385
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	317	530	787
99.01 Outlays .....	317	530	787

The estimates in the following table support the President's Budget proposal to extend accrual financing for health care provided to non-Medicare-eligible uniformed services retirees.

**Uniformed Services Non-Medicare Eligible Retiree Health Care Accrual Proposal Effects on Coast Guard Accounts in 2004**

(Dollars in millions)	Mandatory	Discretionary
Mandatory Offsetting Collection through the Defense Health Account from the Uniformed Services Retiree Health Care Fund for Non-Medicare Eligible Retiree Health Care:		
Coast Guard .....	117	
Adjustments to Coast Guard Appropriation:		
Payments to the Uniformed Services Retiree Health Care Fund:		
Operation and Expense Account .....		148
Retirement Account .....	-117	

This account consolidates funding previously requested in the Coast Guard Operating Expenses, Environmental Compliance and Restoration, and Reserve Training accounts. Fund-

ing requested in this account provides for the safety of the public, and the Coast Guard's work force, with an enhanced emphasis on its maritime homeland security mission.

The bulk of the funding requested in this account supports the operations of the Coast Guard as it carries out its unique duties as a peacetime operating agency and a branch of the armed forces. To fulfill its mission, the Coast Guard employs multipurpose vessels, aircraft, and shore units, strategically located along the coasts and inland waterways of the United States and in selected areas overseas.

Additionally, a portion of the funding requested in this account will be used by the Coast Guard to satisfy environmental compliance and restoration related obligations arising under chapter 19 of title 14 of the United States Code.

Finally, another portion of the funding requested in this account will support the Coast Guard Reserve Forces, which provide qualified personnel and trained units for active duty in event of conflict, national emergency, or natural and man-made disasters. The reservists maintain their readiness through mobilization exercises, and duty alongside regular Coast Guard members during routine and emergency operations. Reservists will continue to serve as a cost-effective surge force for response to human and natural disasters.

**Object Classification (in millions of dollars)**

Identification code 70-0600-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	259	284	292
11.3 Other than full-time permanent .....	9	10	12
11.5 Other personnel compensation .....	9	10	12
11.7 Military personnel .....	1,565	1,617	1,734
11.8 Special personal services payments .....	23	26	24
11.9 Total personnel compensation .....	1,865	1,947	2,074
12.1 Civilian personnel benefits .....	67	74	85
12.2 Military personnel benefits .....	143	334	384
13.0 Benefits for former personnel .....	13	15	15
21.0 Travel and transportation of persons .....	132	130	157
22.0 Transportation of things .....	59	64	79
23.1 Rental payments to GSA .....	39	43	58
23.2 Rental payments to others .....	22	35	40
23.3 Communications, utilities, and miscellaneous charges .....	113	152	174
24.0 Printing and reproduction .....	5	4	5
25.1 Advisory and assistance services .....	21	8	20
25.2 Other services .....	262	267	309
25.3 Other purchases of goods and services from Government accounts .....	125	2	4
25.4 Operation and maintenance of facilities .....	124	238	259
25.6 Medical care .....	145	168	172
25.7 Operation and maintenance of equipment .....	164	192	192
25.8 Subsistence and support of persons .....	21	12	17
26.0 Supplies and materials .....	429	626	696
31.0 Equipment .....	88	82	87
32.0 Land and structures .....	5	8	7
42.0 Insurance claims and indemnities .....	3	3	4
99.0 Direct obligations .....	3,845	4,404	4,838
99.0 Reimbursable obligations .....	90	92	101
99.9 Total new obligations .....	3,935	4,496	4,939

**Personnel Summary**

Identification code 70-0600-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	4,982	5,209	5,183
1101 Military full-time equivalent employment .....	36,513	36,657	36,668
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	236	222	222
2101 Military full-time equivalent employment .....	161	158	158

CAPITAL ACQUISITIONS

For necessary expenses of acquisition, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; for applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, \$797,000,000, of which \$23,500,000 shall be derived from the Oil Spill Liability Trust Fund; of which \$66,500,000 shall be available until September 30, 2008 to acquire, repair, renovate or improve vessels, small boats and related equipment; \$138,500,000 shall be available until September 30, 2006 for other equipment; \$70,000,000 shall be available until September 30, 2005 for personnel compensation and benefits and related costs; \$500,000,000 shall be available until September 30, 2008 for the Integrated Deepwater Systems program; and \$22,000,000 shall remain available until expended for research, development, test, and evaluation: Provided, That the Commandant of the Coast Guard is authorized to dispose of surplus real property, by sale or lease, and the proceeds shall be credited to this appropriation as offsetting collections and shall be available until September 30, 2006 only for Rescue 21 (the National Distress and Response System Modernization program): Provided further, That there may be credited to and used for the purposes of this appropriation funds received from State and local governments, other public authorities, private sources, and foreign countries, for expenses incurred for research, development, testing, and evaluation.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 70-0601-0-1-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Search and rescue .....	155	129	120
00.02 Aids to navigation .....	134	133	134
00.03 Marine safety and security .....	75	75	112
00.04 Marine environmental protection .....	68	68	102
00.05 Enforcement of laws and treaties .....	295	296	326
00.06 Ice operations .....	27	28	41
00.07 Defense readiness .....	36	36	54
08.00 Total direct program .....	790	765	889
09.01 Reimbursable program .....	27	43	43
10.00 Total new obligations .....	817	808	932
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	505	452	434
22.00 New budget authority (gross) .....	758	789	839
22.10 Resources available from recoveries of prior year obligations .....	7		
23.90 Total budgetary resources available for obligation .....	1,270	1,241	1,273
23.95 Total new obligations .....	-817	-808	-932
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	452	434	342
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	713	723	773
43.00 Appropriation (total discretionary) .....	713	723	773
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	28	66	66
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	17		
68.90 Spending authority from offsetting collections (total discretionary) .....	45	66	66
70.00 Total new budget authority (gross) .....	758	789	839
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	743	970	905
73.10 Total new obligations .....	817	808	932
73.20 Total outlays (gross) .....	-566	-873	-747
73.40 Adjustments in expired accounts (net) .....	-2		
73.45 Recoveries of prior year obligations .....	-7		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-17		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	1		

74.40 Obligated balance, end of year .....	970	905	1,090
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	207	251	265
86.93 Outlays from discretionary balances .....	359	622	482
87.00 Total outlays (gross) .....	566	873	747
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-24	-60	-60
88.40 Non-Federal sources .....	-4	-6	-6
88.90 Total, offsetting collections (cash) .....	-28	-66	-66
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-17		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	713	723	773
90.00 Outlays .....	537	807	681
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	9	12	12
99.01 Outlays .....	9	12	12

This account includes funding previously requested in the Coast Guard Acquisition, Construction, and Improvements and Research, Development, Test, and Evaluation accounts. Funding requested in this account will support the Coast Guard's continuing plans for fleet expansion and improvement and research into improved Coast Guard technology, systems and methods.

The majority of the funding requested in this account provides for the acquisition, construction, and improvement of vessels, aircraft, information management resources, shore facilities, and aids to navigation required to execute the Coast Guard's missions and achieve its performance goals.

**Vessels.**—In 2004, the Coast Guard will continue to acquire multi-mission platforms that use advanced technology to reduce life cycle operating costs. The Great Lakes icebreaking replacement project will continue.

**Deepwater.**—The Deepwater capability replacement project continues with full scale development. In 2004, the Coast Guard will continue to acquire and build the selected integrated deepwater system.

**Other Equipment.**—In 2004, the Coast Guard will invest in numerous management information and decision support systems that will result in increased efficiencies. Rescue 21, the national distress and response system modernization project (NDRSMP), will continue.

**Shore Facilities.**—In 2004, the Coast Guard will invest in modern structures that are more energy-efficient, comply with regulatory codes, minimize follow-on maintenance requirements and replace existing dilapidated structures.

Additional funding requested in this account supports the Coast Guard's Research and Development program, which includes the development of techniques, methods, hardware, and systems which directly contribute to increasing the productivity and effectiveness of Coast Guard's operating missions. The Coast Guard has focused new R&D projects on improvements to maritime homeland security in the port domain while continuing research in other vital Coast Guard mission areas, including marine environmental protection and response; risk assessment and competency; and human error reduction and fatigue analysis. No new funding is requested for alteration of bridges in 2004.

Object Classification (in millions of dollars)

Identification code 70-0601-0-1-403	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	25	30	30

General and special funds—Continued

CAPITAL ACQUISITIONS—Continued

Object Classification (in millions of dollars)—Continued

Identification code 70-0601-0-1-403	2002 actual	2003 est.	2004 est.
11.3 Other than full-time permanent .....	1	1	1
11.7 Military personnel .....	25	26	26
11.9 Total personnel compensation .....	51	57	57
12.1 Civilian personnel benefits .....	6	7	7
12.2 Military personnel benefits .....	2	2	2
21.0 Travel and transportation of persons .....	11	12	13
22.0 Transportation of things .....	2	1	1
23.3 Communications, utilities, and miscellaneous charges .....	5	4	4
25.1 Advisory and assistance services .....	315	161	122
25.2 Other services .....	76	124	190
25.5 Research and development contracts .....	11	11	11
26.0 Supplies and materials .....	78	81	105
31.0 Equipment .....	189	213	281
32.0 Land and structures .....	44	92	96
99.0 Direct obligations .....	790	765	889
99.0 Reimbursable obligations .....	27	43	43
99.9 Total new obligations .....	817	808	932

Personnel Summary

Identification code 70-0601-0-1-403	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	417	422	422
1101 Military full-time equivalent employment .....	421	417	417

RETIRED PAY

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, payment for career status bonuses under the National Defense Authorization Act, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C. ch. 55), \$1,020,000,000.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 70-0602-0-1-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Regular military personnel .....	649	719	826
00.03 Reserve personnel .....	42	49	52
00.04 Survivor benefit programs .....	16	25	25
00.05 Medical care .....	146	96	117
10.00 Total new obligations .....	853	889	1,020
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	876	889	1,020
23.95 Total new obligations .....	-853	-889	-1,020
23.98 Unobligated balance expiring or withdrawn .....	-23		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	876	889	1,020
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	81	123	132
73.10 Total new obligations .....	853	889	1,020
73.20 Total outlays (gross) .....	-808	-880	-1,000
73.40 Adjustments in expired accounts (net) .....	-3		
74.40 Obligated balance, end of year .....	123	132	151
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	732	756	867

86.98 Outlays from mandatory balances .....	76	124	133
87.00 Total outlays (gross) .....	808	880	1,000

Net budget authority and outlays:

89.00 Budget authority .....	876	889	1,020
90.00 Outlays .....	808	880	1,000

Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....			-117
99.01 Outlays .....			-117

Funding requested in this account provides for retired pay of military personnel of the Coast Guard and Coast Guard Reserve, members of the former Lighthouse Service, and for annuities payable to beneficiaries of retired military personnel under the retired serviceman's family protection plan (10 U.S.C. 1431-46) and survivor benefits plans (10 U.S.C. 1447-55); payments for career status bonuses under the National Defense Authorization Act; and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C., ch. 55).

Object Classification (in millions of dollars)

Identification code 70-0602-0-1-403	2002 actual	2003 est.	2004 est.
13.0 Benefits for former personnel .....	708	793	903
25.6 Medical care .....	145	96	117
99.9 Total new obligations .....	853	889	1,020

Intragovernmental funds:

SUPPLY FUND

Program and Financing (in millions of dollars)

Identification code 70-4535-0-4-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	71	68	68
10.00 Total new obligations (object class 26.0) .....	71	68	68
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	4	4
22.00 New budget authority (gross) .....	73	68	68
23.90 Total budgetary resources available for obligation .....	75	72	72
23.95 Total new obligations .....	-71	-68	-68
24.40 Unobligated balance carried forward, end of year .....	4	4	4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	73	68	68
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	7	12	12
73.10 Total new obligations .....	71	68	68
73.20 Total outlays (gross) .....	-66	-68	-68
74.40 Obligated balance, end of year .....	12	12	12
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	73	68	68
86.93 Outlays from discretionary balances .....	-7		
87.00 Total outlays (gross) .....	66	68	68
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-73	-68	-68
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-7		

The Coast Guard supply fund, in accordance with 14 U.S.C. 650, finances the procurement of uniform clothing, com-

missary provisions, general stores, technical material, and fuel for vessels over 180 feet in length. The fund is normally financed by reimbursements from sale of goods.

YARD FUND

Program and Financing (in millions of dollars)

Identification code 70-4743-0-4-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Costs of goods sold .....	26	27	28
09.02 Other .....	35	51	51
10.00 Total new obligations .....	61	78	79
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	41	50	.....
22.00 New budget authority (gross) .....	70	29	79
23.90 Total budgetary resources available for obligation	111	79	79
23.95 Total new obligations .....	-61	-78	-79
24.40 Unobligated balance carried forward, end of year	50	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	70	29	79
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-10	-12	38
73.10 Total new obligations .....	61	78	79
73.20 Total outlays (gross) .....	-63	-29	-79
74.40 Obligated balance, end of year .....	-12	38	38
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	63	29	79
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-70	-29	-79
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	-7	.....	.....

This fund finances the industrial operation of the Coast Guard Yard, Curtis Bay, MD (14 U.S.C.). The yard finances its operations out of advances received from Coast Guard appropriations and other agencies for all direct and indirect costs.

Object Classification (in millions of dollars)

Identification code 70-4743-0-4-403	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	21	21	22
11.3 Other than full-time permanent .....	2	6	6
11.5 Other personnel compensation .....	4	3	3
11.7 Military personnel .....	1	.....	1
11.9 Total personnel compensation .....	28	30	32
12.1 Civilian personnel benefits .....	6	7	7
23.3 Communications, utilities, and miscellaneous charges	1	2	2
25.2 Other services .....	4	10	10
26.0 Supplies and materials .....	22	29	28
99.9 Total new obligations .....	61	78	79

Personnel Summary

Identification code 70-4743-0-4-403	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	501	537	537
2101 Military full-time equivalent employment .....	17	17	12

Trust Funds

BOAT SAFETY

Program and Financing (in millions of dollars)

Identification code 70-8149-0-7-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 State recreational boating safety programs .....	61	71	59
00.02 Compliance and boating programs .....	5	5	5
10.00 Total new obligations .....	66	76	64
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	13	12	.....
22.00 New budget authority (gross) .....	64	65	64
22.10 Resources available from recoveries of prior year obligations .....	2	.....	.....
23.90 Total budgetary resources available for obligation	79	77	64
23.95 Total new obligations .....	-66	-76	-64
24.40 Unobligated balance carried forward, end of year	12	.....	.....
<b>New budget authority (gross), detail:</b>			
Mandatory:			
62.00 Appropriation transfer from sport fish .....	64	65	64
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	52	50	63
73.10 Total new obligations .....	66	76	64
73.20 Total outlays (gross) .....	-67	-65	-65
73.45 Recoveries of prior year obligations .....	-2	.....	.....
74.40 Obligated balance, end of year .....	50	63	63
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	28	28	28
86.98 Outlays from mandatory balances .....	39	37	37
87.00 Total outlays (gross) .....	67	65	65
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	64	65	64
90.00 Outlays .....	67	65	65

This account provides grants for the development and implementation of a coordinated national recreational boating safety program. Boating safety statistics reflect the success in meeting the program's objectives. No discretionary appropriation is requested for 2004 from the Boat safety account of the Aquatic resources trust fund. The Transportation Equity Act for the 21st Century (TEA-21) provides funding from the Aquatic resources trust fund of \$64 million annually beginning in 1999. Of this total, \$59 million is provided for grants to States and \$5 million is available for Coast Guard coordination of the national boating safety program.

Object Classification (in millions of dollars)

Identification code 70-8149-0-7-403	2002 actual	2003 est.	2004 est.
25.2 Other services .....	5	5	5
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
41.0 Grants, subsidies, and contributions .....	60	70	58
99.9 Total new obligations .....	66	76	64

AQUATIC RESOURCES TRUST FUND

Unavailable Collections (in millions of dollars)

Identification code 70-8147-0-7-403	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	910	881	889
<b>Receipts:</b>			
02.00 Excise taxes, Sport fish restoration .....	386	393	417
02.01 Customs duties, aquatic resources trust fund .....	35	37	38
02.41 Earnings on investments, aquatic resources trust fund	33	30	34

AQUATIC RESOURCES TRUST FUND—Continued

Unavailable Collections (in millions of dollars)—Continued

Identification code 70-8147-0-7-403	2002 actual	2003 est.	2004 est.
02.99 Total receipts and collections .....	454	460	489
04.00 Total: Balances and collections .....	1,364	1,341	1,378
Appropriations:			
05.02 Sport fish restoration .....	-483	-452	-459
07.99 Balance, end of year .....	881	889	919

Program and Financing (in millions of dollars)

Identification code 70-8147-0-7-403	2002 actual	2003 est.	2004 est.
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	1,304	1,369	1,306
92.02 Total investments, end of year: Federal securities: Par value .....	1,369	1,306	1,306

The Internal Revenue Code of 1986, as amended by TEA-21, provides for the transfer of Highway Trust Fund revenue derived from the motor boat fuel tax and certain other taxes to the Aquatic Resources Trust Fund. Appropriations are authorized from this fund to meet expenditures for programs specified by law, including sport fish restoration and boating safety. Excise tax receipts for the trust fund include motorboat fuel tax receipts, plus receipts from excise taxes on sport fishing equipment, sonar and fish finders, small engine fuels, and import duties on fishing equipment and recreational vessels.

TRUST FUND SHARE OF EXPENSES

Program and Financing (in millions of dollars)

Identification code 70-8314-0-7-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operating expenses .....	25	25	25
00.02 Acquisition, construction and improvements .....	20	20	20
00.03 Research, development, test and evaluation .....	3	3	3
10.00 Total new obligations (object class 94.0) .....	48	48	48
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	48	48	48
23.95 Total new obligations .....	-48	-48	-48
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	48	48	48
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	48	48	48
73.20 Total outlays (gross) .....	-48	-48	-48
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	48	48	48
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	48	48	48
90.00 Outlays .....	48	48	48

This account provides resources from the Oil spill liability trust fund for activities authorized under the Operating expenses; and Capital acquisitions accounts.

GENERAL GIFT FUND

Program and Financing (in millions of dollars)

Identification code 70-8533-0-7-403	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1		
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	1	1	
92.02 Total investments, end of year: Federal securities: Par value .....	1		

This trust fund, maintained from gifts and bequests, is used for purposes as specified by the donor in connection with the Coast Guard training program (10 U.S.C. 2601).

OIL SPILL LIABILITY TRUST FUND

Unavailable Collections (in millions of dollars)

Identification code 70-8185-0-7-304	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	943	844	797
Receipts:			
02.00 Fines and penalties, OSLTF .....	8	6	6
02.01 Recoveries .....	13	37	37
02.40 Earnings on investments .....	36	59	50
02.80 Oil spill response, EPA, Offsetting collections .....	17	20	20
02.99 Total receipts and collections .....	74	122	113
04.00 Total: Balances and collections .....	1,017	966	910
Appropriations:			
05.02 Oil Spill Recovery, Coast Guard .....	-68	-61	-61
05.03 Trust Fund Share of Expenses .....	-48	-48	-48
05.04 Minerals Management Service .....	-6	-6	-7
05.05 Oil spill response, EPA .....	-32	-36	-36
05.06 Denali Commission trust fund .....	-11	-11	-11
05.08 Trust fund share of pipeline safety, RSPA .....	-8	-7	-19
05.99 Total Appropriations .....	-173	-169	-182
07.99 Balance, end of year .....	844	797	728

Program and Financing (in millions of dollars)

Identification code 70-8185-0-7-304	2002 actual	2003 est.	2004 est.
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	1,129	1,003	985
92.02 Total investments, end of year: Federal securities: Par value .....	1,003	985	916

The Oil spill liability trust fund is used to finance oil pollution prevention and cleanup activities by various Federal agencies. In accordance with the provisions of the Oil Pollution Act of 1990, the Fund may finance annually up to \$50 million of emergency resources and all valid claims from injured parties resulting from oil spills. For Coast Guard, this funds the following accounts: Trust fund share of expenses, Oil spill recovery, and Payment of claims. The Consolidated Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, triggered collection of a 5 cent tax on each barrel of oil produced domestically or imported to be deposited into the Oil spill liability trust fund. The authority to collect the oil barrel tax expired on December 31, 1994.

Status of Funds (in millions of dollars)

Identification code 70-8185-0-7-304	2002 actual	2003 est.	2004 est.
<b>Unexpended balance, start of year:</b>			
0100 Uninvested balance	28	38	
<b>Federal securities:</b>			
0101 Par value	1,128	1,003	985
0102 Unrealized discounts	-14	-7	
0199 Total balance, start of year	1,144	1,035	985
<b>Cash income during the year:</b>			
<b>Current law:</b>			
<b>Receipts:</b>			
1200 Fines and penalties	8	6	6
1201 Recoveries	13	37	37
<b>Offsetting receipts (intragovernmental):</b>			
1240 Earnings on investments, oil spill liability trust fund	36	59	50
<b>Offsetting collections:</b>			
1280 Offsetting collections	17	20	20
1299 Income under present law	74	122	113
<b>Cash outgo during year:</b>			
<b>Current law:</b>			
4502 Oil spill recovery	-86	-61	-61
4503 Trust fund share of expenses	-48	-48	-48
4504 Minerals Management Service	-6	-6	-7
4505 EPA Oil Spill Response	-31	-39	-41
4506 Denali Commission trust fund	-2	-13	-11
4507 North Pacific marine research institute fund	-3	-2	
4508 Trust fund share of pipeline safety, RSPA	-5	-7	-13
4599 Outgo under current law (-)	-181	-176	-181
<b>Unexpended balance, end of year:</b>			
8700 Uninvested balance	38		
<b>Federal securities:</b>			
8701 Par value	1,003	985	916
8702 Unrealized discounts	-7		
8799 Total balance, end of year	1,035	985	916

OIL SPILL RECOVERY

Program and Financing (in millions of dollars)

Identification code 70-8349-0-7-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Emergency fund	22	50	50
00.02 Payment of claims	16	10	10
00.03 Prince William Sound Oil Spill Recovery Institute	1	1	1
09.00 Reimbursable program	33		
10.00 Total new obligations	72	61	61
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	18	51	52
22.00 New budget authority (gross)	101	61	61
22.10 Resources available from recoveries of prior year obligations	6		
23.90 Total budgetary resources available for obligation	125	112	113
23.95 Total new obligations	-72	-61	-61
24.40 Unobligated balance carried forward, end of year	51	52	52
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
60.26 Appropriation (trust fund)	68	61	61
69.10 Change in uncollected customer payments from Federal sources (unexpired)	33		
70.00 Total new budget authority (gross)	101	61	61
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	156	103	103
73.10 Total new obligations	72	61	61
73.20 Total outlays (gross)	-86	-61	-61
73.45 Recoveries of prior year obligations	-6		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-33		
74.40 Obligated balance, end of year	103	103	103
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	86	61	61

Offsets:

<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-33		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	68	61	61
90.00 Outlays	86	61	61

This account provides resources from the Oil Spill Liability Trust Fund for costs associated with the cleanup of oil spills. These include emergency costs associated with oil spill clean-up, the Prince William Sound Oil Spill Recovery Institute, and the payment of claims to those who suffer harm from oil spills where the responsible party is not identifiable or is without resources. The program activities in this account will continue to be funded under separate permanent appropriations, and are being displayed in a consolidated format to enhance presentation.

Object Classification (in millions of dollars)

Identification code 70-8349-0-7-304	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services	39	61	61
99.0 Reimbursable obligations: Reimbursable obligations	33		
99.9 Total new obligations	72	61	61

MISCELLANEOUS TRUST REVOLVING FUNDS

Program and Financing (in millions of dollars)

Identification code 70-9981-0-8-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program	9	10	10
10.00 Total new obligations (object class 25.2)	9	10	10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	9	10	10
23.95 Total new obligations	-9	-10	-10
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
69.00 Offsetting collections (cash)	9	10	10
<b>Change in obligated balances:</b>			
73.10 Total new obligations	9	10	10
73.20 Total outlays (gross)	-9	-10	-10
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	9	10	10
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources	-9	-10	-10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays			

The Coast Guard cadet fund is used by the Superintendent of the Coast Guard Academy to receive, plan, control, and expend funds for personal expenses and obligations of Coast Guard cadets. The Coast Guard surcharge collections, sales of commissary stores fund is used to finance expenses incurred in connection with the operation of the Coast Guard commissary store in Kodiak, Alaska. Revenue is derived from a surcharge placed on sales (14 U.S.C. 487).

**EMERGENCY PREPAREDNESS AND RESPONSE**

**Federal Funds**

**General and special funds:**

**OPERATING EXPENSES**

For necessary expenses of the Emergency Preparedness and Response Directorate, \$762,267,000, including activities authorized by the National Flood Insurance Act of 1968, as amended, the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404-405), Reorganization Plan No. 3 of 1978, and the Homeland Security Act of 2002; and for expenses necessary for countering potential biological, disease and chemical threats to civilian populations, including \$400,000,000, to remain available until expended, for the Strategic National Stockpile.

The aggregate charges assessed during fiscal year 2004, as authorized by Public Law 106-377, shall not be less than 100 percent of the amounts anticipated by the Department of Homeland Security necessary for its radiological emergency preparedness program for the next fiscal year. The methodology for assessment and collection of fees shall be fair and equitable; and shall reflect costs of providing such services, including administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in this account as offsetting collections and will become available for authorized purposes on October 1, 2004, and remain available until expended.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 70-0700-0-1-999	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	3	3	3
Appropriations:			
05.00 Operating Expenses			
07.99 Balance, end of year	3	3	3

**Program and Financing (in millions of dollars)**

Identification code 70-0700-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Administrative and Regional Operations	187	153	148
00.02 Readiness, Response, Prevention & Mitigation Programs	705	274	244
00.04 Public Health Programs	1,073	626	434
00.05 Biodefense Countermeasures			890
09.00 Reimbursable program	114	93	71
10.00 Total new obligations	2,079	1,146	1,787
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	21	145	26
22.00 New budget authority (gross)	2,222	1,026	1,763
23.90 Total budgetary resources available for obligation	2,243	1,171	1,789
23.95 Total new obligations	-2,079	-1,146	-1,787
23.98 Unobligated balance expiring or withdrawn	-21		
24.40 Unobligated balance carried forward, end of year	145	26	2

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation	2,072	912	1,652
40.73 Reduction pursuant to P.L. 107-206	-1		
42.00 Transferred from other accounts	28	3	
43.00 Appropriation (total discretionary)	2,099	915	1,652
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	123	111	111
68.26 From offsetting collections (unavailable balances)		15	15

68.45 Portion precluded from obligation (limitation on obligations)		-15	-15
68.90 Spending authority from offsetting collections (total discretionary)	123	111	111
70.00 Total new budget authority (gross)	2,222	1,026	1,763

**Change in obligated balances:**

72.40 Obligated balance, start of year	465	1,379	835
73.10 Total new obligations	2,079	1,146	1,787
73.20 Total outlays (gross)	-1,159	-1,690	-1,641
73.40 Adjustments in expired accounts (net)	-6		
74.40 Obligated balance, end of year	1,379	835	981

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	733	500	1,019
86.93 Outlays from discretionary balances	426	1,190	622
87.00 Total outlays (gross)	1,159	1,690	1,641

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-123	-96	-96
88.40 Non-Federal sources		-15	-15
88.90 Total, offsetting collections (cash)	-123	-111	-111

**Net budget authority and outlays:**

89.00 Budget authority	2,099	915	1,652
90.00 Outlays	1,036	1,579	1,530

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority	9	9	9
99.01 Outlays	9	9	9

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority	2,099	915	1,652
Outlays	1,036	1,579	1,530
Legislative proposal, not subject to PAYGO:			
Budget Authority			-890
Outlays			-575
Legislative proposal, subject to PAYGO:			
Budget Authority			890
Outlays			575
<b>Total:</b>			
Budget Authority	2,099	915	1,652
Outlays	1,036	1,579	1,530

Funding requested in this account will support the functions of the Office of Emergency Preparedness, the National Disaster Medical System, the Strategic National Pharmaceutical Stockpile, the Radiological Emergency Preparedness program, settlement of claims arising from the Cerro Grande Prescribed Fire, and other operating expenses to administer programs of the Emergency Preparedness and Response Directorate of the Department of Homeland Security. It consolidates funding for programs formerly funded through the Department of Health and Human Services' General Departmental Management account and the Federal Emergency Management Agency's Salaries and Expenses, Emergency Management Planning and Assistance, Radiological Emergency Preparedness Fund, Office of Cerro Grande Fire Claims, and Disaster Assistance for Unmet Needs accounts.

**Object Classification (in millions of dollars)**

Identification code 70-0700-0-1-999	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	122	122	123
11.3 Other than full-time permanent	4	1	2
11.5 Other personnel compensation	4	4	4
11.7 Military personnel	4	5	2
11.9 Total personnel compensation	134	132	131

12.1	Civilian personnel benefits .....	32	33	37
21.0	Travel and transportation of persons .....	8	6	6
22.0	Transportation of things .....	1		
23.1	Rental payments to GSA .....	15	20	19
23.2	Rental payments to others .....	1	1	
23.3	Communications, utilities, and miscellaneous charges .....	11	14	13
24.0	Printing and reproduction .....	3	3	3
25.1	Advisory and assistance services .....	37	5	5
25.2	Other services .....	95	153	1,010
25.3	Other purchases of goods and services from Government accounts .....	47	28	21
25.4	Operation and maintenance of facilities .....	5	5	5
25.7	Operation and maintenance of equipment .....		2	2
26.0	Supplies and materials .....	10	9	6
31.0	Equipment .....	17	16	12
32.0	Land and structures .....		1	1
41.0	Grants, subsidies, and contributions .....	532	83	45
42.0	Insurance claims and indemnities .....	2		
99.0	Direct obligations .....	950	511	1,316
99.0	Reimbursable obligations .....	114	93	71
<b>Allocation Account:</b>				
11.1	Personnel compensation: Full-time permanent .....	5	12	12
12.1	Civilian personnel benefits .....	2		
21.0	Travel and transportation of persons .....	1		
22.0	Transportation of things .....		7	7
23.2	Rental payments to others .....	1		
23.3	Communications, utilities, and miscellaneous charges .....	1		
25.1	Advisory and assistance services .....	3	7	
25.2	Other services .....	4	1	1
25.3	Other purchases of goods and services from Government accounts .....	306	211	211
25.4	Operation and maintenance of facilities .....	1		
25.5	Research and development contracts .....	496	74	51
25.6	Medical care .....		38	38
26.0	Supplies and materials .....	125	138	33
31.0	Equipment .....	3		
41.0	Grants, subsidies, and contributions .....	67	54	47
99.0	Allocation account .....	1,015	542	400
99.9	Total new obligations .....	2,079	1,146	1,787

**Personnel Summary**

Identification code 70-0700-0-1-999	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	1,997	2,097	2,012
<b>Reimbursable:</b>				
Total compensable workyears:				
2001	Civilian full-time equivalent employment .....	140	182	175

**OPERATING EXPENSES**

(Legislative Proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 70-0700-2-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.04	Biodefense Countermeasures .....		- 890
10.00	Total new obligations (object class 25.2) .....		- 890
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....		- 890
23.95	Total new obligations .....		890
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....		- 890
<b>Change in obligated balances:</b>			
73.10	Total new obligations .....		- 890
73.20	Total outlays (gross) .....		575
74.40	Obligated balance, end of year .....		- 315
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....		- 575
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		- 890

90.00	Outlays .....		- 575
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In a separate proposal, the Administration is proposing a new permanent, indefinite authority to purchase biodefense countermeasures. Without this authority, discretionary resources would be needed to make these purchases. The Administration will submit a budget amendment to adjust its discretionary request if the proposal is not enacted to establish the permanent, indefinite authority.

**OPERATING EXPENSES**

(Legislative Proposal, subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 70-0700-4-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.04	Biodefense Countermeasures .....		890
10.00	Total new obligations (object class 25.2) .....		890
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....		890
23.95	Total new obligations .....		- 890
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00	Appropriation .....		890
<b>Change in obligated balances:</b>			
73.10	Total new obligations .....		890
73.20	Total outlays (gross) .....		- 575
74.40	Obligated balance, end of year .....		315
<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority .....		575
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		890
90.00	Outlays .....		575

The Administration is proposing a new permanent, indefinite authority to purchase biodefense countermeasures.

**GRANT PROGRAMS**

For activities designed to reduce the risk of flood damage to structures pursuant to the National Flood Insurance Act of 1968, as amended (the Act), notwithstanding sections 1366(b)(3)(B)-(C) and 1366(f) of the Act, and for a pre-disaster mitigation grant program pursuant to 42 U.S.C. 5131 et seq., \$300,000,000, to remain available until expended, of which \$20,000,000 shall be derived from the National Flood Insurance Fund, to remain available until September 30, 2005: Provided, That grants made for pre-disaster mitigation shall be awarded on a competitive basis subject to the criteria in 42 U.S.C. 5133(g); and notwithstanding 42 U.S.C. 5133(f), shall be made without reference to State allocations, quotas, or other formula-based allocation of funds.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 70-0701-0-1-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Flood mitigation .....	18	12
00.02	Pre-disaster mitigation .....		300
10.00	Total new obligations (object class 41.0) .....	18	312
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	10	12
22.00	New budget authority (gross) .....	20	320
23.90	Total budgetary resources available for obligation .....	30	312

**General and special funds—Continued**

**GRANT PROGRAMS—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 70-0701-0-1-453	2002 actual	2003 est.	2004 est.
23.95 Total new obligations .....	-18	-320	-312
24.40 Unobligated balance carried forward, end of year .....	12	12	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		300	280
68.62 Spending authority from offsetting collections: Transferred from other accounts .....	20	20	20
70.00 Total new budget authority (gross) .....	20	320	300
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	45	42	267
73.10 Total new obligations .....	18	320	312
73.20 Total outlays (gross) .....	-17	-95	-209
73.40 Adjustments in expired accounts (net) .....	-3		
74.40 Obligated balance, end of year .....	42	267	370
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		76	71
86.93 Outlays from discretionary balances .....	17	19	138
87.00 Total outlays (gross) .....	17	95	209
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	20	320	300
90.00 Outlays .....	18	95	209

This account consolidates funding previously provided through the National Pre-Disaster Mitigation Fund, and the National Flood Mitigation Fund. Funding requested through this account will be dedicated to competitive grants for pre-disaster mitigation operating independently of the Disaster Relief programs, assuring that funding remains stable from year to year and is not subject to spikes in disaster activity.

**EMERGENCY FOOD AND SHELTER**

To carry out an emergency food and shelter program pursuant to title III of Public Law 100-77, as amended, \$153,000,000, to remain available until expended: Provided, That total administrative costs shall not exceed 3½ percent of the total appropriation.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 70-0707-0-1-605	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Emergency food and shelter .....	140	153	153
10.00 Total new obligations (object class 41.0) .....	140	153	153
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	140	153	153
23.95 Total new obligations .....	-140	-153	-153
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	140	153	153
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	140	153	153
73.20 Total outlays (gross) .....	-140	-153	-153
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	140	153	153
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	140	153	153

90.00 Outlays .....	140	153	153
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**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Enacted/requested:</b>			
Budget Authority .....	140	153	153
Outlays .....	140	153	153
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority .....		-153	-153
Outlays .....		-153	-153
<b>Total:</b>			
Budget Authority .....	140		
Outlays .....	140		

The Emergency Food and Shelter program provides grants to non-profit and faith-based organizations at the local level to supplement their programs for emergency food and shelter.

**EMERGENCY FOOD AND SHELTER**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 70-0707-2-1-605	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Emergency food and shelter .....		-153	-153
10.00 Total new obligations (object class 41.0) .....		-153	-153
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		-153	-153
23.95 Total new obligations .....		153	153
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		-153	-153
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		-153	-153
73.20 Total outlays (gross) .....		153	153
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		-153	-153
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		-153	-153
90.00 Outlays .....		-153	-153

The 2004 Budget includes \$153 million to meet the immediate needs of the homeless and proposes transferring this program to the Department of Housing and Urban Development Emergency Food and Shelter Program to permit better coordination of services.

**DISASTER RELIEF**

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), \$1,956,000,000 and, notwithstanding 42 U.S.C. 5203, to remain available until expended: Provided That no funds are available to carry out section 404 of the Act (42 U.S.C. 5170c).

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 70-0702-0-1-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 September 11th Response .....	2,052	4,800	1,025
00.02 Other Disaster Relief .....	1,887	2,639	3,193
10.00 Total new obligations .....	3,939	7,439	4,218
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2,627	8,222	3,183

22.00	New budget authority (gross)	10,131	1,800	1,934
22.10	Resources available from recoveries of prior year obligations	432	600	600
22.21	Unobligated balance transferred to other accounts	-1,030		
23.90	Total budgetary resources available for obligation	12,160	10,622	5,717
23.95	Total new obligations	-3,939	-7,439	-4,218
24.40	Unobligated balance carried forward, end of year	8,222	3,183	1,499
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	9,154	1,825	1,956
41.00	Transferred to other accounts	-53	-25	-22
42.00	Transferred from other accounts	1,030		
43.00	Appropriation (total discretionary)	10,131	1,800	1,934
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	5,201	4,761	6,506
73.10	Total new obligations	3,939	7,439	4,218
73.20	Total outlays (gross)	-3,947	-5,094	-3,518
73.45	Recoveries of prior year obligations	-432	-600	-600
74.40	Obligated balance, end of year	4,761	6,506	6,606
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	3,186	630	677
86.93	Outlays from discretionary balances	761	4,464	2,841
87.00	Total outlays (gross)	3,947	5,094	3,518
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	10,131	1,800	1,934
90.00	Outlays	3,947	5,094	3,518
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	2	3	3
99.01	Outlays	2	3	3

Through the Disaster Relief Fund (DRF), the Department of Homeland Security (DHS) provides a significant portion of the total Federal response to victims in Presidentially-declared major disasters and emergencies. Major disasters are declared when a State requests Federal assistance and proves that a given disaster is beyond the State's capacity to respond. Under the DRF, DHS will continue to operate the primary assistance programs formerly run by the Federal Emergency Management Agency: Federal assistance to individuals and households, and public assistance, which includes the repair and reconstruction of State, local, and non-profit infrastructure. For 2004, a new competitive, pre-disaster mitigation grant program has been proposed to replace the current hazard mitigation grants funded in the Disaster Relief Fund.

**Object Classification (in millions of dollars)**

Identification code 70-0702-0-1-453	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1	Full-time permanent	2	2
11.3	Other than full-time permanent	125	120
11.5	Other personnel compensation	28	27
11.9	Total personnel compensation	155	149
12.1	Civilian personnel benefits	24	23
13.0	Benefits for former personnel	6	6
21.0	Travel and transportation of persons	65	61
22.0	Transportation of things	7	2
23.1	Rental payments to GSA	9	9
23.2	Rental payments to others	10	10
23.3	Communications, utilities, and miscellaneous charges	33	23
24.0	Printing and reproduction	3	3
25.1	Advisory and assistance services	1	1
25.2	Other services	126	115
25.3	Other purchases of goods and services from Government accounts	267	2,968
25.4	Operation and maintenance of facilities	6	4
25.7	Operation and maintenance of equipment	3	3
26.0	Supplies and materials	16	10
31.0	Equipment	29	29
32.0	Land and structures	1	
41.0	Grants, subsidies, and contributions	3,178	4,023

99.9	Total new obligations	3,939	7,439	4,218
<b>Personnel Summary</b>				
Identification code 70-0702-0-1-453	2002 actual	2003 est.	2004 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	2,865	2,290	2,290

**FLOOD MAP MODERNIZATION FUND**

For necessary expenses pursuant to section 1360 of the National Flood Insurance Act of 1968, \$200,000,000, and such additional sums as may be provided by State and local governments or other political subdivisions for cost-shared mapping activities under section 1360 (f)(2), to remain available until expended.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 70-5464-0-2-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Map Modernization	32	300
10.00	Total new obligations	32	300
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross)	32	300
23.95	Total new obligations	-32	-300
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation		300
42.00	Transferred from other accounts	25	
43.00	Appropriation (total discretionary)	25	300
68.62	Spending authority from offsetting collections: Transferred from other accounts	7	
70.00	Total new budget authority (gross)	32	300
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year	22	42
73.10	Total new obligations	32	300
73.20	Total outlays (gross)	-11	-99
74.40	Obligated balance, end of year	42	243
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority	1	75
86.93	Outlays from discretionary balances	10	24
87.00	Total outlays (gross)	11	99
<b>Net budget authority and outlays:</b>			
89.00	Budget authority	32	300
90.00	Outlays	11	99

Public Law 107-73 authorized the transfer of \$25 million from the Disaster Relief Fund and \$7 million from National Flood Insurance Fund policyholder fees collected but unexpended during 2000 through 2001 to the Flood Map Modernization Fund for use in 2002 to update and modernize the inventory of over 100,000 flood maps. The flood maps are used to determine appropriate risk-based premium rates for the National Flood Insurance Program, complete flood hazard determinations required of the nation's lending institutions, and to develop appropriate disaster response plans for Federal, State, and local emergency management personnel. In 2004, the Budget proposes a \$200 million appropriation to modernize and digitize flood maps.

**General and special funds—Continued**

**FLOOD MAP MODERNIZATION FUND—Continued**

**Object Classification (in millions of dollars)**

Identification code 70-5464-0-2-453	2002 actual	2003 est.	2004 est.
25.1 Advisory and assistance services .....	4		
25.2 Other services .....	14	300	200
25.3 Other purchases of goods and services from Government accounts .....	2		
41.0 Grants, subsidies, and contributions .....	12		
99.9 Total new obligations .....	32	300	200

**Public enterprise funds:**

**NATIONAL FLOOD INSURANCE FUND**

For activities under the National Flood Insurance Act of 1968 (“the Act”), and the Flood Disaster Protection Act of 1973, as amended, not to exceed \$32,000,000 for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed \$78,000,000 for flood hazard reduction: Provided, That beginning in fiscal year 2004 and thereafter, fees authorized in 42 U.S.C. 4014 (a)(1)(B)(iii) shall be collected only if provided in advance in appropriations Acts. In fiscal year 2004, no funds in excess of: (1) \$55,000,000 for operating expenses; (2) \$565,897,000 for agents’ commissions and taxes; and (3) \$40,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations.

Section 1309(a)(2) of the Act (42 U.S.C. 4016(a)(2)), as amended, is further amended by striking “2003” and inserting “2004”.

Section 1319 of the Act, as amended (42 U.S.C. 4026), is further amended by striking “December 31, 2003” and inserting “December 31, 2004”.

Section 1336(a) of the Act, as amended (U.S.C. 4056), is further amended by striking “December 31, 2003” and inserting “December 31, 2004”.

Section 1376(c) of the Act, as amended (U.S.C. 4127(c)), is further amended by striking “December 31, 2003” and inserting “December 31, 2004”.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 70-4236-0-4-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Insurance underwriting expense .....	517	594	621
09.02 Loss and adjustment expense .....	191	765	760
09.03 Interest expense .....	17		
09.04 Flood insurance and mitigation program expense .....	82	89	90
10.00 Total new obligations .....	807	1,448	1,471

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	444	1,173	1,514
22.00 New budget authority (gross) .....	1,536	1,789	1,876
23.90 Total budgetary resources available for obligation	1,980	2,962	3,390
23.95 Total new obligations .....	-807	-1,448	-1,471
24.40 Unobligated balance carried forward, end of year .....	1,173	1,514	1,919

<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	105	109	110
68.61 Transferred to other accounts .....	-27	-20	-20
68.90 Spending authority from offsetting collections (total discretionary) .....	78	89	90
Mandatory:			
69.00 Offsetting collections (Claims Expense) .....	1,458	1,700	1,786
69.90 Spending authority from offsetting collections (total mandatory) .....	1,458	1,700	1,786
70.00 Total new budget authority (gross) .....	1,536	1,789	1,876

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	477	341	246
73.10 Total new obligations .....	807	1,448	1,471
73.20 Total outlays (gross) .....	-943	-1,544	-1,560
74.40 Obligated balance, end of year .....	341	246	156

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	46	52	53
86.93 Outlays from discretionary balances .....	25	30	36
86.97 Outlays from new mandatory authority .....	660	1,044	1,106
86.98 Outlays from mandatory balances .....	212	418	365
87.00 Total outlays (gross) .....	943	1,544	1,560

<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Collection of program expenses .....	-1,563	-1,809	-1,896
88.90 Total, offsetting collections (cash) .....	-1,563	-1,809	-1,896

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-27	-20	-20
90.00 Outlays .....	-619	-265	-336

The National Flood Insurance Act of 1968, as amended, authorizes the Federal Government to provide flood insurance on a national basis. Flood insurance may be sold or continued in force only in communities which enact and enforce appropriate floodplain management measures. Communities must participate in the program within one year of the time they are identified as flood-prone in order to be eligible for flood insurance and some forms of Federal financial assistance for acquisition or construction purposes. In addition, Federally regulated funding institutions can not provide loans to non-participating communities with an identified flood hazard.

In 2004, the budget assumes collection of all of the administrative and program costs associated with flood insurance activities from policy holders. Under the emergency program, structures in identified flood-prone areas are eligible for limited amounts of coverage at subsidized insurance rates. Under the regular program, studies must be made of different flood risks in flood-prone areas to establish actuarial premium rates. These rates are charged for insurance on new construction. Coverage is available on virtually all types of buildings and their contents in amounts up to \$350,000 for residential and \$1 million for other types.

**Statement of Operations (in millions of dollars)**

Identification code 70-4236-0-4-453	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	1,603	1,563	1,887	1,896
0102 Expense .....	-2,165	-943	-1,505	-1,561
0105 Net income or loss (-) .....	-562	620	382	335

**Balance Sheet (in millions of dollars)**

Identification code 70-4236-0-4-453	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	22	25	10	10
Non-Federal assets:				
1206 Receivables, net .....	13	17	19	22
1207 Advances and prepayments .....	260	288	332	381
Other Federal assets:				
1801 Cash and other monetary assets .....	-21	15	17	20
1802 Inventories and related properties .....	4	6	7	8
1803 Property, plant and equipment, net .....	1	3	4	4
1999 Total assets .....	279	354	389	445
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....	8	5		
2103 Debt .....	600	10		
Non-Federal liabilities:				
2201 Accounts payable .....	56	46	35	26
2207 Other .....	1,193	1,310	904	949

2999	Total liabilities .....	1,857	1,371	939	975
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....	-1,578	-1,017	-550	-530
3999	Total net position .....	-1,578	-1,017	-550	-530
4999	Total liabilities and net position .....	279	354	389	445

**Object Classification** (in millions of dollars)

Identification code 70-4236-0-4-453	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	17	23	25
12.1 Civilian personnel benefits .....	4	5	6
21.0 Travel and transportation of persons .....	1	2	3
23.1 Rental payments to GSA .....	2	3	3
24.0 Printing and reproduction .....	1	2	2
25.2 Other services .....	560	636	657
25.3 Other purchases of goods and services from Govern- ment accounts .....	2	4	5
41.0 Grants, subsidies, and contributions .....	3	8	8
42.0 Insurance claims and indemnities .....	191	765	762
43.0 Interest and dividends .....	26		
99.9 Total new obligations .....	807	1,448	1,471

**Personnel Summary**

Identification code 70-4236-0-4-453	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equiv- alent employment .....	260	271	271

**Credit accounts:**

**DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT**

For direct loans, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act: Provided, That gross obligations for the principal amount of direct loans not to exceed \$25,000,000: Provided further, That the cost of modifying such loans shall be defined in section 502 of the Congressional Budget Act of 1974, as amended. In addition, for administrative expenses to carry out the direct loan program, \$557,000.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 70-0703-0-1-453	2002 actual	2003 est.	2004 est.
0101 Disaster assistance, negative subsidy .....		1	1
0102 Disaster assistance, downward reestimates .....	10	9	

**Program and Financing** (in millions of dollars)

Identification code 70-0703-0-1-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.09 Administrative Expenses .....		1	1
10.00 Total new obligations (object class 99.5) .....		1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	7	7
22.00 New budget authority (gross) .....	1	1	1
23.90 Total budgetary resources available for obligation .....	8	8	8
23.95 Total new obligations .....		-1	-1
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	7	7	7

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	1	1	1

**Change in obligated balances:**

73.10 Total new obligations .....		1	1
73.20 Total outlays (gross) .....	-1	-1	-1

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	1	1

**Net budget authority and outlays:**

89.00 Budget authority .....	1	1	1
90.00 Outlays .....		1	1

Disaster assistance loans authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) are loans to States for the non-Federal portion of cost-sharing funds and community disaster loans to local governments incurring substantial loss of tax and other revenues as a result of a major disaster. The funds requested for this program include direct loans and a subsidy based on criteria including loan amount and interest charged. As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. Loan activity prior to FY 1992, which is budgeted for on a cash basis, totals less than \$500,000 in every year and is not presented separately.

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 70-0703-0-1-453	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 States share program .....	25	25	25
115002 Community Disaster Loans .....			
115901 Total direct loan levels .....	25	25	25
<b>Direct loan subsidy (in percent):</b>			
132001 States share program .....	1.62	-4.10	-2.02
132002 Community Disaster Loans .....	91.92	92.17	93.26
132901 Weighted average subsidy rate .....	1.62	-4.10	-2.02
<b>Direct loan subsidy budget authority:</b>			
133001 States share program .....		-1	-1
133002 Community Disaster Loans .....			
133901 Total subsidy budget authority .....		-1	-1
<b>Direct loan subsidy outlays:</b>			
134001 States share program .....		-1	-1
134002 Community Disaster Loans .....			
134901 Total subsidy outlays .....		-1	-1
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 States share program .....			
137002 Community Disaster Loans .....	-10	-9	
137901 Total downward reestimate budget authority .....	-10	-9	
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 States share program .....			
138002 Community Disaster Loans .....	-10	-9	
138901 Total downward reestimate subsidy outlays .....	-10	-9	
<b>Administrative expense data:</b>			
351001 Budget authority .....	1	1	1
359001 Outlays from new authority .....		1	1

**Personnel Summary**

Identification code 70-0703-0-1-453	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equiv- alent employment .....	2	3	3

## Credit accounts—Continued

## DISASTER ASSISTANCE DIRECT LOAN FINANCING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 70-4234-0-3-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....		25	25
00.02 Interest on Treasury borrowing .....	1	7	8
00.91 Subtotal, Operating Programs .....	1	32	33
08.01 Negative Subsidy .....		1	1
08.02 Downward Reestimate .....	7	6	
08.04 Interest on the Downward Reestimate .....	3	3	
08.91 Subtotal, Reestimates and Negative Subsidy .....	10	10	1
10.00 Total new obligations .....	11	42	34
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	15		
22.00 New financing authority (gross) .....	2	40	34
22.60 Portion applied to repay debt .....	-6		
23.90 Total budgetary resources available for obligation .....	11	40	34
23.95 Total new obligations .....	-11	-42	-34
<b>New financing authority (gross), detail:</b>			
Discretionary:			
42.00 Transferred from other accounts .....	2		
Mandatory:			
67.10 Authority to borrow .....		40	34
69.00 Offsetting collections (cash) .....	6	3	10
69.47 Portion applied to repay debt .....	-6	-3	-10
69.90 Spending authority from offsetting collections (total mandatory) .....			
70.00 Total new financing authority (gross) .....	2	40	34
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	11	42	34
73.20 Total financing disbursements (gross) .....	-11	-40	-34
87.00 Total financing disbursements (gross) .....	11	40	34
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.40 Repayments of principal .....	-6	-3	-10
88.90 Total, offsetting collections (cash) .....	-6	-3	-10
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	-4	37	24
90.00 Financing disbursements .....	6	37	24

## Status of Direct Loans (in millions of dollars)

Identification code 70-4234-0-3-453	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	25	25	25
1142 Unobligated direct loan limitation (-) .....			
1150 Total direct loan obligations .....	25	25	25
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	165	143	159
1231 Disbursements: Direct loan disbursements .....	11	19	25
1251 Repayments: Repayments and prepayments .....	-6	-3	-9
1263 Write-offs for default: Direct loans .....	-27		
1290 Outstanding, end of year .....	143	159	175

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records, for this program, all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans). The amounts in this account are a means of financing and are not included in the budget totals.

## Balance Sheet (in millions of dollars)

Identification code 70-4234-0-3-453	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	165	131	156	173
1402 Interest receivable .....	55	46	41	39
1405 Allowance for subsidy cost (-) .....	-217	-163	-165	-165
1499 Net present value of assets related to direct loans .....	3	14	32	47
1801 Other Federal assets: Cash and other monetary assets .....	15	7	3	10
1999 Total assets .....	18	21	35	57
<b>LIABILITIES:</b>				
Federal liabilities:				
2103 Debt .....	10	10	20	43
2105 Other .....	8	11	15	14
2999 Total liabilities .....	18	21	35	57
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....				
3999 Total net position .....				
4999 Total liabilities and net position .....	18	21	35	57

## SCIENCE AND TECHNOLOGY

## Federal Funds

## General and special funds:

## RESEARCH, DEVELOPMENT, ACQUISITION AND OPERATIONS

For necessary expenses of activities of the Department of Homeland Security in carrying out the purposes of title III of the Homeland Security Act of 2002 (P.L. 107-296), for basic and applied research, development, test and evaluation, construction, procurement, production, modification and modernization of systems, subsystems, spare parts, accessories, training devices, operation of the Science and Technology Directorate and its organizations and activities, including the Homeland Security Advanced Research Projects Agency (HSARPA), for cooperative programs with States and local governments to enable the detection, destruction, disposal, or mitigation of the effects of weapons of mass destruction and other terrorist weapons, and for the construction, maintenance, rehabilitation, lease, and operation of buildings and other facilities, and equipment, necessary for the activities of the Directorate, \$803,360,000, to remain available until September 30, 2006.

Note.—A regular 2003 appropriation for a portion of these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 70-0800-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct Program Activity:			
00.01 Research and Acquisition of Technology .....	25	418	583
00.02 Construction and Facilities .....	77	81	163
00.03 Supporting Operations .....	25	42	37
10.00 Total new obligations .....	127	541	783
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		40	60
22.00 New budget authority (gross) .....	167	561	803
23.90 Total budgetary resources available for obligation .....	167	601	863
23.95 Total new obligations .....	-127	-541	-783
24.40 Unobligated balance carried forward, end of year .....	40	60	80
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	167	561	803
43.00 Appropriation (total discretionary) .....	167	561	803
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		13	33
			230

73.10	Total new obligations .....	127	541	783
73.20	Total outlays (gross) .....	-107	-343	-743
74.40	Obligated balance, end of year .....	33	230	270

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	82	275	503
86.93	Outlays from discretionary balances .....	25	68	240
87.00	Total outlays (gross) .....	107	343	743

**Net budget authority and outlays:**

89.00	Budget authority .....	167	561	803
90.00	Outlays .....	107	343	743

Appropriations in this title support the advance of homeland security through basic and applied research, fabrication of technology demonstration devices, development and testing of prototypes and full-scale pre-production hardware, the procurement of products, systems and other capital equipment necessary for the provision and upgrading of capabilities to detect, destroy, dispose and mitigate the effects of weapons of mass destruction and other terrorist weapons and the operation of the Science and Technology Directorate. These appropriations also fund work of the Science and Technology Directorate as it supports the other Directorates and activities of the Department in developing, acquiring and fielding equipment and procedures necessary for performing their missions. This work may be performed by contractors, government laboratories and facilities, universities and non-profit organizations. Research, development and operations programs are funded to cover annual needs. Acquisition programs will be budgeted in useful segments, so that further appropriations will not be needed to provide a useful capability from the acquired equipment or facilities.

The 2004 budget provides for major technology and development efforts, including detection, destruction, disposal and mitigation of chemical and biological agents, radiological and nuclear devices or weapons, and conventional explosives. Funding also is provided for the test and evaluation of technologies, systems and processes developed to counter these threats and for the acquisition of equipment and operations needed to field those technologies, systems and processes, as well as others that may be available without further development, as part of the counter-WMD and counter-terror activities of the Department.

Research and development and acquisition funds for each fiscal year will be available for obligation for a three-year period beginning on the first day of the fiscal year for which the funds are appropriated.

**Object Classification (in millions of dollars)**

Identification code 70-0800-0-1-999	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
11.1	Personnel compensation: Full-time permanent .....	8	9	14
12.1	Civilian personnel benefits .....	1	2	4
25.1	Advisory and assistance services .....	1	1	1
25.2	Other services .....	15	30	18
25.3	Other purchases of goods and services from Government accounts .....	1	1	1
25.4	Operation and maintenance of facilities .....	77	75	72
25.5	Research and development contracts .....	14	360	555
31.0	Equipment .....	2	32	2
32.0	Land and structures .....	2	6	91
41.0	Grants, subsidies, and contributions .....	5	23	23
99.0	Direct obligations .....	126	539	781
99.5	Below reporting threshold .....	1	2	2
99.9	Total new obligations .....	127	541	783

**Personnel Summary**

Identification code 70-0800-0-1-999	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment <sup>1</sup> .....	79	79	140

<sup>1</sup> Personnel levels associated with this account are estimates based on preliminary analysis performed at the DHS Transition Planning Office.

**INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION**

**Federal Funds**

**General and special funds:**

**OPERATING EXPENSES**

For necessary expenses of the Directorate of Information Analysis and Infrastructure Protection of the Department of Homeland Security as authorized by law, \$829,000,000, to remain available until September 30, 2005.

Note.—A regular 2003 appropriation for a portion of these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 70-0900-0-1-999	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Information Analysis and Infrastructure Protection .....	256	176	805
10.00	Total new obligations .....	256	176	805
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	2	1	2
22.00	New budget authority (gross) .....	153	177	829
22.22	Unobligated balance transferred from other accounts .....	101		
23.90	Total budgetary resources available for obligation .....	256	178	831
23.95	Total new obligations .....	-256	-176	-805
24.40	Unobligated balance carried forward, end of year .....	1	2	26
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	153	177	829
43.00	Appropriation (total discretionary) .....	153	177	829
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	5	36	53
73.10	Total new obligations .....	256	176	805
73.20	Total outlays (gross) .....	-225	-158	-751
74.40	Obligated balance, end of year .....	36	53	106
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	115	130	709
86.93	Outlays from discretionary balances .....	110	28	42
87.00	Total outlays (gross) .....	225	158	751
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	153	177	829
90.00	Outlays .....	225	158	751

This account supports the Directorate of Information Analysis and Infrastructure Protection (IAIP). IAIP is charged with:

- Analyzing law enforcement, intelligence, and other information to evaluate terrorist threats to the homeland;
- Assessing the vulnerabilities of key U.S. resources and critical infrastructures;
- Mapping threat information against our current vulnerabilities; and,
- Working with federal, state, local, and private stakeholders to issue timely warnings and take or effect appropriate preventive and protective action.

**General and special funds—Continued**

OPERATING EXPENSES—Continued

Activities proposed for FY 2004 include:

*Undersecretary for Information Analysis and Infrastructure Protection.*—Coordinates efforts to improve the collection and dissemination of terrorist threat information domestically, fuse and integrate that data with foreign intelligence to produce a comprehensive picture of threats to the United States, and develop and implement an action plan to mitigate terrorist threats and national vulnerabilities.

*National Planning.*—Works with federal, state, local, and private stakeholders to develop and implement an integrated national plan for the physical and cyber protection of critical infrastructures and key assets.

*Indications and Warning Advisories.*—Provides a 24/7 Intelligence and Warning capability. Reviews and disseminates information to relevant public and private sector entities, and provides a mechanism for the Secretary to issue national advisories through the Homeland Security Advisory System.

*Competitive Analysis and Evaluation.*— Supports an internal unit to provide alternative analysis and unbiased evaluation of all IAIP analytic judgments and findings. This will ensure the quality and depth of IAIP products.

*Threat Determination and Assessment.*—Supports day-to-day operations of IAIP unit to a) access and analyze information on threats and terrorist capabilities from the intelligence community, law enforcement agencies, and other federal, state, local, and private entities b) integrate threat analysis against vulnerabilities of infrastructures, national assets, and people, c) share actionable threat analysis with federal, state, and local government and law enforcement agencies and private sector entities, and d) identify and prioritize information gaps for collectors. This activity includes IAIP information management processes, such as information collection and prioritization, and security clearance and release procedures.

*Infrastructure Vulnerability and Risk Assessment.*—Includes funding to support:

- Development and maintenance of a complete and accurate mapping of the Nation’s critical infrastructure and key assets.
- Transportation and port vulnerability assessments, performed in cooperation with the Transportation Security Administration and the United States Coast Guard.
- Specialized vulnerability assessment teams to conduct field assessments and catalog specific vulnerabilities of critical assets.
- Comprehensive national risk analysis activities, including modeling, data-mining, and partnerships with the scientific and academic communities to develop and refine DHS analytical tools and processes.

Work will be performed in cooperation with other DHS directorates.

*Remediation and Protective Actions.*—Includes funding to support:

- Infrastructure and key asset protective measures. IAIP will work with states and industry to identify and prioritize protective measures to mitigate risks identified through threat-vulnerability-consequence mapping. Protective measures may include technical assistance, grants, or cooperative agreements.
- Port vulnerability mitigation measures. IAIP will work with the Transportation Security Administration, the United States Coast Guard, and other governmental and non-governmental stakeholders, to mitigate risks identified through port vulnerability assessments and threat mapping. Mitigation measures may include technical assistance, grants, or cooperative agreements.
- Red Teaming activities. IAIP will use “red teams”—employees who simulate terrorists’ thinking—to monitor and

evaluate the measures taken to protect certain key assets, critical infrastructure facilities, or sectors.

- Integrated Physical and Cyber Infrastructure Coordination. Monitoring status of critical infrastructures and coordinating prioritization across infrastructures for response, recovery, and reconstitution to augment the activities of the Emergency Preparedness and Response Directorate.
- Cyber Security. Technical planning, vulnerability assessments and mapping, and coordination for the development and maintenance of technical standards, guidelines, best practices and R&D requirements for computer and information systems.

Work will be performed in cooperation with other DHS directorates.

*National Communications System.*—The National Communications System (NCS) is directed by Executive Order to assist the President, the National Security Council, the Director of the Office of Science and Technology Policy, and the Director of the Office of Management and Budget in the exercise of the telecommunications functions and responsibilities. NCS provides the planning for and provision of national security and emergency preparedness telecommunications for the federal government under all circumstances, including crisis or emergency, attack, recovery and reconstitution. NCS operates a number of programs to ensure that telecommunications systems can support first responders and officials during an emergency.

*Outreach and Partnerships.*—Funds outreach, planning, and training activities to encourage partnerships with state and local governments, private sector partners, and international governments and organizations (to support trans-border infrastructure protection activities).

Pursuant to the Homeland Security Act of 2002, the functions of the National Communications System (Department of Defense), Federal Computer Incident Response Center (General Services Administration), Critical Infrastructure Assurance Office (Department of Commerce), National Simulation and Analysis Center and energy security and assurance programs (Department of Energy), and parts of the National Infrastructure Protection Center (Department of Justice), are transferred to IAIP. The activities of these offices, excluding the National Communications System, are integrated into the activities listed above.

**Object Classification** (in millions of dollars)

Identification code 70-0900-0-1-999	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	18	21	46
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	1	2	2
Total personnel compensation .....	21	25	50
12.1 Civilian personnel benefits .....	5	6	14
21.0 Travel and transportation of persons .....	2	2	2
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	2	2	2
23.2 Rental payments to others .....			5
23.3 Communications, utilities, and miscellaneous charges .....	119	20	27
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	9	11	251
25.2 Other services .....	24	31	124
25.3 Purchases from revolving funds .....	22	7	170
25.4 Operation and maintenance of facilities .....		8	8
25.7 Operation and maintenance of equipment .....	37	48	43
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	9	9	52
41.0 Grants, subsidies, and contributions .....		1	51
99.0 Direct obligations .....	254	174	803
99.5 Below reporting threshold .....	2	2	2

99.9	Total new obligations .....	256	176	805
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**Personnel Summary**

Identification code 70-0900-0-1-999	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment <sup>1</sup> .....	441	466	692

<sup>1</sup> Personnel levels associated with this account are estimates based on preliminary analysis performed by the DHS Transition Planning Office.

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:			
70-031100 Tonnage duty increases .....	72	73	74
70-242100 Marine safety fees .....	16	18	18
70-274030 Disaster assistance, downward reestimates ...	10	9	
70-276430 Disaster assistance, negative subsidy .....		1	1
General Fund Offsetting receipts from the public .....	98	101	93

**TITLE I—GENERAL PROVISIONS**

(INCLUDING TRANSFERS OF FUNDS)

SEC. 101. (a) *The Federal Emergency Management Agency “Working Capital Fund” shall be available to the Department of Homeland Security, as authorized by sections 503 and 1517 of the Homeland Security Act of 2002, for expenses and equipment necessary for maintenance and operations of such administrative services as the Secretary determines may be performed more advantageously as central services. Such fund shall hereafter be known as the “Department of Homeland Security Working Capital Fund”.*

(b) *Beginning in fiscal year 2004 and thereafter, unobligated balances of the Department of Homeland Security may be transferred into the Working Capital Fund, to remain available until expended, for departmental expenses as determined by the Secretary: Provided, That notification shall be submitted to the Committees on Appropriations of the House of Representatives and the Senate prior to the expenditure of any such transferred funds.*

SEC. 102. *The Federal Emergency Management Agency “Bequests and Gifts” account shall be available to the Department of Homeland Security, as authorized by sections 503 and 1517 of the Homeland Security Act of 2002, for the Secretary of Homeland Security to accept, hold, administer and utilize gifts and bequests, including property, to facilitate the work of the Department of Homeland Security: Provided, That such fund shall hereafter be known as “Department of Homeland Security, Gifts and Donations”: Provided further, That any*

*gift or bequest is to be used in accordance with the terms of that gift or bequest to the greatest extent practicable.*

SEC. 103. *Beginning in fiscal year 2004 and thereafter, except as otherwise specifically provided by law, not to exceed five percent of any appropriation available to the Secretary in any fiscal year may be transferred between such appropriations 15 days after notice thereof has been transmitted to the Committees on Appropriations of the House of Representatives and the Senate.*

SEC. 104. *Beginning in fiscal year 2004 and thereafter, except as otherwise specifically provided by law, the Secretary shall notify the Committees on Appropriations of the Senate and House of Representatives 15 days before reprogramming available funds provided in this or previous appropriations Acts within any account: Provided, That such notification shall be required only if the reprogramming exceeds five percent of the amount appropriated to the affected account in the fiscal year in which the reprogramming shall occur.*

SEC. 105. *Of the funds appropriated in this title, not to exceed \$100,000 may be used for official reception and representation expenses when specifically approved by the Secretary.*

SEC. 106. *Funds made available by this Act for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 2004 until the enactment of the Intelligence Authorization Act for fiscal year 2004.*

SEC. 107. *The Federal Law Enforcement Training Center is directed to establish an accrediting body that will include representatives from the Federal law enforcement community, as well as non-Federal accreditation experts involved in law enforcement training. The purpose of this body will be to establish standards for measuring and assessing the quality and effectiveness of Federal law enforcement training programs, facilities, and instructors.*

SEC. 108. *None of the funds made available by this Act may be used for the production of customs declarations that do not inquire whether the passenger had been in the proximity of livestock.*

SEC. 109. *None of the funds made available by this Act shall be available for any activity or for paying the salary of any Government employee where funding an activity or paying a salary to a Government employee would result in a determination, regulation, or policy that would prohibit the enforcement of section 307 of the Tariff Act of 1930.*

SEC. 110. *None of the funds made available in this Act may be used to allow—*

(1) *the importation into the United States of any good, ware, article, or merchandise mined, produced, or manufactured by forced or indentured child labor, as determined pursuant to section 307 of the Tariff Act of 1930 (19 U.S.C. 1307); or*

(2) *the release into the United States of any good, ware, article, or merchandise on which there is in effect a detention order, pursuant to such section 307, on the basis that the good, ware, article, or merchandise may have been mined, produced, or manufactured by forced or indentured child labor.*

SEC. 111. *Except as otherwise provided in this title, funds may be used for hire and purchase of motor vehicles as authorized by 31 U.S.C. 1343: Provided, That purchase for police-type use of passenger vehicles may be made without regard to the general purchase price limitation for the current fiscal year.*



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

This chapter presents the budget estimates and program justifications for the Department of Housing and Urban Development (HUD). HUD's core mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination. The 2004 Budget for HUD reflects the continuation of a multi-year comprehensive reform effort that will enhance the effectiveness of programs, reduce high unobligated and obligated balances, and return HUD to its core mission. Congress has provided significant increases in several HUD programs over the past several years.

The Department continues to emphasize expanding homeownership opportunities for all. In addition, borrowers who because of poor credit would be served at higher cost by the conventional market or not at all may take advantage of a new FHA mortgage product that rewards "good behavior" by reducing borrower mortgage insurance premiums by one percentage point after a series of consecutive on-time mortgage payments. Housing counseling increases by \$10 million. Also, the HOME Investment Partnerships Program is increased by \$113 million. This increase includes \$200 million for the down payment initiative. The 2004 budget continues the expanded Self-Help Homeownership Opportunity Program (SHOP) in an effort to accelerate home ownership by lower-income families.

The 2004 budget proposes to allow housing authorities to use up to \$131 million to reform the public housing subsidy system in a manner similar to the President's 2003 proposal.

The budget provides a means by which Public Housing Authorities (PHAs) can privately finance the capital needs of properties that can be underwritten to market standards. A loan guarantee of up to 80 percent would be established as a credit enhancement to protect lenders in the case of default. Properties recapitalized under this new financing model would be converted to project-based vouchers. Conversion would allow capital needs to be financed on a property basis as is done in the private sector, and the project-based voucher program gives additional choice and mobility to residents in the selection of their housing. In addition, such conversion will facilitate PHA management and finance on a property-by-property basis and thus increase accountability for efficient management. Many housing authorities will take advantage of this voluntary initiative to improve living conditions for their residents.

The 2004 Budget proposes the Housing Assistance for Needy Families (HANF) program. Housing vouchers will be converted to a State run block grant and will continue to assist at least the same number of low-income families. Administration by states will better assist low-income households to locate decent, safe, and affordable housing by allowing them to tailor programs to fit the needs of particular communities. Coordination by states with Temporary Assistance for Needy Families (TANF) programs will be encouraged to better reach families transitioning from welfare to work. States will provide better program administration adapted to their needs, leading to better utilization of funds to help more low-income households secure housing. The Department will also continue to fully renew contracts to assist rental of low-income elderly units in the Housing for the Elderly Program (under Section 202 of the Housing Act of 1959).

HUD continues to focus on combating homelessness and in addition eliminating chronic homelessness over a ten-year period with \$1.375 billion for the Homeless Assistance pro-

gram overall. The effort includes a \$50 million Samaritan housing program that will be jointly administered with the Departments of Health and Human Services and Veterans Affairs focused on compassionate and effective assistance for chronically homeless persons. Funding also supports a consolidated comprehensive homeless effort, including Shelter Plus Care renewals, and support for the leadership of the Inter-agency Council on Homelessness.

The transfer of the Emergency Food and Shelter Program from the Federal Emergency Management Agency (FEMA), to HUD contributes to the ongoing effort to better coordinate overall homeless program efforts.

Funding in the 2004 budget for the Fair Housing Assistance and Fair Housing Initiatives programs (FHAP and FHIP) will strengthen the ability of public and private fair housing groups, and partnerships between them, to enforce the laws protecting all Americans against illegal housing discrimination.

With the publication of the National Discrimination Study HUD now has the information necessary to improve enforcement, reduce discrimination and address accessibility issues.

The Community Development Block Grant program is funded at \$4.7 billion with \$4.4 billion for formula grants. The CDBG Formula is significantly impacted by the Census and other factors. The Department is pursuing proposals that would better reflect current data, fiscal need, levels of poverty, and effective use of funds.

HUD is one of five Departments that are leading the Federal Government in tapping the potential of faith-based and community organizations to improve housing and help develop communities.

The 2004 budget includes a 10 percent increase in lead hazard reduction grants to continue the 10-year program to eradicate lead hazards in housing.

In order to ensure the effective implementation of its programs, the Department's Office of Policy Development and Research (PD&R) will be provided with funds necessary to ensure timely provision of data, provide research and analysis of national housing and economic conditions, and measure the performance of programs, consistent with the Government Performance and Results Act of 1994.

The Department will continue the management reform effort initiated in 2001 and undertake further efforts in 2004 to refocus HUD on its core mission and key programs as part of a continuing series of planned reforms to improve program performance.

## PUBLIC AND INDIAN HOUSING

### *Federal Funds*

#### **General and special funds:**

##### HOUSING ASSISTANCE FOR NEEDY FAMILIES

*For activities and assistance under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (the "Act"), \$8,335,201,000 to remain available until expended: Provided, That \$4,200,000,000 appropriated under the heading "Housing Certificate Fund" for fiscal year 2003 that become available on October 1, 2003 shall be transferred to and merged with such amounts. Provided further, That the total of such amounts are available as follows:*

*(1) \$11,481,616,000 for renewals of expiring section 8 subsidy contracts (including amendments and renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act (42 U.S.C. 1437f(t)): Provided, That notwithstanding*

**General and special funds—Continued**

**HOUSING ASSISTANCE FOR NEEDY FAMILIES—Continued**

any other provision of law, the Secretary shall renew expiring section 8 subsidy contracts for each public housing agency (PHA) based on the most recent information the Secretary determines to be available and reliable regarding the total number of unit months under lease (and including (A) unit months representing units to be leased under existing contracts or agreements to enter into contracts for PHA project-based assistance, and (B) for agencies participating in the Moving to Work demonstration, unit months representing section 8 subsidy contracts committed to fulfill requirements for specific numbers of vouchers specified in existing agreements), and by applying an inflation factor based on local or regional factors to the actual per unit cost reported.

(2) \$609,000,000 for a central fund to be allocated by the Secretary for the support of section 8 subsidy contracts or amendments to such contracts, and for such other purposes as are set forth in this paragraph: Provided, That the Secretary may use amounts in such fund, as necessary, for contracts or contract amendments resulting from a significant change in the total number of unit months under lease, a significant change in per-unit costs, or otherwise to provide funds so that public housing agencies may lease units up to their allocation baselines: Provided further, That the Secretary shall use amounts in such fund to provide States with up to \$100,000,000 as determined by the Secretary, for costs associated with developing the capacity of States to assume the administration of the Housing Assistance for Needy Families program: Provided further, That the Secretary shall use up to \$36,000,000 in such fund for incremental vouchers under section 8 of the Act to be used for non-elderly disabled families affected by the designation of a public housing development under section 7 of the Act, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611), or the restriction of occupancy to elderly families in accordance with section 658 of such Act (42 U.S.C. 13618): Provided further, That to the extent the Secretary determines that amounts in such fund are sufficient for purposes set forth in the three immediately preceding provisos, the Secretary may make any remaining amounts in such fund available to States for section 8 tenant-based rental and homeownership assistance: Provided further, That any State using amounts pursuant to the preceding proviso for section 8 tenant-based rental and homeownership assistance, shall administer such assistance in accordance with section 8 statutory and regulatory requirements: Provided further, That a State may petition the Secretary, and the Secretary may waive any statutory or regulatory provision pertaining to such rental or homeownership assistance and may make provision for alternative conditions or terms where appropriate where the Secretary determines that such waiver will improve performance relative to the objectives of such assistance when administered by a State: Provided further, That a State may petition the Secretary with respect to rental or homeownership assistance administered by a public housing agency in the State, and the Secretary may waive any regulation pertaining to such assistance and may make provision for alternative conditions or terms where appropriate where the Secretary determines that such waiver will improve performance relative to the objectives of such assistance: Provided further, That the Secretary may allocate and distribute any such remaining amounts to States or public housing agencies notwithstanding section 213(d) of the Housing and Community Development Act of 1974.

(3) \$252,203,000 for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to the Omnibus Consolidated Recissions and Appropriations Act of 1996 (Public Law 104-134), conversion of section 23 projects to assistance under section 8, the family unification program under section 8(x) of the Act, relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act (42 U.S.C. 1437f(t)), and tenant protection assistance, including replacement and relocation assistance.

(4) \$72,000,000 for Family Self-Sufficiency Coordinators.

(5) \$1,192,382,000 for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program: Provided, That, notwithstanding any other provision of law, administrative fees shall be paid only for dwelling units covered by a section 8 housing assistance payments contract and such fees shall be paid at a rate that for each public housing agency

shall not exceed 10 percent of the total annual budget authority applicable for rental and homeownership assistance to such units leased by the public housing agency: Provided further, That all such administrative fee amounts provided under this paragraph shall be only for activities related to the provision of rental and homeownership assistance under section 8:

Provided further, That upon advance notice to the Committees on Appropriations the Secretary may transfer funds provided under paragraphs (1), (2) or (5) among such paragraphs, if the Secretary determines that such action is necessary because the funding authorized under one such paragraph otherwise would be depleted and as a result, the maximum utilization of section 8 tenant-based assistance with the funds appropriated for this purpose by this Act would not be feasible: Provided further, That, hereafter, the Secretary shall require public housing agencies to submit accounting data for funds disbursed under this heading by source of funds: Provided further, That an additional \$4,200,000,000 shall be available on October 1, 2004 and remain available until expended: Provided further, That \$1,072,000,000 from unobligated balances remaining from funds appropriated to the Department of Housing and Urban Development under the heading "Housing certificate fund" or the heading "Annual contribution for assisted housing" shall be transferred to and merged with the amounts provided under this heading.

		Program and Financing (in millions of dollars)		
Identification code 86-0332-0-1-604		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Rental assistance Block Grant .....			13,607
10.00	Total new obligations (object class 41.0) .....			13,607
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....			12,535
22.22	Unobligated balance transferred from other accounts .....			1,072
23.90	Total budgetary resources available for obligation .....			13,607
23.95	Total new obligations .....			-13,607
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....			8,335
55.00	Advance appropriation .....			4,200
70.00	Total new budget authority (gross) .....			12,535
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....			13,607
73.20	Total outlays (gross) .....			-6,086
74.40	Obligated balance, end of year .....			7,521
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....			5,014
86.93	Outlays from discretionary balances .....			1,072
87.00	Total outlays (gross) .....			6,086
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			12,535
90.00	Outlays .....			6,086

**Housing Assistance for Needy Families.** This proposal establishes a new block grant program to States called Housing Assistance for Needy Families (HANF). The Department will be submitting a comprehensive legislative proposal to authorize this proposal. When the proposed legislation is adopted, this block grant program will replace the current tenant-based Housing Choice Voucher Program. Converting the current program to a block grant approach is necessary to improve the delivery of rental and homeownership subsidies for low-income families and eliminate the significant utilization and recapture problems that plague the current tenant-based program.

Fiscal year 2004 will be a transitional year in which HUD will provide voucher payments directly to Public Housing Agencies (PHAs) currently managing the program to cover units leased. HUD will also remit payment to PHAs for ad-

ministrative fees. States will use fiscal year 2004 as the transition year to ramp up with staff and systems.

A Central Fund will be available for use to: (1) fund State start-up costs; (2) support leasing up to the baseline; (3) and fund additional units in PHAs or States that have utilized one hundred percent of allocated funds.

**Contract Renewals.** Contract renewals provide funding to renew expiring rental assistance contracts covering certificates, vouchers (including project-based vouchers), and moderate rehabilitation. The account also includes \$72 million in funding for Family Self-Sufficiency Coordinators.

**Incremental Rental Assistance.**—For 2004, the Department is requesting \$36 million in budget authority for approximately 5,500 vouchers for persons with disabilities. Additional funding for tenant-based housing assistance may become available in the central reserve fund.

**PIH Tenant Protection Vouchers.**—The Housing Assistance for Needy Families account will continue to support families living in public and assisted housing units affected by changes in the status of the units. Income-eligible families who are affected by the demolition, disposition, revitalization or other capital improvements through no fault of their own, will continue to be eligible to receive relocation/replacement vouchers.

**Housing Tenant Protection Vouchers.**—The Housing Assistance for Needy Families account will also continue supporting families in FHA-insured, privately owned assisted housing projects affected by changes in project status. It is intended that income-eligible families who, through no fault of their own, are affected by HUD's management of the multifamily inventory or owner's decision to prepay their mortgage or opt-out of project-based section 8 contracts, be aided through HANF.

**Proposed minimum rent.**—A new minimum rent of \$50 a month is proposed for recipients of low-income housing assistance. This would apply to households headed by an able-bodied working age individual. It is intended to promote work and increase equity in the treatment of recipient households with similar needs.

#### PROJECT-BASED RENTAL ASSISTANCE

##### (INCLUDING TRANSFER AND RESCISSION OF FUNDS)

For assistance under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) ("Act") not otherwise provided for, \$4,823,405,379 and amounts recaptured in this account, to remain available until expended; of which up to \$100,000,000 is for contract administrators; of which no less than \$3,010,000 shall be transferred to the Working Capital fund for development of and modifications to information technology systems which serve programs or activities under this heading and under "Housing Assistance for Needy Families"; and of which \$4,720,395,379 is for expiring project-based section 8 subsidy contracts, for amendments to project-based section 8 subsidy contracts, and for contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act, and for 1-year renewals of section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990: Provided, That \$300,000,000 is rescinded from unobligated balances remaining from funds appropriated to the Department of Housing and Urban Development under this heading or the heading "Annual contributions for assisted housing" or any other heading for fiscal year 2003 and prior years, to be effected by the Secretary no later than September 30, 2004: Provided further, That any such balances governed by reallocation provisions under the statute authorizing the program for which the funds were originally appropriated shall not be available for this rescission: Provided further, That any obligated balances of contract authority that have been terminated shall be canceled.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 86-0319-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Contract renewals .....	15,573	17,272	4,720
00.02 Contract Administrator .....	148	289	100
00.03 Rental Assistance .....	145	388	.....
00.04 Preservation Amendment .....	.....	2	.....
00.05 Section 514 Technical Assistance .....	8	.....	.....
00.06 Non-Elderly Disabled .....	40	40	.....
00.08 Regional Opportunity Counseling .....	10	.....	.....
00.09 Section 8 Amendment .....	359	23	.....
00.11 Incremental vouchers .....	104	164	.....
00.12 Other .....	.....	2	.....
00.13 Job Plus .....	.....	6	.....
00.14 Working Capital Fund .....	13	3	3
00.15 Section 8 Counseling .....	1	2	.....
00.17 Home (City of New Rochelle) .....	6	.....	.....
10.00 Total new obligations (object class 41.0) .....	16,407	18,191	4,823
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1,676	1,738	1,072
22.00 New budget authority (gross) .....	13,948	16,427	4,523
22.10 Resources available from recoveries of prior year obligations .....	2,539	1,100	300
22.21 Unobligated balance transferred to other accounts .....	.....	.....	-1,072
22.75 Balance of contract authority withdrawn .....	-17	.....	.....
23.90 Total budgetary resources available for obligation .....	18,146	19,265	4,823
23.95 Total new obligations .....	-16,407	-18,191	-4,823
24.40 Unobligated balance carried forward, end of year .....	1,738	1,072	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	11,336	13,327	4,823
40.36 Unobligated balance rescinded .....	-1,588	-1,100	-300
43.00 Appropriation (total discretionary) .....	9,748	12,227	4,523
55.00 Advance appropriation .....	4,200	4,200	.....
Mandatory:			
60.00 Appropriation .....	5,105	5,000	5,000
60.49 Portion applied to liquidate contract authority .....	-5,105	-5,000	-5,000
62.50 Appropriation (total mandatory) .....	.....	.....	.....
70.00 Total new budget authority (gross) .....	13,948	16,427	4,523
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	42,520	37,889	35,106
73.10 Total new obligations .....	16,407	18,191	4,823
73.20 Total outlays (gross) .....	-18,499	-19,874	-14,369
73.45 Recoveries of prior year obligations .....	-2,539	-1,100	-300
74.40 Obligated balance, end of year .....	37,889	35,106	25,260
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	.....	1,917	623
86.93 Outlays from discretionary balances .....	18,499	17,957	13,746
87.00 Total outlays (gross) .....	18,499	19,874	14,369
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	13,948	16,427	4,523
90.00 Outlays .....	18,499	19,874	14,369

This account was formerly known as the Housing Certificate Fund. Beginning in 2004, all new activity under the Housing Choice Voucher Program is funded under "Housing Assistance for Needy Families." Funding requested in 2004 under this account is only for project-based rental assistance contract renewals and supporting activities in contract administration and information technology spending under the Working Capital Fund. Spending from obligated balances resulting from Housing Certificate Fund appropriations in 2003 and prior will continue to be shown under this account.

**Contract Renewals.** Contract renewals provide funding to renew expiring Section 8 rental assistance contracts covering Loan Management, New Construction/Substantial Rehabilitation, Property Disposition, and Preservation, and contracts authorized under section 441 of the McKinney-Vento Homeless Assistance Act.

**General and special funds—Continued**

**PROJECT-BASED RENTAL ASSISTANCE—Continued**

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)—Continued

**Status of Contract Authority** (in millions of dollars)

Identification code 86-0319-0-1-604	2002 actual	2003 est.	2004 est.
0400 Appropriation to liquidate contract authority .....	-5,105	-5,000	-5,000
0600 Balance of contract authority withdrawn .....	-17		

**MOVING TO WORK**

**Program and Financing** (in millions of dollars)

Identification code 86-0331-0-1-451	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	2	1
73.20 Total outlays (gross) .....	-1	-1	-1
74.40 Obligated balance, end of year .....	2	1	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1	1	1

The Moving-to-Work demonstration provides unprecedented autonomy and flexibility to a select group of high-performing public housing authorities (PHAs) in order to assess the potential impacts of Federal deregulation on resident households, housing developments, and local housing programs. Through waivers of requirements of the 1937 Housing Act, as amended, and related Federal regulations, participating PHAs can combine Federal funding allocated for public housing operating subsidy, capital subsidy, and Section 8 vouchers into a flexible housing assistance fund. PHAs may provide incentives to families that work, are seeking work, or are preparing for work, PHAs are also allowed to change administrative procedures and management policies so they can reallocate resources to better address local housing needs and priorities. No additional funding is being requested for this demonstration.

**PUBLIC HOUSING CAPITAL FUND**  
(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g) (the "Act"), \$2,641,000,000, to remain available until September 30, 2007; of which up to the specified following amounts shall be available as provided herein: for section 9(h) of such Act, \$50,000,000, of which \$13,000,000 shall be for the provision of remediation services to public housing agencies identified as "troubled" under the Section 8 Management Assessment Program and for surveys used to calculate local Fair Market Rents and assess housing conditions in connection with rental assistance under section 8 of the Act; for partial guarantees of loans to finance the conversion of public housing subsidies to project-based voucher assistance where such conversion is done in conjunction with financing of any necessary capital improvements of properties that will be covered by such assistance, \$131,000,000; for lease adjustments to section 23 projects, \$500,000; for the development of and modifications to information technology systems which serve programs or activities under Public and Indian Housing, no less than \$10,610,000 to be transferred to the Working Capital Fund; to make grants to public housing agencies for emergency capital needs and natural disasters in fiscal year 2004, \$40,000,000; for supportive services, service coordinators and congregate services as authorized by section 34 of the Act and the Native American Housing Assistance and Self-Determination Act of 1996,

\$40,000,000; for demolition, site revitalization, replacement housing, and tenant-based assistance grants, \$30,000,000: Provided, That no funds may be used under this heading for the purposes specified in section 9(k) of the Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 86-0304-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Capital Grants .....	2,678	2,891	2,577
00.02 Emergency/Disaster .....	12	40	40
00.03 Technical Assistance .....	37	45	50
00.04 Working Capital Fund .....	53	19	11
00.05 Neighborhood Network Initiative .....	12	10	
00.06 Resident Opportunities and Supportive Services .....		55	40
00.07 Tenant Opportunity Programs .....	8		
00.08 Public Housing Amendments .....	1		
10.00 Total new obligations (object class 41.0) .....	2,801	3,060	2,718
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	696	751	117
22.00 New budget authority (gross) .....	2,843	2,426	2,641
22.10 Resources available from recoveries of prior year obligations .....	35		
22.75 Balance of contract authority withdrawn .....	-22		
23.90 Total budgetary resources available for obligation .....	3,552	3,177	2,758
23.95 Total new obligations .....	-2,801	-3,060	-2,718
24.40 Unobligated balance carried forward, end of year .....	751	117	40
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2,843	2,426	2,641
Mandatory:			
60.00 Appropriation .....	500	589	589
60.49 Portion applied to liquidate contract authority .....	-500	-589	-589
62.50 Appropriation (total mandatory) .....			
70.00 Total new budget authority (gross) .....	2,843	2,426	2,641
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	11,996	10,995	10,454
73.10 Total new obligations .....	2,801	3,060	2,718
73.20 Total outlays (gross) .....	-3,767	-3,601	-3,808
73.45 Recoveries of prior year obligations .....	-35		
74.40 Obligated balance, end of year .....	10,995	10,454	9,362
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	164	161	172
86.93 Outlays from discretionary balances .....	3,603	3,440	3,636
87.00 Total outlays (gross) .....	3,767	3,601	3,808
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2,843	2,426	2,641
90.00 Outlays .....	3,767	3,601	3,808

The Public Housing Capital Fund, a comprehensive formula-driven program based on need, is designed to respond to the capital and management improvement requirements of public housing. The fund is a consolidation of the following programs: public housing modernization; public housing development; Major Reconstruction of Obsolete Public Housing Projects (MROP); and public housing amendments.

Of the \$2.6 billion requested for the Public Housing Capital Fund, approximately \$2.3 billion is provided to cover annual accrual needs. Up to \$131 million may be used for partial loan guarantees for a new initiative that has the promise to address the public housing capital backlog by enabling housing authorities to privately finance their properties. Other uses include up to \$40 million to provide supportive services to public housing residents under the Resident Opportunities and Supportive Services (ROSS) program, up to \$40 million for emergencies or disasters, up to \$50 million

for technical assistance, up to \$30 million for demolition, site revitalization, replacement housing, and tenant based assistance grants, and no less than \$10.61 million for the Working Capital Fund.

The budget provides a means by which Public Housing Authorities (PHAs) can privately finance the capital needs of properties that can be underwritten to market standards. A loan guarantee of 80 percent would be established as a credit enhancement to protect lenders in the case of default. Properties recapitalized under this new financing model would be converted to project-based vouchers. Conversion would allow capital needs to be financed on a property basis as is done in the private sector, and the project-based voucher program gives additional choice and mobility to residents in the selection of their housing. In addition, such conversion will facilitate PHA management and finance on a property-by-property basis and thus increase accountability for efficient management, and will relate ongoing Federal subsidies more closely to the rental market. Many housing authorities should be able to take advantage of this voluntary initiative to improve the living conditions of their residents and their own management.

Legislation is being proposed to accompany this proposal. It provides changes in the applicability of the project-based voucher so that the program is workable for current public housing sites; allows for partial loan guarantees; and authorizes the use of up-front capital contributions where necessary.

**Status of Contract Authority** (in millions of dollars)

Identification code 86-0304-0-1-604	2002 actual	2003 est.	2004 est.
0400 Appropriation to liquidate contract authority .....	-500	-589	-589
0600 Balance of contract authority withdrawn .....	-22		

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 86-0304-0-1-604	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Public Housing Reform Initiative .....			1,715
215901 Total loan guarantee levels .....			1,715
Guaranteed loan subsidy (in percent):			
232001 Public Housing Reform Initiative .....			7.66
232901 Weighted average subsidy rate .....			7.66
Guaranteed loan subsidy budget authority:			
233001 Public Housing Reform Initiative .....			131
233901 Total subsidy budget authority .....			131
Guaranteed loan subsidy outlays:			
234001 Public Housing Reform Initiative .....			7
234901 Total subsidy outlays .....			7

**PUBLIC HOUSING OPERATING FUND**  
(INCLUDING TRANSFER OF FUNDS)

For 2004 payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g(e)), \$3,574,000,000, to remain available until September 30, 2005; of which \$15,000,000 shall be for supportive services, service coordinators and congregate services as authorized by section 34 of the Act and the Native American Housing Assistance and Self-Determination Act of 1996: Provided, That in 2004 and hereafter, no amounts provided under this header may be used for payments to public housing agencies for the costs of operation and management of public housing in any year prior to the current year.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 86-0163-0-1-604	2002 actual	2003 est.	2004 est.
<b>Operating by program activity:</b>			
00.01 Operating Subsidy .....	3,621	3,546	3,574
00.02 Office of Inspector General .....	5		
00.03 Department of Justice Anti-Drug .....	10	10	
10.00 Total new obligations (object class 41.0) .....	3,636	3,556	3,574
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	141	26	
22.00 New budget authority (gross) .....	3,495	3,530	3,574
22.10 Resources available from recoveries of prior year obligations .....	26		
23.90 Total budgetary resources available for obligation .....	3,662	3,556	3,574
23.95 Total new obligations .....	-3,636	-3,556	-3,574
24.40 Unobligated balance carried forward, end of year .....	26		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3,495	3,530	3,574
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,683	1,658	1,757
73.10 Total new obligations .....	3,636	3,556	3,574
73.20 Total outlays (gross) .....	-3,635	-3,457	-3,565
73.45 Recoveries of prior year obligations .....	-26		
74.40 Obligated balance, end of year .....	1,658	1,757	1,766
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,842	1,805	1,823
86.93 Outlays from discretionary balances .....	1,793	1,652	1,742
87.00 Total outlays (gross) .....	3,635	3,457	3,565
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,495	3,530	3,574
90.00 Outlays .....	3,635	3,457	3,565

Operating subsidies are provided to public housing authorities (PHAs) to assist in funding the operation and maintenance expenses of public housing units in accordance with Section 9(e) of the United States Housing Act of 1937, as amended.

The following tables display the sources of housing authorities' expected revenue and expenditures by category. The distribution is based on historical data reported by housing authorities to HUD on the Statement of Operating Receipts and Expenditures.

**Sources of Housing Authorities' Operating Revenue** (in millions of dollars)

Category	Annual income	Percent of total
Operating Subsidies .....	\$3,559	53%
Dwelling Rental .....	2,618	39%
Investment .....	269	4%
Other Income .....	269	4%
Total, Operating Revenue .....	6,715	100%

**Operating Subsidies.**—Represent HUD's contributions to a housing authority's operating budget. Under the current formula-based approach, HUD sets a formula-determined allowable expense level (AEL) for each PHA and separately computes utility and audit costs. The PHA's dwelling rental income is also projected and the subsidy is the difference between the projected AEL, utility, and audit expenses and projected dwelling rental income.

**Dwelling Rental.**—Income derived from tenants' rents.

**Investment Income.**—Income from interest earned on general fund investments.

**Other Income.**—Includes income from other sources such as renting rooftop space for signs or broadcasting and from operating services for tenants, such as laundromats or day care centers.

**General and special funds—Continued**

**PUBLIC HOUSING OPERATING FUND—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

**Housing Authorities' Operating Expenditures** (in millions of dollars)

Category	Annual expenditures	Percent of total
Utilities .....	1,477	22%
Administration .....	1,813	27%
General Operating Expenses .....	537	8%
Maintenance .....	2,417	36%
Tenant Services .....	134	2%
Protective Services .....	201	3%
Capital Expenditures .....	67	1%
Operating Reserve .....	67	1%
<b>Total, Operating Expenses .....</b>	<b>6,715</b>	<b>100%</b>

*Utilities.*—Includes water, sewer, electricity, gas, and fuel.

*Administration.*—Includes administrative salaries, legal expenses, staff training, travel, accounting fees, auditing fees, sundry, and outside management costs.

*General Operating Expenses.*—Includes insurance, payments made to local governments in lieu of taxes, terminal leave payments, employees benefit contributions, collection losses, interest on administrative and sundry notes, and other general expenses.

*Ordinary Maintenance and Operations.*—Consists of expenses for labor, materials, contracts and garbage fees associated with the day-to-day operation of the public housing authority.

*Tenant Services.*—Cover salaries, recreation, publication, contract costs, training, and other expenses.

*Protective Services.*—Includes expenses for labor, materials, and contract costs.

*Capital Expenditures.*—Includes extraordinary maintenance, casualty losses, and property betterments (e.g. roofs and furnaces).

*Operating reserves.*—Provides working capital funds and is a reserve for emergencies.

**DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING**

(INCLUDING TRANSFERS OF FUNDS)

**Program and Financing** (in millions of dollars)

Identification code 86-0197-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	92	24	
00.02 Federally Assisted Housing .....	17	3	
00.03 Operation Safe Home .....		9	
00.04 New Approach Anti-Drug Program .....	21	3	
10.00 Total new obligations (object class 41.0) .....	130	39	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	171	39	
22.00 New budget authority (gross) .....	-11		
22.10 Resources available from recoveries of prior year obligations .....	9		
23.90 Total budgetary resources available for obligation .....	169	39	
23.95 Total new obligations .....	-130	-39	
24.40 Unobligated balance carried forward, end of year .....	39		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance rescinded .....	-11		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	490	286	125
73.10 Total new obligations .....	130	39	
73.20 Total outlays (gross) .....	-325	-200	-74
73.45 Recoveries of prior year obligations .....	-9		
74.40 Obligated balance, end of year .....	286	125	51

<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	325	200	74
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	-11		
90.00	Outlays .....	325	200	74

The Public Housing Drug Elimination Grants program was terminated in the 2002 Budget. The program was found to have limited impact; current regulatory tools, such as eviction, are effective in reducing drug-related crime in public housing; and finally, fighting crime and drugs is not directly related to HUD's core mission—it is the mission of federal law enforcement and other agencies whose programs help combat illegal drugs and crime in public housing communities. PHAs can supplement other public housing security efforts using operating funds if they choose.

**REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)**

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 86-0218-0-1-604	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01 Direct Program Activity .....	569	580	557	
00.02 Technical Assistance .....	7	6	6	
00.05 Neighborhood Networks .....		5	5	
10.00 Total new obligations (object class 41.0) .....	576	591	568	
<b>Budgetary resources available for obligation:</b>				
21.40 Unobligated balance carried forward, start of year .....	581	587	570	
22.00 New budget authority (gross) .....	574	574		
22.10 Resources available from recoveries of prior year obligations .....	8			
23.90 Total budgetary resources available for obligation .....	1,163	1,161	570	
23.95 Total new obligations .....	-576	-591	-568	
24.40 Unobligated balance carried forward, end of year .....	587	570	2	
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00 Appropriation .....	574	574		
<b>Change in obligated balances:</b>				
72.40 Obligated balance, start of year .....	2,579	2,681	2,726	
73.10 Total new obligations .....	576	591	568	
73.20 Total outlays (gross) .....	-466	-546	-609	
73.45 Recoveries of prior year obligations .....	-8			
74.40 Obligated balance, end of year .....	2,681	2,726	2,685	
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	1	6	
86.93	Outlays from discretionary balances .....	465	540	609
87.00	Total outlays (gross) .....	466	546	609
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	574	574	
90.00	Outlays .....	466	546	609

No additional funds are requested for this program in 2004. This program utilized Federal resources to rehabilitate and restore severely distressed public housing projects, thereby expanding the supply of decent, safe, and affordable housing for low-income individuals and families. The funds were used for project demolition, hard replacement units, and tenant-based rental assistance.

**NATIVE AMERICAN HOUSING BLOCK GRANTS**  
(INCLUDING TRANSFER OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4111 et seq.), \$646,600,000, to remain available until expended, of which \$5,000,000 shall be to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance, including up to \$300,000 for related travel; and of which no less than \$2,720,000 shall be transferred to the Working Capital Fund for development of and modifications to information technology systems which serve programs or activities under "Public and Indian Housing": Provided, That of the amount provided under this heading, \$1,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: Provided further, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed \$8,049,242: Provided further, That the Secretary of Housing and Urban Development may provide technical and financial assistance to Indian tribes and their tribally-designated housing entities in accordance with the provisions of NAHASDA for emergency housing, housing assistance, and other assistance to address the problem of mold: Provided further, That for administrative expenses to carry out the guaranteed loan program, up to \$150,000 from amounts in the first proviso, which shall be transferred to and merged with the appropriation for "Salaries and expenses", to be used only for the administrative costs of these guarantees.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 86-0313-0-1-604	2002 actual	2003 est.	2004 est.
0100 Negative subsidies/subsidy reestimates		1	

**Program and Financing** (in millions of dollars)

Identification code 86-0313-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Indian Housing Block Grants	691	641	641
00.02 Title VI Loan Guarantee Subsidy	6	2	2
00.03 Technical Assistance	4	3	3
00.04 Working Capital Fund	3	1	1
10.00 Total new obligations (object class 41.0)	704	647	647
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	187	139	139
22.00 New budget authority (gross)	649	647	647
22.10 Resources available from recoveries of prior year obligations	7		
23.90 Total budgetary resources available for obligation	843	786	786
23.95 Total new obligations	-704	-647	-647
24.40 Unobligated balance carried forward, end of year	139	139	139
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	649	647	647
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	1,034	1,018	925
73.10 Total new obligations	704	647	647
73.20 Total outlays (gross)	-713	-740	-820
73.45 Recoveries of prior year obligations	-7		
74.40 Obligated balance, end of year	1,018	925	752
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	113	113	113
86.93 Outlays from discretionary balances	600	627	707
87.00 Total outlays (gross)	713	740	820

**Net budget authority and outlays:**

89.00 Budget authority	649	647	647
90.00 Outlays	713	740	820

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 86-0313-0-1-604	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Title VI	53	17	8
215901 Total loan guarantee levels	53	17	8
Guaranteed loan subsidy (in percent):			
232001 Title VI	11.07	11.07	10.56
232901 Weighted average subsidy rate	11.07	11.07	10.56
Guaranteed loan subsidy budget authority:			
233001 Title VI	6	2	1
233901 Total subsidy budget authority	6	2	1
Guaranteed loan subsidy outlays:			
234001 Title VI	6	3	2
234901 Total subsidy outlays	6	3	2
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Title VI		-1	
237901 Total downward reestimate subsidy budget authority		-1	
Guaranteed loan downward reestimate subsidy outlays:			
238001 Title VI		-1	
238901 Total downward reestimate subsidy outlays		-1	

Title I of the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996 (P.L. 104-330) authorized the Native American Housing Block Grant program. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address housing needs within their communities.

The Native American Housing Block Grant program includes a guaranteed loan provision (Title VI). A guarantee level of \$8 million is proposed for this loan guarantee program for 2004. The subsidy rate for this program is set at 10.56 percent with a federal guarantee of 80 percent. A primary goal of the Title VI program is to encourage private lenders to provide financing in Indian country. Therefore, the program provides for the federal guarantee of notes or other obligations issued by Indian tribes or tribally designated housing entities for the purpose of financing affordable housing activities described in section 202 of the Act.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1998 and beyond (including modifications of guarantees that resulted from obligations in any given year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**NATIVE HAWAIIAN HOUSING BLOCK GRANT**

For the Native Hawaiian Housing Block Grant program, as authorized under title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111 et seq.), \$10,000,000, to remain available until expended, of which \$400,000 shall be for training and technical assistance activities.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General and special funds—Continued**

**NATIVE HAWAIIAN HOUSING BLOCK GRANT—Continued**

**Program and Financing (in millions of dollars)**

Identification code 86-0235-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Native Hawaiian Housing Block Grant .....		10	10
10.00 Total new obligations (object class 41.0) .....		10	10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		10	10
23.95 Total new obligations .....		-10	-10
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		10	10
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			10
73.10 Total new obligations .....		10	10
73.20 Total outlays (gross) .....			-11
74.40 Obligated balance, end of year .....		10	9
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			1
86.93 Outlays from discretionary balances .....			10
87.00 Total outlays (gross) .....			11
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		10	10
90.00 Outlays .....			11

The Hawaiian Homelands Homeownership Act of 2000 (P.L. 106-568) amended the Native American Housing Assistance and Self-Determination Act of 1996 by adding Title VIII, which authorized the Native Hawaiian Housing Block Grant program. This program provides an allocation of funds to assist and promote affordable housing activities to develop, maintain and operate affordable housing for eligible low-income Native Hawaiian families.

It authorizes annual grants to the Department of Hawaiian Home Lands (DHHL) for housing and housing-related assistance, pursuant to an annual housing plan, within the area in which DHHL is authorized to provide that assistance. DHHL uses performance measures and benchmarks that are consistent with the national goals of the program, but it can base these measures on the needs and priorities that it establishes in its five- and one-year housing plans.

**Public enterprise funds:**

**LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES**

**Program and Financing (in millions of dollars)**

Identification code 86-4098-0-3-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program: Capital investment loans to PHAs .....	7	40	30
10.00 Total new obligations (object class 33.0) .....	7	40	30
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	20	20	21
22.00 New budget authority (gross) .....	97	115	114
22.60 Portion applied to repay debt .....	-90	-74	-79
23.90 Total budgetary resources available for obligation .....	27	61	56
23.95 Total new obligations .....	-7	-40	-30
24.40 Unobligated balance carried forward, end of year .....	20	21	26
<b>New budget authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	25	40	30

69.00 Offsetting collections (cash) .....	72	75	84
70.00 Total new budget authority (gross) .....	97	115	114

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	682	597	522
73.10 Total new obligations .....	7	40	30
73.20 Total outlays (gross) .....	-92	-115	-114
74.40 Obligated balance, end of year .....	597	522	438

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	92	115	114
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**Offsets:**

Against gross budget authority and outlays:

Offsetting collections (cash) from:			
88.00 Federal sources .....	-71	-75	-84
88.40 Non-Federal sources .....	-1		
88.90 Total, offsetting collections (cash) .....	-72	-75	-84

**Net budget authority and outlays:**

89.00 Budget authority .....	25	40	30
90.00 Outlays .....	20	40	30

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4098-0-3-604	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1,280	1,209	1,134
1251 Repayments: Repayments and prepayments .....	-71	-75	-84
1290 Outstanding, end of year .....	1,209	1,134	1,050

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4098-0-3-604	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	2,464	2,189	1,909
2251 Repayments and prepayments .....	-275	-280	-280
2290 Outstanding, end of year .....	2,189	1,909	1,629
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	2,189	1,909	1,629

The Low-Rent Public Housing Loan Fund provides direct Federal loans to fund remaining Public Housing Agency and Indian Housing Authority construction, acquisition, and modernization activities reserved under the Annual Contributions appropriation through 1986. These loans are made by borrowing from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), amounts borrowed from the Treasury are forgiven at the end of each fiscal year and the loans to PHAs/IHAs are forgiven as construction, acquisition, and modernization activities are completed. Under the provisions of this legislation, \$25 million borrowed from the Treasury was forgiven in 2002, an estimated \$40 million will be borrowed from the Treasury and forgiven in 2003, and an estimated \$30 million will be borrowed from the Treasury and forgiven in 2004.

Since 1987, new reservations of capital funds for construction, acquisition, and modernization activities have been provided directly from the Public Housing Capital Fund appropriations.

*Operating results.*—The actual and estimated net operating income for 2001, 2002, 2003 and 2004 follows:

**Statement of Operations (in millions of dollars)**

Identification code 86-4098-0-3-604	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	89	92	92	92
0102 Expense .....	-91	-91	-91	-91
0105 Net income or loss (-) .....	-2	1	1	1

**Balance Sheet** (in millions of dollars)

Identification code 86-4098-0-3-604	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	702	617	617	617
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	1,282	1,210	1,210	1,210
1602 Interest receivable .....	80	75	75	75
1603 Allowance for estimated uncollectible loans and interest (-) .....	-1			
1604 Direct loans and interest receivable, net .....	1,361	1,285	1,285	1,285
1699 Value of assets related to direct loans .....	1,361	1,285	1,285	1,285
1999 Total assets .....	2,063	1,902	1,902	1,902
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....	151	147	147	147
2104 Resources payable to Treasury .....	1,279	1,207	1,207	1,207
2207 Non-Federal liabilities: Other .....	2	2	2	2
2999 Total liabilities .....	1,432	1,356	1,356	1,356
<b>NET POSITION:</b>				
3100 Appropriated capital .....	636	551	551	551
3300 Cumulative results of operations .....	-5	-5	-5	-5
3999 Total net position .....	631	546	546	546
4999 Total liabilities and net position .....	2,063	1,902	1,902	1,902

**Credit accounts:**

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

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a), \$1,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$27,472,528.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$250,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for "Salaries and expenses", to be used only for the administrative costs of these guarantees.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 86-0223-0-1-371	2002 actual	2003 est.	2004 est.
0101 Indian housing loan guarantee fund, downward reestimates of subsidies .....		1	

**Program and Financing** (in millions of dollars)

Identification code 86-0223-0-1-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Guaranteed loan subsidy .....	1	9	1
10.00 Total new obligations (object class 41.0) .....	1	9	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	22	29	25
22.00 New budget authority (gross) .....	6	5	1
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	30	34	26

23.95 Total new obligations .....	-1	-9	-1
24.40 Unobligated balance carried forward, end of year .....	29	25	25

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	6	5	1

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	3	1	5
73.10 Total new obligations .....	1	9	1
73.20 Total outlays (gross) .....	-1	-4	-5
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	1	5	1

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....		1	
86.93 Outlays from discretionary balances .....	1	3	5
87.00 Total outlays (gross) .....	1	4	5

**Net budget authority and outlays:**

89.00 Budget authority .....	6	5	1
90.00 Outlays .....	1	4	5

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 86-0223-0-1-371	2002 actual	2003 est.	2004 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Indian Housing Loan Guarantee .....	234	197	27
215901 Total loan guarantee levels .....	234	197	27
<b>Guaranteed loan subsidy (in percent):</b>			
232001 Indian Housing Loan Guarantee .....	2.47	2.43	2.73
232901 Weighted average subsidy rate .....	2.47	2.43	2.73
<b>Guaranteed loan subsidy budget authority:</b>			
233001 Indian Housing Loan Guarantee .....	6	5	1
233901 Total subsidy budget authority .....	6	5	1
<b>Guaranteed loan subsidy outlays:</b>			
234001 Indian Housing Loan Guarantee .....	1	3	3
234901 Total subsidy outlays .....	1	3	3
<b>Guaranteed loan downward reestimate subsidy budget authority:</b>			
237001 Indian Housing Loan Guarantee .....		1	
237901 Total downward reestimate subsidy budget authority .....		1	
<b>Guaranteed loan downward reestimate subsidy outlays:</b>			
238001 Indian Housing Loan Guarantee .....		1	
238901 Total downward reestimate subsidy outlays .....		1	

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond (including modifications of guarantees that resulted from obligations in any year). The subsidy amounts are estimated on a net present value basis. The administrative expenses are shown on a cash basis.

This program provides access to sources of private financing for Indian families, Indian tribes, and their tribally designated housing entities who otherwise could not acquire housing financing because of the unique legal status of Indian trust land.

**INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 86-4104-0-3-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity (Default Claims) .....	1		
08.02 Downward subsidy rate reestimate .....		1	
10.00 Total new obligations (object class 33.0) .....	1	1	

Credit accounts—Continued

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT—  
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4104-0-3-604	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	6	5	7
22.00 New financing authority (gross)	-1	3	3
23.90 Total budgetary resources available for obligation	5	8	10
23.95 Total new obligations	-1	-1	
24.40 Unobligated balance carried forward, end of year	5	7	10

**New financing authority (gross), detail:**

Spending authority from offsetting collections:			
Discretionary:			
68.00 Federal sources	1	3	3
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-2		
68.90 Spending authority from offsetting collections (total discretionary)	-1	3	3

**Change in obligated balances:**

72.40 Obligated balance, start of year	-3	-1	-1
73.10 Total new obligations	1	1	
73.20 Total financing disbursements (gross)	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	2		
74.40 Obligated balance, end of year	-1	-1	-1
87.00 Total financing disbursements (gross)	1		

**Offsets:**

Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources: Payments from program account	-1	-3	-3
Against gross financing authority only:			
88.95 Change in receivables from program accounts	2		

**Net financing authority and financing disbursements:**

89.00 Financing authority			
90.00 Financing disbursements	-1	-3	-3

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4104-0-3-604	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	234	197	27
2121 Limitation available from carry-forward	272	505	682
2143 Uncommitted limitation carried forward	-505	-682	-686
2150 Total guaranteed loan commitments	1	20	23
2199 Guaranteed amount of guaranteed loan commitments	1	20	23
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	66	58	57
2231 Disbursements of new guaranteed loans	1	10	19
2251 Repayments and prepayments	-8	-9	-11
2263 Adjustments: Terminations for default that result in claim payments	-1	-2	-2
2290 Outstanding, end of year	58	57	63
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	58	57	63

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from the loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet (in millions of dollars)

Identification code 86-4104-0-3-604	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury	4	5	6	6
1999 Total assets	4	5	6	6
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees	4	5	6	6
2999 Total liabilities	4	5	6	6
4999 Total liabilities and net position	4	5	6	6

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM  
ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13b), \$1,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$35,347,985.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$35,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for "Salaries and expenses", to be used only for the administrative costs of these guarantees.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 86-0233-0-1-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Guaranteed loan subsidy		1	1
10.00 Total new obligations (object class 41.0)		1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year		1	1
22.00 New budget authority (gross)	1	1	1
23.90 Total budgetary resources available for obligation	1	2	2
23.95 Total new obligations		-1	-1
24.40 Unobligated balance carried forward, end of year	1	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	1	1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations		1	1
73.20 Total outlays (gross)		-1	-1
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances		1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	1	1	1
90.00 Outlays		1	1

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0233-0-1-371	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Native Hawaiian Housing	40	40	35
215901 Total loan guarantee levels	40	40	35
Guaranteed loan subsidy (in percent):			
232001 Native Hawaiian Housing	2.47	2.43	2.73

232901 Weighted average subsidy rate .....	2.47	2.43	2.73
Guaranteed loan subsidy budget authority:			
233001 Native Hawaiian Housing .....	1	1	1
233901 Total subsidy budget authority .....	1	1	1
Guaranteed loan subsidy outlays:			
234001 Native Hawaiian Housing .....		1	1
234901 Total subsidy outlays .....		1	1

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 2001 and beyond (including modifications of guarantees that resulted from obligations in any year). The subsidy amounts are estimated on a net present value. The administrative expenses are shown on a cash basis.

This program provides access to sources of private financing to eligible Native Hawaiian families who reside on the Hawaiian Home Lands and who otherwise could not acquire private financing because of the unique legal status of the Hawaiian Home Lands.

**Balance Sheet** (in millions of dollars)

Identification code 86-4351-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....			1	
1999 Total assets .....			1	
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....			1	
2999 Total liabilities .....			1	
4999 Total liabilities and net position .....			1	

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the government resulting from the loan guarantees committed in 2001 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

**NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 86-4351-0-3-371	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			1
22.00 New financing authority (gross) .....		1	1
23.90 Total budgetary resources available for obligation .....		1	2
24.40 Unobligated balance carried forward, end of year .....		1	1
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Federal sources .....		1	1

<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources: Payments from program account .....		-1	-1

<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....		-1	-1

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 86-4351-0-3-371	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	40	40	35
2121 Limitation available from carry-forward .....		40	79
2143 Uncommitted limitation carried forward .....	-40	-79	-112
2150 Total guaranteed loan commitments .....		1	2
2199 Guaranteed amount of guaranteed loan commitments .....		1	2
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....			1
2231 Disbursements of new guaranteed loans .....		1	2
2251 Repayments and prepayments .....			-1
2290 Outstanding, end of year .....		1	2
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....		1	2

**TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 86-4244-0-3-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
08.02 Downward Reestimate .....		1	
10.00 Total new obligations .....		1	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	8	10
22.00 New financing authority (gross) .....	6	3	2
23.90 Total budgetary resources available for obligation .....	7	11	12
23.95 Total new obligations .....		-1	
24.40 Unobligated balance carried forward, end of year .....	8	10	12

<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	6	3	2

<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		1	

<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources .....	-6	-3	-2

<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....	-6	-3	-2

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 86-4244-0-3-604	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	53	17	8
2121 Limitation available from carry-forward .....	193	191	191
2143 Uncommitted limitation carried forward .....	-191	-191	-187
2150 Total guaranteed loan commitments .....	55	17	12
2199 Guaranteed amount of guaranteed loan commitments .....	44	14	10
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	10	65	76
2231 Disbursements of new guaranteed loans .....	55	14	10
2251 Repayments and prepayments .....		-2	-5

Credit accounts—Continued

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT—  
Continued

Status of Guaranteed Loans (in millions of dollars)—Continued

Identification code 86-4244-0-3-604	2002 actual	2003 est.	2004 est.
2263 Adjustments: Terminations for default that result in claim payments .....		-1	-1
2290 Outstanding, end of year .....	65	76	80
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	52	61	64

Balance Sheet (in millions of dollars)

Identification code 86-4244-0-3-604	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	1	8	3	
1999 Total assets .....	1	8	3	
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	1	8	3	
2999 Total liabilities .....	1	8	3	
<b>NET POSITION:</b>				
3999 Total net position .....				
4999 Total liabilities and net position .....	1	8	3	

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

PUBLIC HOUSING, REFORM INITIATIVE GUARANTEED LOAN  
FINANCING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4352-2-3-371	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....			7
24.40 Unobligated balance carried forward, end of year .....			7
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....			7
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources .....			-7
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....			-7

This proposal is described under the Public Housing Capital Fund.

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4352-2-3-371	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....			1,715
2121 Limitation available from carry-forward .....			
2143 Uncommitted limitation carried forward .....			
2150 Total guaranteed loan commitments .....			1,715
2199 Guaranteed amount of guaranteed loan commitments .....			1,372
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....			
2231 Disbursements of new guaranteed loans .....			86
2251 Repayments and prepayments .....			-2
2263 Adjustments: Terminations for default that result in claim payments .....			
2290 Outstanding, end of year .....			84
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....			67

COMMUNITY PLANNING AND DEVELOPMENT

Federal Funds

General and special funds:

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.), \$297,000,000, to remain available until September 30, 2005: Provided, That the Secretary shall renew all expiring contracts for permanent supportive housing that were funded under section 854(c)(3) of such Act that meet all program requirements before awarding funds for new contracts and activities authorized under this section: Provided further, That the Secretary may use up to \$3,000,000 of the funds under this heading for training, oversight, and technical assistance activities.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 86-0308-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Housing for Persons with HIV/AIDS .....	276	383	297
10.00 Total new obligations (object class 41.0) .....	276	383	297
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	88	91	
22.00 New budget authority (gross) .....	277	292	297
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	366	383	297
23.95 Total new obligations .....	-276	-383	-297
24.40 Unobligated balance carried forward, end of year .....	91		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	277	292	297
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	439	399	490
73.10 Total new obligations .....	276	383	297
73.20 Total outlays (gross) .....	-314	-292	-311
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	399	490	476
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	12	12
86.93 Outlays from discretionary balances .....	312	280	299

87.00	Total outlays (gross) .....	314	292	311
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	277	292	297
90.00	Outlays .....	314	292	311

The Housing Opportunities for Persons with AIDS program provides States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families.

Up to \$3 million is used for technical assistance to grantees and project sponsors to strengthen management of programs and ensure responsiveness in meeting client needs. States and metropolitan areas receive 90 percent of the remaining funds by formula based on the number of cases of AIDS and, for metropolitan areas, the incidence of AIDS in that area. The final 10 percent is awarded competitively to States, local governments, and private nonprofit entities, including faith-based organizations, for projects of national significance with priority for renewal of the projects providing permanent supportive housing. Awards are also made to States and local governments for projects in jurisdictions which do not qualify for a formula allocation. The requested funding for 2004 will support an additional 1,250 households, for a total of approximately 74,250 housing units for persons with HIV/AIDS and their families.

**COMMUNITY DEVELOPMENT BLOCK GRANTS  
(INCLUDING TRANSFERS OF FUNDS)**

For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, \$4,716,000,000, to remain available until September 30, 2006, of which Provided, That of the amount provided, \$4,436,000,000 is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301 et seq.); \$72,500,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act; \$3,000,000 shall be for a grant to the Housing Assistance Council; \$2,200,000 shall be for a grant to the National American Indian Housing Council; and \$37,900,000 shall be for grants pursuant to section 107 of the Act, of which \$2,400,000 shall be to support Alaska Native serving institutions and Native Hawaiian serving institutions as defined under the Higher Education Act, as amended, \$3,000,000 shall be for tribal colleges and universities to build, expand, renovate and equip their facilities, and not less than \$3,000,000 shall be for technical assistance pursuant to section 107(b)(4) of the Act; of which no less than \$4,900,000 shall be transferred to the Working Capital Fund for the development of and modification to information technology systems: which serve programs or activities under "Community Planning and Development"; and of which \$65,000,000 shall be for grants pursuant to the Self Help Homeownership Opportunity Program, including \$3,000,000 shall be for technical assistance: Provided, That not to exceed 20 percent of any grant made with funds appropriated under this heading (other than a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Act) shall be expended for "Planning and Management Development" and "Administration", as defined in regulations promulgated by the Department.

Of the amount under this heading, \$29,500,000 shall be for capacity building, of which \$25,000,000 shall be for Capacity Building for Community Development and Affordable Housing for LISC and the Enterprise Foundation for activities as authorized by section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note), as in effect immediately before June 12, 1997, with not less than \$5,000,000 of the funding to be used in rural areas, including tribal areas, and of which \$4,500,000 shall be for capacity building activities administered by Habitat for Humanity International.

Of the amount made available under this heading, notwithstanding any other provision of law, \$65,000,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to

any funds made available under this heading: Provided, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding: Provided further, That no more than 10 percent of any grant award may be used for administrative costs: Provided further, That not less than \$10,000,000 shall be available for grants to establish YouthBuild programs in underserved and rural areas: Provided further, That of the amount provided under this paragraph, \$2,000,000 shall be set aside and made available for a grant to YouthBuild USA for capacity building for community development and affordable housing activities as specified in section 4 of the HUD Demonstration Act of 1993, as amended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)				
Identification code 86-0162-0-1-451	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Community Development Grants .....	5,042	4,742	4,746
00.02	World Trade Center Response .....	2,700	783	.....
00.03	Working Capital Fund .....	14	3	5
10.00	Total new obligations (object class 41.0) .....	7,756	5,528	4,751
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	1,026	1,747	935
22.00	New budget authority (gross) .....	7,783	4,716	4,716
22.10	Resources available from recoveries of prior year obligations .....	3	.....	.....
22.22	Unobligated balance transferred from other accounts .....	700	.....	.....
23.90	Total budgetary resources available for obligation .....	9,512	6,463	5,651
23.95	Total new obligations .....	-7,756	-5,528	-4,751
23.98	Unobligated balance expiring or withdrawn .....	-9	.....	.....
24.40	Unobligated balance carried forward, end of year .....	1,747	935	900
<b>New budget authority (gross), detail:</b>				
Discretionary:				
Appropriation:				
40.00	Appropriation .....	5,000	4,716	4,716
40.00	Appropriation .....	2,783	.....	.....
43.00	Appropriation (total discretionary) .....	7,783	4,716	4,716
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	9,091	11,409	10,287
73.10	Total new obligations .....	7,756	5,528	4,751
73.20	Total outlays (gross) .....	-5,429	-6,650	-6,124
73.40	Adjustments in expired accounts (net) .....	-6	.....	.....
73.45	Recoveries of prior year obligations .....	-3	.....	.....
74.40	Obligated balance, end of year .....	11,409	10,287	8,914
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	111	94	94
86.93	Outlays from discretionary balances .....	5,318	6,556	6,030
87.00	Total outlays (gross) .....	5,429	6,650	6,124
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	7,783	4,716	4,716
90.00	Outlays .....	5,429	6,650	6,124

**Summary of Budget Authority and Outlays**

(in millions of dollars)			
Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	7,783	4,716	4,716
Outlays .....	5,429	6,650	6,124
Legislative proposal, not subject to PAYGO:			
Budget Authority .....		16	16
Outlays .....			5
<b>Total:</b>			
Budget Authority .....	7,783	4,732	4,732
Outlays .....	5,429	6,650	6,129

Title I of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to make grants to units of general local government under the Community Development Block Grant (CDBG) program and States to fund local community development programs.

**General and special funds—Continued**

COMMUNITY DEVELOPMENT BLOCK GRANTS—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

The 2004 Budget allocates \$72.5 million to Indian tribes as authorized by Section 106(a)(1) of the Housing and Community Development Act of 1974. Since its inception, funds made available to Native American communities have supported a wide variety of community development activities, predominantly, but not exclusively, community facilities, infrastructure and buildings to help meet the basic needs of low and moderate income community members. Since the vast majority of eligible tribes and Alaska Native Villages have non-existent tax bases, this program has helped to finance those public facilities needed to maintain or establish community viability. While it has had a significant impact on many Native American communities throughout the Nation, basic community development needs throughout Indian Country remain substantial.

Seventy percent of CDBG formula funds are allocated to metropolitan cities and urban counties that receive their grants using the higher of two objective formulas. States and small cities receive 30 percent of the formula funds. The proposed level of funding for CDBG will support an estimated 90,000 jobs. These funds will also help to rehabilitate an estimated 185,000 housing units.

Section 107 Grants include funding for technical assistance to support local and State grantees including efforts to streamline the Consolidated Plan, program management and analytical support of information technology projects such as enhancements to the Integrated Disbursement and Information System (IDIS). Historically Black Colleges and Universities, Hispanic serving Institutions, the Community Development Work Study, Community Outreach Partnership Centers (COPC), Tribal Colleges and Universities and Alaska Native and Native Hawaiian Serving Institutions programs. There is also a legislative proposal to move the funding for the Insular areas out of Section 107 and into Section 106, the Formula program.

As authorized by Section 4 of the HUD Demonstration Act of 1993, the National Community Development Initiative (NCDI) helps build capacity of community-based development corporations and housing development organizations, and assist such corporations and organizations to carry out community development and affordable housing activities. The 2004 Budget includes \$25 million for this program. In addition, \$4.5 million is set aside for Habitat for Humanity capacity building programs. Both programs will target their efforts to increasing minority homeownership.

The Youthbuild program provides resources to educate, train and supply stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of housing for low-income and homeless families and individuals. The program expands the supply of affordable housing and, at the same time, enables high school drop-outs to obtain the education and employment skills necessary to achieve self-sufficiency. The 2004 request for \$65 million will provide more than 3,728 young people with skills they need to obtain jobs. Funding of \$65 million is provided for the Self-Help Homeownership Opportunity Program (Shop) including \$3 million for technical assistance is targeted at very low-income populations. The three-fold increase reflects the growing capacity of self-help housing organizations to expand upon recent successes in making home ownership a viable option. In addition, \$3 million is provided for the Housing Assistance Council as well as \$2.2 million for the Native American Indian Housing Council to meet unserved rural and Native American housing needs.

The 2004 Budget also includes \$3 million in competitive grants to Tribal Colleges and Universities (TCU) to provide

resources to build, expand, renovate and equip facilities. In addition, \$2.4 million is provided to assist Alaska Native and Native Hawaiian Serving institutions. A transfer of \$4.9 million to the Working Capital Fund is included.

COMMUNITY DEVELOPMENT BLOCK GRANTS  
(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 86-0162-2-1-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Colonias Gateway Initiative .....		16	16
10.00 Total new obligations (object class 41.0) .....		16	16
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		16	16
23.95 Total new obligations .....		-16	-16
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		16	16
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			16
73.10 Total new obligations .....		16	16
73.20 Total outlays (gross) .....			-5
74.40 Obligated balance, end of year .....		16	27
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....			5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		16	16
90.00 Outlays .....			5

The Budget also provides \$16 million for the Colonias Gateway Initiative to enhance the availability of affordable housing, economic opportunity, and infrastructure in the Colonias by establishing a non-profit entity with the mission of improving the coordination of public, private, and community-based resources in the Colonias. Colonias are rural communities within 150 miles of the U.S. Mexican border that lack adequate infrastructure and other basic services.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES

**Program and Financing** (in millions of dollars)

Identification code 86-0315-0-1-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Develop urban sites .....	42	3	
10.00 Total new obligations (object class 41.0) .....	42	3	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		3	
22.00 New budget authority (gross) .....	45		
23.90 Total budgetary resources available for obligation .....	45	3	
23.95 Total new obligations .....	-42	-3	
24.40 Unobligated balance carried forward, end of year .....	3		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	45		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	246	231	159
73.10 Total new obligations .....	42	3	
73.20 Total outlays (gross) .....	-57	-75	-70
74.40 Obligated balance, end of year .....	231	159	89

<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	57	75	70
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	45		
90.00	Outlays .....	57	75	70

The Empowerment Zone (EZ) initiative helps revitalize city neighborhoods by attracting business development and providing employment opportunities to residents of empowerment zones. Empowerment Zone principles include a strategic vision for change, a community-based partnership, providing economic opportunity and sustainable community development.

The VA HUD Appropriations Act of 2001 (P.L. 106-377 and P.L. 106-554) provided \$185 million for Round II Urban Empowerment Zones. The VA HUD Appropriations Act of 2002 (P.L. 107-73) provided \$45 million for Round II Urban Empowerment Zones which brought the total funding for Round II urban EZs through 2002 to \$330 million. No new funding is proposed for EZ's in FY 2004.

Funding has provided for a broad range of activities aimed at assisting residents, businesses and organizations in urban EZs, including: community policing; health care; neighborhood development; brownfields clean-up and redevelopment; support for financing of capital projects; education; work force preparation and job creation efforts linked to welfare reform; leveraging private sector resources, repayment of debt financing by municipal bonds; financing of projects in conjunction with the Section 108 loan guarantee program and other economic development projects; support for project-based rental assistance; and, financing other housing activities.

EZs are helping to stimulate billions of dollars in private investment, reviving inner city neighborhoods and supporting jobs, and helping families move from welfare to work.

The Community Renewal and Tax Relief Act of 2000 (P.L. 106-554) authorized the designation of a third round of 7 urban and 2 rural empowerment zones and 40 competitively selected Renewal Communities administered by HUD.

**BROWNFIELDS REDEVELOPMENT**

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 86-0314-0-1-451				
		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Cleanup and develop contaminated sites .....	22	29	
10.00	Total new obligations (object class 41.0) .....	22	29	
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	1	4	
22.00	New budget authority (gross) .....	25	25	
23.90	Total budgetary resources available for obligation .....	26	29	
23.95	Total new obligations .....	-22	-29	
24.40	Unobligated balance carried forward, end of year .....	4		
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	25	25	
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	91	109	128
73.10	Total new obligations .....	22	29	
73.20	Total outlays (gross) .....	-5	-10	-13
74.40	Obligated balance, end of year .....	109	128	115
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....		1	

86.93	Outlays from discretionary balances .....	5	9	13
87.00	Total outlays (gross) .....	5	10	13
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	25	25	
90.00	Outlays .....	5	10	13

The 2004 Budget proposes no new funding for this program. The Brownfields Redevelopment initiative provided competitive economic development grants, in conjunction with Section 108 loan guarantees, for the redevelopment of qualified brownfield projects.

Grants are made in accordance with section 108(q) selection criteria and such other criteria deemed appropriate for brownfield projects, including the extent to which an applicant is currently operating a brownfields program and is working with appropriate environmental regulatory agencies.

The Brownfields Redevelopment initiative has received annual appropriations of \$25 million since its inception in 1998.

**YOUTHBUILD PROGRAM**

**Program and Financing (in millions of dollars)**

Identification code 86-0219-0-1-604				
		2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1	1	
73.20	Total outlays (gross) .....		-1	
74.40	Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....		1	
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....		1	

This program provides resources to educate, train, and provide stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of housing for low-income and homeless persons. The program expands the supply of affordable housing and, at the same time, enables high school dropouts to obtain the education and life and employment skills necessary to achieve self-sufficiency. The Youthbuild program has been funded as a set-aside within the CDBG program since 1996. The 2004 CDBG set aside request of \$65 million will provide more than 3,728 young people with skills they need to get jobs. The obligated balance and outlays represent activity in the separate youthbuild account.

**HOME INVESTMENT PARTNERSHIPS PROGRAM**

(INCLUDING TRANSFER OF FUNDS)

*For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, \$2,197,400,000, to remain available until September 30, 2006, of which \$200,000,000 shall be available for the Downpayment Assistance Initiative; of which \$25,000,000 shall be for a lead hazard reduction demonstration; and no less than \$2,100,000 shall be transferred to the Working Capital Fund for the development and maintenance of, and modification to information technology systems which serve Programs or activities under "Community Planning and Development".*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General and special funds—Continued**

**HOME INVESTMENT PARTNERSHIPS PROGRAM—Continued**  
(INCLUDING TRANSFER OF FUNDS)—Continued

**Program and Financing** (in millions of dollars)

Identification code 86-0205-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 HOME grants .....	1,827	2,089	2,199
10.00 Total new obligations (object class 41.0) .....	1,827	2,089	2,199
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	284	256	251
22.00 New budget authority (gross) .....	1,796	2,084	2,197
22.10 Resources available from recoveries of prior year obligations .....	3		
23.90 Total budgetary resources available for obligation .....	2,083	2,340	2,448
23.95 Total new obligations .....	-1,827	-2,089	-2,199
24.40 Unobligated balance carried forward, end of year .....	256	251	249
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,846	2,084	2,197
40.35 Appropriation rescinded .....	-50		
43.00 Appropriation (total discretionary) .....	1,796	2,084	2,197
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4,383	4,667	5,156
73.10 Total new obligations .....	1,827	2,089	2,199
73.20 Total outlays (gross) .....	-1,540	-1,600	-1,700
73.45 Recoveries of prior year obligations .....	-3		
74.40 Obligated balance, end of year .....	4,667	5,156	5,655
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	27	42	44
86.93 Outlays from discretionary balances .....	1,513	1,558	1,656
87.00 Total outlays (gross) .....	1,540	1,600	1,700
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,796	2,084	2,197
90.00 Outlays .....	1,540	1,600	1,700

The HOME Investment Partnerships program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provides assistance to States and units of local government, through formula allocation, expanding the supply and affordability of housing. Eligible activities include acquisition, rehabilitation, and new construction of housing and tenant-based rental assistance. The 2004 request will result in the production of 109,200 units of affordable housing through new construction, rehabilitation, or acquisition. In addition, tenant-based rental assistance will be provided for 13,335 units.

Funding of \$25 million is included for a new competitive set-aside to demonstrate innovative local strategies targeted at making homes lead safe for low-income children. This initiative will involve private sector matching funds and will be evaluated so the lessons learned can be extended to the Lead Hazard Reduction program.

The HOME request also includes up to \$2.1 million for systems development and related projects including improvements to the Integrated Disbursement and Information System (IDIS), funding for technical assistance, and \$1 million for program management and analytical support.

**HOMELESS ASSISTANCE GRANTS**  
(INCLUDING TRANSFER OF FUNDS)

For the emergency shelter grants program as authorized under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act, as amended; the supportive housing program as authorized under subtitle C of title IV of such Act; the section 8 moderate rehabilitation

single room occupancy program as authorized under the United States Housing Act of 1937, as amended, to assist homeless individuals pursuant to section 441 of the McKinney-Vento Homeless Assistance Act; and the shelter plus care program as authorized under subtitle F of title IV of such Act, \$1,325,000,000, to remain available until September 30, 2006: Provided, That not less than 30 percent of funds made available, excluding amounts provided for renewals under the shelter plus care program, shall be used for permanent housing: Provided further, That all funds awarded for services shall be matched by 25 percent in funding by each grantee: Provided further, That the Secretary shall renew on an annual basis expiring contracts or amendments to contracts funded under the shelter plus care program if the program is determined to be needed under the applicable continuum of care and meets appropriate program requirements and financial standards, as determined by the Secretary: Provided further, That all awards of assistance under this heading shall be required to coordinate and integrate homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, State Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funded through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program: Provided further, That \$12,000,000 of the funds appropriated under this heading shall be available for the national homeless data analysis project and technical assistance: Provided further, That no less than \$2,580,000 of the funds appropriated under this heading shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve activities under "Community Planning and Development": Provided further, That \$1,500,000 shall be made available to the Interagency Council on the Homeless for administrative needs.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 86-0192-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Homeless assistance grants .....	994	1,138	1,365
10.00 Total new obligations (object class 41.0) .....	994	1,138	1,365
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1,408	1,583	1,575
22.00 New budget authority (gross) .....	1,123	1,130	1,325
22.10 Resources available from recoveries of prior year obligations .....	47		
23.90 Total budgetary resources available for obligation .....	2,578	2,713	2,900
23.95 Total new obligations .....	-994	-1,138	-1,365
24.40 Unobligated balance carried forward, end of year .....	1,583	1,575	1,535
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,123	1,130	1,325
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,500	2,428	2,509
73.10 Total new obligations .....	994	1,138	1,365
73.20 Total outlays (gross) .....	-1,019	-1,057	-1,174
73.45 Recoveries of prior year obligations .....	-47		
74.40 Obligated balance, end of year .....	2,428	2,509	2,700
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	12	34	40
86.93 Outlays from discretionary balances .....	1,007	1,023	1,134
87.00 Total outlays (gross) .....	1,019	1,057	1,174
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,123	1,130	1,325
90.00 Outlays .....	1,019	1,057	1,174

The Homeless Assistance Grants program funds the Shelter Plus Care, Supportive Housing, Emergency Shelter Grants, and Section 8 Moderate Rehabilitation Single Room Occupancy programs. These funds will enable localities to shape and implement comprehensive, flexible, coordinated ap-

proaches to solving rather than institutionalizing homelessness. In fact, in recent years, many communities have made great strides in developing holistic approaches to solving homelessness. Requested funding would be available for a wide range of activities to assist homeless persons and prevent future homelessness, and will support the Department's effort to end chronic homelessness within a decade. The Administration will propose legislation to combine HUD's three competitive programs—Shelter Plus Care, Supportive Housing, and Section 8 Moderate Rehabilitation Single Room Occupancy into a single program with enough flexibility to meet community needs. The Department is also continuing to pursue expanded interagency efforts to meet the needs of the homeless.

Funding is also requested for technical assistance to provide needed assistance to grantees to resolve problems that hinder successful project completion and implementation, and for management information systems support, including the continuing operation of tracking systems required by House Report 105-610.

**SAMARITAN HOUSING**

(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 86-0400-2-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....			50
10.00 Total new obligations (object class 41.0) .....			50
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			50
23.95 Total new obligations .....			-50
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			50
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			50
73.20 Total outlays (gross) .....			-5
74.40 Obligated balance, end of year .....			45
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			50
90.00 Outlays .....			5

The Administration will submit legislation for the Samaritan Housing initiative, a new competitive grant program that supports the Administration's efforts to end chronic homelessness within a decade. Funding of \$50 million for housing grants is requested in 2004 to support the most promising local strategies to move chronically homeless persons from the streets to safe permanent housing with supportive services. The Samaritan Housing initiative is part of a broader interagency Samaritan Initiative involving the Departments of Housing and Urban Development (HUD), Health and Human Services (HHS), and Veterans Affairs (VA) and other Federal agencies to end chronic homelessness.

**RURAL HOUSING AND ECONOMIC DEVELOPMENT**

**Program and Financing** (in millions of dollars)

Identification code 86-0324-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Rural Housing .....	25	26	

10.00 Total new obligations (object class 41.0) .....	25	26	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	26	26	
22.00 New budget authority (gross) .....	25		
23.90 Total budgetary resources available for obligation .....	51	26	
23.95 Total new obligations .....	-25	-26	
24.40 Unobligated balance carried forward, end of year .....	26		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	25		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	31	34	35
73.10 Total new obligations .....	25	26	
73.20 Total outlays (gross) .....	-22	-25	-23
74.40 Obligated balance, end of year .....	34	35	12
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	22	25	23
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	25		
90.00 Outlays .....	22	25	23

This program encouraged new and innovative approaches to serving the housing and economic development needs of the nation's rural communities. The 2004 Budget proposes no new funding for this program.

**EMERGENCY FOOD AND SHELTER PROGRAM**

(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 86-0230-2-1-605	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
04.10 Direct Program Activity .....		153	153
10.00 Total new obligations (object class 41.0) .....		153	153
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		153	153
23.95 Total new obligations .....		-153	-153
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		153	153
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		153	153
73.20 Total outlays (gross) .....		-153	-153
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		153	153
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		153	153
90.00 Outlays .....		153	153

Legislation will be submitted to transfer this program from the Federal Emergency Management Agency to HUD in order to consolidate emergency homeless assistance. The Emergency Food and Shelter program distributes funds rapidly and equitably to local jurisdictions to supplement community efforts to provide emergency food and shelter services. Funds will be obligated to a National Board, which will be chaired by HUD and whose non-profit partners (American Red Cross, The Salvation Army, United Way of America, and others) provide professional expertise. This National Board then works through similarly composed local boards to advertise the availability of funds, assess community needs, and make allocation choices. These community-based Local Boards also assure coordination of effort and development of systems to

**General and special funds—Continued**

*EMERGENCY FOOD AND SHELTER PROGRAM—Continued*

prevent duplication of benefits. The Budget proposes no changes in the program's design or operation. The 2004 Budget proposes \$153 million.

URBAN DEVELOPMENT ACTION GRANTS

*From balances of the Urban Development Action Grant Program, as authorized by title I of the Housing and Community Development Act of 1974, as amended, \$30,000,000 are cancelled.*

**Program and Financing** (in millions of dollars)

Identification code 86-0170-0-1-451	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			-30
22.10 Resources available from recoveries of prior year obligations			30
23.90 Total budgetary resources available for obligation			
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance rescinded			-30
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	67	61	51
73.20 Total outlays (gross)	-6	-10	-10
73.45 Recoveries of prior year obligations			-30
74.40 Obligated balance, end of year	61	51	11
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	6	10	10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			-30
90.00 Outlays	6	10	10

Title I of the Housing and Community Development Act of 1974, as amended, authorized grants to distressed cities and distressed urban counties to fund economic development projects. The program was terminated in 1990. The Budget proposes a cancellation of \$30 million from terminated Urban Development Action Grants.

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

**Program and Financing** (in millions of dollars)

Identification code 86-0222-0-1-451	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	2		
73.20 Total outlays (gross)	-2		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	2		

As authorized by section 4 of the HUD Demonstration Act of 1993, this program provides funding to the National Community Development Initiative to build the capacity of community-based development corporations and housing development organizations and to assist such corporations and organizations to carry out community development and affordable housing activities. Funding for this program was provided under the Annual Contributions for Assisted Housing account in 1996. Public Law 105-18 amended authorizing legislation to include additional eligible recipients and provided funding

for this program through a transfer from the Homeownership and Opportunity for People Everywhere Grants account in 1997. Funding of \$28 million was provided for this program in 2001 in Public Law 106-377 as a set-aside within the CDBG program. P.L. 107-73 provided \$29 million for this program in 2002. Funding of \$29.5 million is being requested in 2004, again as a set-aside within CDBG.

SHELTER PLUS CARE RENEWALS

**Program and Financing** (in millions of dollars)

Identification code 86-0232-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Renewal of Expiring Contracts	57	18	1
10.00 Total new obligations (object class 41.0)	57	18	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	76	19	1
23.95 Total new obligations	-57	-18	-1
24.40 Unobligated balance carried forward, end of year	19	1	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	22	54	37
73.10 Total new obligations	57	18	1
73.20 Total outlays (gross)	-25	-35	-37
74.40 Obligated balance, end of year	54	37	1
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	25	35	37
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	25	35	37

Shelter Plus Care provides rental assistance that, when combined with social services, supplies supportive housing for homeless people with disabilities and their families. Homeless people with disabilities often need more than shelter to live independently, such as medical care or other social services. Shelter Plus Care provides for a variety of housing choices such as group homes or individual units, coupled with a range of supportive services (which are funded by other sources). Grantees must match the rental assistance with supportive services that are at least equal in value to the amount of HUD's rental assistance. The Shelter Plus Care renewal funding renews contracts on a one-year basis and provides funding to amend contracts that were previously extended but which will run out of funding. The 2002 VA HUD Appropriations Act (P.L. 107-73) provided funding for Shelter Plus Care in the Homeless Assistance Grants account. Amounts provided in 2002 are sufficient to cover Shelter Plus Care Renewals in 2003. Shelter Plus Care Renewals are funded in the Homeless Assistance Grants account in 2004.

**Public enterprise funds:**

REVOLVING FUND (LIQUIDATING PROGRAMS)

**Program and Financing** (in millions of dollars)

Identification code 86-4015-0-3-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Loan servicing	2		
10.00 Total new obligations	2		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	31	20	11
22.00 New budget authority (gross)	1	1	1
22.10 Resources available from recoveries of prior year obligations	4		
22.40 Capital transfer to general fund	-15	-10	-8

23.90	Total budgetary resources available for obligation	21	11	4
23.95	Total new obligations	-2		
24.40	Unobligated balance carried forward, end of year	20	11	3

**New budget authority (gross), detail:**

<b>Mandatory:</b>				
69.00	Offsetting collections (cash)	1	1	1

**Change in obligated balances:**

72.40	Obligated balance, start of year	7	3	1
73.10	Total new obligations	2		
73.20	Total outlays (gross)	-1	-2	-1
73.45	Recoveries of prior year obligations	-4		
74.40	Obligated balance, end of year	3	1	

**Outlays (gross), detail:**

86.98	Outlays from mandatory balances	1	2	1
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**Offsets:**

<b>Against gross budget authority and outlays:</b>				
88.40	Offsetting collections (cash) from: Non-Federal sources	-1	-1	-1

**Net budget authority and outlays:**

89.00	Budget authority			
90.00	Outlays		1	

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4015-0-3-451	2002 actual	2003 est.	2004 est.	
<b>Cumulative balance of direct loans outstanding:</b>				
1210	Outstanding, start of year	19	18	17
1251	Repayments: Repayments and prepayments			-1
1263	Write-offs for default: Direct loans	-1	-1	-1
1290	Outstanding, end of year	18	17	15

The Revolving fund (liquidating programs) was established by the Independent Offices Appropriations Act of 1955 for the efficient liquidation of assets acquired under a number of housing and urban development programs. The account's largest influx of funds in fiscal year 2001 resulted from the sale of most of the section 312 loan portfolio to the private sector for \$64 million.

**Statement of Operations (in millions of dollars)**

Identification code 86-4015-0-3-451	2001 actual	2002 actual	2003 est.	2004 est.
0101	Revenue	4	1	1
0102	Expense	-183	-16	-9
0105	Net income or loss (-)	-179	-15	-8

**Balance Sheet (in millions of dollars)**

Identification code 86-4015-0-3-451	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury	38	23	14
1207	Non-Federal assets: Advances and prepayments	1	1	1
<b>Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:</b>				
1601	Direct loans, gross	19	18	16
1602	Interest receivable	4	4	4
1603	Allowance for estimated uncollectible loans and interest (-)	-8	-7	-7
1604	Direct loans and interest receivable, net	15	15	13
1606	Foreclosed property	3	2	1
1699	Value of assets related to direct loans	18	17	14
1801	Other Federal assets: Cash and other monetary assets			
1999	Total assets	57	41	29

**LIABILITIES:**

<b>Non-Federal liabilities:</b>				
2201	Accounts payable	1		
2207	Other	9	8	9
2999	Total liabilities	9	9	8
<b>NET POSITION:</b>				
3100	Appropriated capital	3	3	3
3300	Cumulative results of operations	45	29	17
3999	Total net position	48	32	20
4999	Total liabilities and net position	57	41	29

**Object Classification (in millions of dollars)**

Identification code 86-4015-0-3-451	2002 actual	2003 est.	2004 est.
25.2	Other services	1	
32.0	Land and structures	1	
99.9	Total new obligations	2	

**Credit accounts:**

**COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)**

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 86-0198-0-1-451	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.02	Community development loan guarantee credit subsidy	7	9	4
00.09	Administrative expense	1	1	
10.00	Total new obligations (object class 33.0)	8	10	4
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year		7	4
22.00	New budget authority (gross)	15	7	
23.90	Total budgetary resources available for obligation	15	14	4
23.95	Total new obligations	-8	-10	-4
24.40	Unobligated balance carried forward, end of year	7	4	

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation	15	7	

**Change in obligated balances:**

72.40	Obligated balance, start of year	18	18	21
73.10	Total new obligations	8	10	4
73.20	Total outlays (gross)	-6	-7	-7
73.40	Adjustments in expired accounts (net)	-1		
74.40	Obligated balance, end of year	18	21	18

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	3	2	
86.93	Outlays from discretionary balances	3	5	7
87.00	Total outlays (gross)	6	7	7

**Net budget authority and outlays:**

89.00	Budget authority	15	7	
90.00	Outlays	6	7	7

**Guaranteed Loans.**—No funds are requested for the Community Development Loan Guarantee program (Section 108) in 2004.

Section 108 loan guarantees have been used by Community Development Block Grant entitlement and nonentitlement communities (assisted by their State) for economic development activities, acquisition of real property, rehabilitation of publicly owned real property, and housing rehabilitation.

Credit accounts—Continued

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM  
ACCOUNT—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0198-0-1-451	2002 actual	2003 est.	2004 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Community development loan guarantee levels	609	275	
215901 Total loan guarantee levels	609	275	
<b>Guaranteed loan subsidy (in percent):</b>			
232001 Community development loan guarantee levels	2.30	2.30	0.00
232901 Weighted average subsidy rate	2.30	2.30	0.00
<b>Guaranteed loan subsidy budget authority:</b>			
233001 Loan guarantee levels	14	6	
233901 Total subsidy budget authority	14	6	
<b>Guaranteed loan subsidy outlays:</b>			
234001 Community development loan guarantee levels	5	6	7
234901 Total subsidy outlays	5	6	7
<b>Administrative expense data:</b>			
351001 Budget authority	1	1	
359001 Outlays from new authority	1	1	

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with the loan guarantees committed since 1992 (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses for this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

COMMUNITY DEVELOPMENT LOAN GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4096-0-3-451	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	48	56	65
22.00 New financing authority (gross)	7	9	11
23.90 Total budgetary resources available for obligation	55	65	76
24.40 Unobligated balance carried forward, end of year	56	65	76
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	7	9	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	-18	-18	-18
74.40 Obligated balance, end of year	-18	-18	-18
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-5	-6	-7
88.25 Interest on uninvested funds	-2	-3	-4
88.90 Total, offsetting collections (cash)	-7	-9	-11
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority			
90.00 Financing disbursements	-7	-9	-11

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4096-0-3-451	2002 actual	2003 est.	2004 est.
<b>Position with respect to appropriations act limitation on commitments:</b>			
2111 Limitation on guaranteed loans made by private lenders	609	275	
2121 Limitation available from carry-forward		298	183
2143 Uncommitted limitation carried forward	-298	-183	
2150 Total guaranteed loan commitments	311	390	183
2199 Guaranteed amount of guaranteed loan commitments	311	390	183
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year	1,887	2,040	2,051
2231 Disbursements of new guaranteed loans	309	261	304
2251 Repayments and prepayments	-156	-250	-300
2290 Outstanding, end of year	2,040	2,051	2,055
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	2,040	2,051	2,055

Balance Sheet (in millions of dollars)

Identification code 86-4096-0-3-451	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury	30	38	50	62
1999 Total assets	30	38	50	62
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees	30	38	50	62
2999 Total liabilities	30	38	50	62
4999 Total liabilities and net position	30	38	50	62

**Guaranteed loans.**—The Community Development Loan Guarantees program has provided a mechanism for the Federal guarantee of private loans. An accompanying liquidating account shows activity for Federal Financing Bank (FFB) direct loan activity, obligated prior to July 1, 1986. The following is a status of privately financed guaranteed loan commitments made prior to 1992. No funding is requested for new section 108 loans in 2004.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

COMMUNITY DEVELOPMENT LOAN GUARANTEES LIQUIDATING  
ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4097-0-3-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.11 Direct program activity	18		
10.00 Total new obligations (object class 44.0)	18		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	16		
22.00 New budget authority (gross)	5		
22.60 Portion applied to repay debt	-3		
23.90 Total budgetary resources available for obligation	18		
23.95 Total new obligations	-18		

**New budget authority (gross), detail:**

Mandatory:			
60.00	Appropriation .....	2	
69.00	Offsetting collections (cash) .....	2	
69.10	Change in uncollected customer payments from Federal sources (unexpired) .....	1	
69.90	Spending authority from offsetting collections (total mandatory) .....	3	
70.00	Total new budget authority (gross) .....	5	

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	-5	-6	-6
73.10	Total new obligations .....	18		
73.20	Total outlays (gross) .....	-17		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40	Obligated balance, end of year .....	-6	-6	-6

**Outlays (gross), detail:**

86.98	Outlays from mandatory balances .....	17		
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**Offsets:**

Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-2		
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-1		

**Net budget authority and outlays:**

89.00	Budget authority .....	2		
90.00	Outlays .....	17		

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4097-0-3-451	2002 actual	2003 est.	2004 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	8	6	6
1251	Repayments: Repayments and prepayments .....	-2		
1290	Outstanding, end of year .....	6	6	6

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4097-0-3-451	2002 actual	2003 est.	2004 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	81	47	27
2251	Repayments and prepayments .....	-34	-20	-15
2290	Outstanding, end of year .....	47	27	12
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	47	27	12

**Statement of Operations (in millions of dollars)**

Identification code 86-4097-0-3-451	2001 actual	2002 actual	2003 est.	2004 est.
0101	Revenue .....	1	1	1
0102	Expense .....	-1	-1	-1
0105	Net income or loss (-) .....			

**Balance Sheet (in millions of dollars)**

Identification code 86-4097-0-3-451	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	11	-8	-6	-4
Investments in US securities:					
1106	Receivables, net .....	5	6	5	4
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1701	Defaulted guaranteed loans, gross ....	8	5	4	3
1704	Defaulted guaranteed loans and interest receivable, net .....	8	5	4	3

1799	Value of assets related to loan guarantees .....	8	5	4	3
1999	Total assets .....	24	3	3	3
<b>LIABILITIES:</b>					
2103	Federal liabilities: Debt .....	8	5	5	4
2207	Non-Federal liabilities: Other .....	16	-2	-2	-1
2999	Total liabilities .....	24	3	3	3
4999	Total liabilities and net position .....	24	3	3	3

No funding is requested for new Section 108 loans in 2004. As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from Federal Financing Bank (FFB) direct loans for which loan guarantees were committed prior to 1992. This account is shown on a cash basis.

**Guaranteed loans.**—Guaranteed loan assistance under the Community Development Loan Guarantees program was provided to eligible communities to finance economic development activities, housing rehabilitation, development or expansion of public facilities, acquisition of real property, rehabilitation of publicly owned real property, and certain related expenses. In the past, the FFB financed these guaranteed loans. The Consolidated Omnibus Budget Reconciliation Act of 1985 required private financing of all loan guarantees committed after July 1, 1986. FFB will continue disbursing loans for commitments approved prior to July 1, 1986. The activity shown in the above account reflects privately financed guaranteed loans for which commitments were made prior to 1992.

**HOUSING PROGRAMS**

**Federal Funds**

**General and special funds:**

**HOUSING FOR THE ELDERLY**

(INCLUDING TRANSFER OF FUNDS)

*For capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance for the elderly under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, which shall remain available for disbursement until September 30, 2016, and for supportive services associated with housing, \$773,636,000, plus recaptures and cancelled commitments, to remain available until September 30, 2006, of which \$53,000,000, shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects, and of which amount \$30,000,000 shall be for grants under section 202b of the Housing Act of 1959 (12 U.S.C. 1701q-2) for conversion of eligible projects under such section to assisted living or related use: Provided, That no less than \$470,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve programs or activities under "Housing Programs" or "Federal Housing Administration": Provided further, That the Secretary may waive any provision of section 202 (including the provisions governing the terms and conditions of project rental assistance that the Secretary determines is not necessary to achieve the objectives of such program, or that otherwise impedes the ability to develop, operate, or administer projects assisted under such program, and may make provision for alternative conditions or terms where appropriate. Provided further, That all balances outstanding, as of September 30, 2003, for capital advances, including amendments to capital advances, for housing for elderly, as authorized by section 202, for project rental assistance for housing for the elderly, as authorized under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance, for service coordinators and congregate service grants, and for grants for conversion of eligible projects to assisted living or related use under section 202b of such Act, shall be transferred to and merged with the amounts of these purposes under this heading.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

**General and special funds—Continued**

**HOUSING FOR THE ELDERLY—Continued**  
**(INCLUDING TRANSFER OF FUNDS)—Continued**

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 86-0320-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Elderly and disabled housing grants .....	1,481	1,024	773
10.00 Total new obligations (object class 41.0) .....	1,481	1,024	773
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2,896	2,453	2,453
22.00 New budget authority (gross) .....	1,024	1,024	773
22.10 Resources available from recoveries of prior year obligations .....	14		
22.21 Unobligated balance transferred to other accounts .....			-463
23.90 Total budgetary resources available for obligation .....	3,934	3,477	2,763
23.95 Total new obligations .....	-1,481	-1,024	-773
24.40 Unobligated balance carried forward, end of year .....	2,453	2,453	1,990
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,024	1,024	773
Mandatory:			
60.00 Appropriation .....	73		
60.49 Portion applied to liquidate contract authority .....	-73		
62.50 Appropriation (total mandatory) .....			
70.00 Total new budget authority (gross) .....	1,024	1,024	773
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4,062	4,634	4,763
73.10 Total new obligations .....	1,481	1,024	773
73.20 Total outlays (gross) .....	-895	-895	-702
73.31 Obligated balance transferred to other accounts .....			-1,164
73.45 Recoveries of prior year obligations .....	-14		
74.40 Obligated balance, end of year .....	4,634	4,763	3,670
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	895	895	702
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,024	1,024	773
90.00 Outlays .....	895	895	702

This account consolidates activity under the Section 202 Housing for the Elderly Program and the Section 811 Housing for the Disabled Program. In 2004, housing for persons with disabilities is proposed as a separate account. A total of \$773 million is proposed for housing for the elderly. Of this amount \$30 million is for the capital grant program to convert existing 202 properties to assisted living under appropriate conditions. These funds for capital grants are available to existing HUD elderly subsidized (Section 202) projects that convert some or all units to Assisted Living.

\$53.0 million is provided for a service coordinator program that will serve both residents of HUD-assisted elderly housing, other eligible elderly residing in the neighborhood in which such projects are located on an exception basis, and residents of projects assisted under section 811.

**Status of Contract Authority (in millions of dollars)**

Identification code 86-0320-0-1-604	2002 actual	2003 est.	2004 est.
0400 Appropriation to liquidate contract authority .....	-73		

**HOUSING FOR PERSONS WITH DISABILITIES**

For capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, which shall remain available for disbursement until September 30, 2016, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, and for tenant-based rental assistance contracts entered into pursuant to section 811 of such Act, \$250,515,000, to remain available until September 30, 2006: Provided, That no less than \$470,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve programs or activities under "Housing Programs" or "Federal Housing Administration: Provided further, That of the amount appropriated under this heading, other than amounts for renewal of expiring project-based or tenant-based rental assistance contracts, the Secretary may designate up to 25 percent for new incremental tenant-based rental assistance, as authorized by section 811 of such Act, (which assistance is 5 years in duration)": Provided further, That the Secretary may waive any provision of section 811 (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of such programs, or that otherwise impedes the ability to develop, operate, or administer projects assisted under such programs, and may make provision for alternative conditions or terms where appropriate. Provided further, That all balances outstanding, as of September 30, 2003, for capital advances, including amendments to capital advances, for supportive housing for persons with disabilities, as authorized by section 811, for project rental assistance for supportive housing for persons with disabilities, as authorized under section 811(d)(2), including amendments to contracts for such assistance and renewal of expiring contracts for such assistance, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1), shall be transferred to and merged with the amounts for these purposes under this heading.

zalez National Affordable Housing Act, for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, which shall remain available for disbursement until September 30, 2016, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, and for tenant-based rental assistance contracts entered into pursuant to section 811 of such Act, \$250,515,000, to remain available until September 30, 2006: Provided, That no less than \$470,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve programs or activities under "Housing Programs" or "Federal Housing Administration: Provided further, That of the amount appropriated under this heading, other than amounts for renewal of expiring project-based or tenant-based rental assistance contracts, the Secretary may designate up to 25 percent for new incremental tenant-based rental assistance, as authorized by section 811 of such Act, (which assistance is 5 years in duration)": Provided further, That the Secretary may waive any provision of section 811 (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of such programs, or that otherwise impedes the ability to develop, operate, or administer projects assisted under such programs, and may make provision for alternative conditions or terms where appropriate. Provided further, That all balances outstanding, as of September 30, 2003, for capital advances, including amendments to capital advances, for supportive housing for persons with disabilities, as authorized by section 811, for project rental assistance for supportive housing for persons with disabilities, as authorized under section 811(d)(2), including amendments to contracts for such assistance and renewal of expiring contracts for such assistance, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1), shall be transferred to and merged with the amounts for these purposes under this heading.

**Program and Financing (in millions of dollars)**

Identification code 86-0237-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Housing for the Disabled .....			251
10.00 Total new obligations (object class 41.0) .....			251
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			251
22.22 Unobligated balance transferred from other accounts .....			463
23.90 Total budgetary resources available for obligation .....			714
23.95 Total new obligations .....			-251
24.40 Unobligated balance carried forward, end of year .....			463
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			251
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			251
73.20 Total outlays (gross) .....			-228
73.32 Obligated balance transferred from other accounts .....			1,164
74.40 Obligated balance, end of year .....			1,187
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....			228
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			251
90.00 Outlays .....			228

The budget proposes a new account for supportive housing for persons with disabilities. These funds were formerly combined with housing for the elderly in the Housing for Special Populations account. For 2004, the Administration will propose reforms to increase flexibility in the use of funds to provide more housing and strengthen program performance. Projects that are part of a strategy to end chronic homelessness by housing those disabled most at risk of homelessness will be given priority. In 2005, tenant based rental assistance

provided in this program is proposed to be administered as part of the Housing Assistance for Needy Families (HANF) program.

**HOUSING COUNSELING ASSISTANCE**

For contracts, grants and other assistance other than loans, as authorized under Section 106 of the Housing and Urban Development Act of 1968, as amended, \$45,000,000, to remain available until September 30, 2005: Provided, That funds shall be used for providing counseling and advice to tenants and homeowners both current and prospective with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 86-0156-0-1-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Housing Assistance .....		5	35
10.00 Total new obligations (object class 41.0) .....		5	35
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			30
22.00 New budget authority (gross) .....		35	45
23.90 Total budgetary resources available for obligation .....		35	75
23.95 Total new obligations .....		-5	-35
24.40 Unobligated balance carried forward, end of year .....		30	40
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		35	45
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			1
73.10 Total new obligations .....		5	35
73.20 Total outlays (gross) .....		-4	-31
74.40 Obligated balance, end of year .....		1	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		4	5
86.93 Outlays from discretionary balances .....			26
87.00 Total outlays (gross) .....		4	31
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		35	45
90.00 Outlays .....		4	31

The Housing Counseling Assistance Program provides comprehensive housing counseling services to eligible homeowners and tenants, including home purchase, financial management, and rental counseling. This program has been funded through a set-aside under the HOME program appropriation for the past several years.

The Housing Counseling Assistance Program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low-to moderate-income renters and the homeless. The primary objectives of the program are to expand homeownership opportunities, improve access to affordable housing and aid in HUD's commitment to bridging the gap of homeownership of minorities and other select groups in comparison to the National homeownership rate.

**OTHER ASSISTED HOUSING PROGRAMS**

**RENTAL HOUSING ASSISTANCE**

Up to \$303,000,000 of recaptured section 236 budget authority resulting from prepayment of mortgages subsidized under section 236

of the National Housing Act (12 U.S.C. 1715z-1) is hereby cancelled in fiscal year 2004: Provided, That the limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 is reduced in fiscal year 2004 by not more than \$303,000,000 in uncommitted balances of authorizations of contract authority provided for this purpose in prior appropriations Acts.

**Program and Financing (in millions of dollars)**

Identification code 86-0206-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Rent supplement .....	7	10	10
00.02 Homeownership and rental housing assistance (Sections 235 and 236) .....	20	34	34
10.00 Total new obligations (object class 41.0) .....	27	44	44
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1,044	1,420	1,320
22.00 New budget authority (gross) .....	-300	-100	-303
22.10 Resources available from recoveries of prior year obligations .....	798	44	44
22.75 Balance of contract authority withdrawn .....	-95		
23.90 Total budgetary resources available for obligation .....	1,447	1,364	1,061
23.95 Total new obligations .....	-27	-44	-44
24.40 Unobligated balance carried forward, end of year .....	1,420	1,320	1,017
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	735	672	672
40.49 Portion applied to liquidate contract authority .....	-735	-672	-672
43.00 Appropriation (total discretionary) .....			
49.35 Contract authority rescinded .....	-300	-100	-303
70.00 Total new budget authority (gross) .....	-300	-100	-303
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	9,719	8,293	7,621
73.10 Total new obligations .....	27	44	44
73.20 Total outlays (gross) .....	-655	-672	-672
73.45 Recoveries of prior year obligations .....	-798	-44	-44
74.40 Obligated balance, end of year .....	8,293	7,621	6,949
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	655	672	672
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-300	-100	-303
90.00 Outlays .....	655	672	672

**Status of Contract Authority (in millions of dollars)**

Identification code 86-0206-0-1-999	2002 actual	2003 est.	2004 est.
<b>Contract authority:</b>			
0200 Contract authority .....	-300	-100	-303
0400 Appropriation to liquidate contract authority .....	-735	-672	-672
0600 Balance of contract authority withdrawn .....	-95		

**OTHER ASSISTED HOUSING**

**Summary of Administrative Commitments**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Assistance contracts:</b>			
Rent supplement .....	7	10	10
Homeownership and rental housing assistance (sections 235 and 236) .....	20	34	34
IRP Rehab Grants .....			
Administrative commitments, start of year .....	9	9	9
Administrative commitments, end of year .....	-9	-9	-9
Total obligations .....	27	44	44

The Other Assisted Housing Account contains the programs listed below:

*Rent supplement.*—Rent supplement assistance payments will continue to be made on behalf of qualified low-income tenants in approximately 18,600 units which have not converted to section 8.

**General and special funds—Continued**

**OTHER ASSISTED HOUSING PROGRAMS—Continued**

**RENTAL HOUSING ASSISTANCE—Continued**

*Section 235.*—The Housing and Urban-Rural Recovery Act of 1983 (Public Law 98–181) authorized a restructured section 235 (Homeownership Assistance) program based on a 10-year interest reduction subsidy. This replaced earlier versions of the program, the original and the revised versions. All were below interest rate mortgages for single family homes.

*Section 236.*—The Housing and Urban Development Act of 1968, as amended, authorizes the section 236 Rental Housing Assistance Program which subsidizes the monthly mortgage payment that an owner of a rental or cooperative project is required to make. This interest subsidy reduces rents for lower income tenants.

*IRP Rehab Grants.*—Title V of the 1998 Appropriations Act (P.L. 105–65) establishes a program of rehabilitation grants for owners of eligible projects.

The table below reflects the consolidated outlay total for: the Housing Certificate Fund; the Public Housing Capital Fund; and the Other Assisted Housing account.

**SUMMARY OF OUTLAYS<sup>1</sup>**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Subsidized housing programs, total .....	22,921	21,147	24,937
Low-income housing assistance (sec. 8) .....	18,499	19,874	20,455
Public housing capital fund .....	3,767	3,601	3,810
Rent supplement .....	54	54	54
Homeownership assistance (sec. 235) .....	11	11	11
Rental housing assistance (sec. 236) .....	578	595	595
College housing grants .....	12	12	12

<sup>1</sup> Includes outlays for contract renewals.

**HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE  
GRANTS (HOPE Grants)**

**Program and Financing (in millions of dollars)**

Identification code 86–0196–0–1–604	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	5	5
22.10 Resources available from recoveries of prior year obligations .....	4		
23.90 Total budgetary resources available for obligation	5	5	5
24.40 Unobligated balance carried forward, end of year .....	5	5	5
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	26	19	16
73.20 Total outlays (gross) .....	–3	–3	–3
73.45 Recoveries of prior year obligations .....	–4		
74.40 Obligated balance, end of year .....	19	16	13
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	3	3	3

The Homeownership and Opportunity for People Everywhere Program provided affordable homeownership opportunities for low-income families. Units were converted to homeownership from public and Indian housing properties in HOPE 1, from FHA-insured and Government-held multi-family properties in HOPE 2, and from Government-owned or -held single family properties in HOPE 3. HOPE Grants were used for property acquisition, rehabilitation, mortgage subsidies, security measures, and technical assistance. In addition, grants have been devoted to counseling and training of residents, and other activities intended to help them become economically self-sufficient homeowners. No funding is

being requested for 2004. This schedule reflects the liquidation of prior year balances.

**MANUFACTURED HOME INSPECTION AND MONITORING  
(INCLUDING TRANSFERS OF FUNDS)**

**Program and Financing (in millions of dollars)**

Identification code 86–5271–0–2–376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Other program costs .....	1		
10.00 Total new obligations (object class 25.2) .....	1		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1		
23.95 Total new obligations .....	–1		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1		
73.20 Total outlays (gross) .....	–1		
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1		

This account provided spending for HUD and its agents for development of manufactured housing standards. Consistent with the Manufactured Housing Improvement Act of 2000, spending for 2004 on these activities is proposed in the discretionary Manufactured Housing Fees Trust Fund account.

**Public enterprise funds:**

**RENTAL HOUSING ASSISTANCE FUND**

**Program and Financing (in millions of dollars)**

Identification code 86–4041–0–3–604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Refunds of Excess Income .....	1	5	5
10.00 Total new obligations (object class 25.2) .....	1	5	5
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	10	16	27
22.00 New budget authority (gross) .....	7	16	16
23.90 Total budgetary resources available for obligation	17	32	43
23.95 Total new obligations .....	–1	–5	–5
24.40 Unobligated balance carried forward, end of year .....	16	27	38
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	7	16	16
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	7	7	–4
73.10 Total new obligations .....	1	5	5
73.20 Total outlays (gross) .....	–1	–16	–16
74.40 Obligated balance, end of year .....	7	–4	–15
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1	16	16
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	–7	–16	–16
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			

90.00 Outlays ..... -6 .....

The Housing and Urban Development Act of 1968 authorized the Secretary to establish a revolving fund into which rental collections in excess of the established basic rents for units in section 236 subsidized projects would be deposited.

The Housing and Community Development Amendment of 1978 authorized the Secretary, subject to approval in appropriation acts, to transfer excess rent collections received after 1978 to the Troubled Projects Operating Subsidy program, renamed the Flexible Subsidy Fund. Prior to that time, collections were used for paying tax and utility increases in section 236 projects. The Housing and Community Development Act of 1980 amended the 1978 Act by authorizing the transfer of excess rent collections regardless of when collected. This Budget proposes that the resources from the Rental Housing Assistance Fund continue to be transferred to the Flexible Subsidy Fund, with the exception of amounts required to make refunds of excess income remittances as authorized by Public Law 106-569.

**FLEXIBLE SUBSIDY FUND**  
(TRANSFER OF FUNDS)

*From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 2003, and any collections made during fiscal year 2004 (with the exception of amounts required to make refunds of excess income remittances as authorized by Public Law 106-569), shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 86-4044-0-3-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program .....	2		
10.00 Total new obligations (object class 41.0) .....	2		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	282	291	311
22.00 New budget authority (gross) .....	11	20	20
23.90 Total budgetary resources available for obligation .....	293	311	331
23.95 Total new obligations .....	-2		
24.40 Unobligated balance carried forward, end of year .....	291	311	331
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	11	20	20
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	13	6	6
73.10 Total new obligations .....	2		
73.20 Total outlays (gross) .....	-9		
74.40 Obligated balance, end of year .....	6	6	6
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	9		
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....		-12	-12
88.20 Interest on Federal securities .....	-4		
88.40 Non-Federal sources .....	-7	-8	-8
88.90 Total, offsetting collections (cash) .....	-11	-20	-20
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-2	-20	-20

**Status of Direct Loans** (in millions of dollars)

Identification code 86-4044-0-3-604	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	648	658	654
1231 Disbursements: Direct loan disbursements .....	9		
1251 Repayments: Repayments and prepayments .....	-5	-4	-4
1264 Write-offs for default: Write-off for default: Other adjustments, net .....	6		
1290 Outstanding, end of year .....	658	654	650

The Flexible Subsidy Fund assisted financially troubled subsidized projects under certain FHA authorities. The subsidies were intended to prevent potential losses to the FHA fund resulting from project insolvency and to preserve these projects as a viable source of housing for low and moderate-income tenants. Priority was given to projects with Federal insurance-in-force and then to those with mortgages that had been assigned to the Department of Housing and Urban Development.

The budget assumes that the account will continue to serve as a repository of excess rental charges appropriated from the Rental Housing Assistance Fund. Since 1996, these resources have not been used for new reservations but they continue to offset Flexible Subsidy outlays and other discretionary expenditures. In 2001, Congress enacted legislation which permits excess income balances in the Rental Housing Assistance Fund or transferred to the Flexible Subsidy Fund to be used for refunds of prior excess income remittances, as permitted by law.

**Statement of Operations** (in millions of dollars)

Identification code 86-4044-0-3-604	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	1	15	15	
0102 Expense .....	-20	-10	-10	
0105 Net income or loss (-) .....	-19	5	5	

**Balance Sheet** (in millions of dollars)

Identification code 86-4044-0-3-604	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	295	297	278	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	711	721	784	
1602 Interest receivable .....	65	74		
1603 Allowance for estimated uncollectible loans and interest (-) .....	-528	-544	-705	
1699 Value of assets related to direct loans .....	248	251	79	
1999 Total assets .....	543	548	357	
<b>LIABILITIES:</b>				
2207 Non-Federal liabilities: Other .....	2	2	3	
2999 Total liabilities .....	2	2	3	
<b>NET POSITION:</b>				
3100 Appropriated capital .....	217	217	217	
3300 Cumulative results of operations .....	324	329	137	
3999 Total net position .....	541	546	354	
4999 Total liabilities and net position .....	543	548	357	

## Public enterprise funds—Continued

## HOMEOWNERSHIP ASSISTANCE FUND

## Program and Financing (in millions of dollars)

Identification code 86-4043-0-3-604	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	85	86	84
24.40 Unobligated balance carried forward, end of year .....	86	84	84

The Homeownership Assistance Fund was established by the Housing and Urban-Rural Recovery Act of 1983. It provided for the receipt of recaptures of budget authority, cash, and interest earnings under the restructured section 235 program. The funds were authorized to be used, to the extent approved in Appropriation Acts, by the Secretary to provide additional section 235 assistance payments for mortgagors who are unable to assume the full payment due under the mortgage after the termination of the original 10-year assistance payments contract.

## NEHEMIAH HOUSING OPPORTUNITY FUND

## Program and Financing (in millions of dollars)

Identification code 86-4071-0-3-604	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3	3	3
24.40 Unobligated balance carried forward, end of year .....	3	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	13	11	6
73.20 Total outlays (gross) .....	-2	-5	-5
74.40 Obligated balance, end of year .....	11	6	1
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	2	5	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	2	5	5

The Nehemiah grants program was authorized by the Housing and Community Development Act of 1987 to provide loans to eligible families to assist in the purchase of new or substantially rehabilitated units. This schedule reflects the liquidation of remaining reserved and obligated balances.

## Credit accounts:

## FEDERAL HOUSING ADMINISTRATION

## MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

## (INCLUDING TRANSFERS OF FUNDS)

During fiscal year 2004, commitments to guarantee loans to carry out the purposes of sections 203(b) and 257 of the National Housing Act, as amended, shall not exceed a loan principal of \$185,000,000,000.

During fiscal year 2004, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$50,000,000: Provided, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, \$359,000,000, of which not to exceed \$355,000,000 shall be transferred to the appropriation for "Salaries and expenses"; and not to exceed \$4,000,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses, \$85,000,000, of which no less than \$20,744,000 shall be transferred to the Working Capital Fund for

the development of and modifications to information technology systems which serve programs or activities under "Housing Programs" or "Federal Housing Administration": Provided, That to the extent guaranteed loan commitments exceed \$65,500,000,000 on or before April 1, 2004, an additional \$1,400 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$30,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 86-0183-0-1-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.07 Reestimates of loan guarantee negative subsidy .....	915	1,863	
00.08 Interest on reestimates of loan guarantee subsidy .....	102	527	
00.09 Administrative expenses, salaries & expenses transfer .....	337	348	359
00.12 Non-overhead administrative expenses for FHA contracts .....	162	86	85
10.00 Total new obligations .....	1,516	2,824	444
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	513	434	444
22.22 Unobligated balance transferred from other accounts .....	1,017	2,390	
23.90 Total budgetary resources available for obligation .....	1,530	2,824	444
23.95 Total new obligations .....	-1,516	-2,824	-444
23.98 Unobligated balance expiring or withdrawn .....	-14		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	513	434	444
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	120	61	16
73.10 Total new obligations .....	1,516	2,824	444
73.20 Total outlays (gross) .....	-1,574	-2,869	-444
73.40 Adjustments in expired accounts (net) .....	-1		
74.40 Obligated balance, end of year .....	61	16	16
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	464	418	428
86.93 Outlays from discretionary balances .....	93	61	16
86.98 Outlays from mandatory balances .....	1,017	2,390	
87.00 Total outlays (gross) .....	1,574	2,869	444
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	513	434	444
90.00 Outlays .....	1,574	2,869	444
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....		15	15
99.01 Outlays .....		15	15

## Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0183-0-1-371	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 MMI Fund, Direct loans .....	250	50	50
115901 Total direct loan levels .....	250	50	50
Guaranteed loan levels supportable by subsidy budget authority:			
215001 MMI Fund, Section 203(b) .....	157,031	163,008	177,500
215003 Standby commitment authority .....	7,969	1,992	7,500
215901 Total loan guarantee levels .....	165,000	165,000	185,000
Guaranteed loan subsidy (in percent):			
232001 MMI Fund, Section 203(b) .....	-2.07	-2.53	-2.46
232003 Standby commitment authority .....	0.00	0.00	0.00
232901 Weighted average subsidy rate .....	-2.07	-2.53	-2.46
Guaranteed loan subsidy budget authority:			
233001 MMI Fund, Section 203(b) .....	-2,880	-3,226	-3,378

233003 Standby commitment authority .....			
233901 Total subsidy budget authority .....	-2,880	-3,226	-3,378
Guaranteed loan subsidy outlays:			
234001 MMI Fund, Section 203(b) .....	-2,880	-3,226	-3,378
234003 Standby commitment authority .....			
234901 Total subsidy outlays .....	-2,880	-3,226	-3,378
Guaranteed loan upward reestimate subsidy budget authority:			
235001 MMI Fund, Section 203(b) .....	1,017	2,390	
235901 Total upward reestimate budget authority .....	1,017	2,390	
Guaranteed loan upward reestimate subsidy outlays:			
236001 MMI Fund, Section 203(b) .....	1,017	2,390	
236901 Total upward reestimate subsidy outlays .....	1,017	2,390	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 MMI Fund, Section 203(b) .....	-2,704	-864	
237901 Total downward reestimate subsidy budget authority .....	-2,704	-864	
Guaranteed loan downward reestimate subsidy outlays:			
238001 MMI Fund, Section 203(b) .....	-2,704	-864	
238901 Total downward reestimate subsidy outlays .....	-2,704	-864	
Administrative expense data:			
351001 Budget authority .....	513	2,824	444
358001 Outlays from balances .....	93	61	10
359001 Outlays from new authority .....	464	2,808	434

The Federal Housing Administration (FHA) provides mortgage insurance to encourage lenders to make credit available to expand homeownership and to predominantly serve borrowers that the conventional market does not adequately provide for including: first-time homebuyers; minorities; lower-income families; and, residents of underserved areas (central cities and rural areas).

The Budget proposes an aggregate limitation of \$185 billion on commitments to guarantee loans in 2004. The Budget also proposes a new single family loan guarantee product that extends FHA insurance to borrowers who cannot meet existing underwriting standards due to poor credit ratings. Borrowers will still be required to meet debt, income, and repayment ability standards. Increased risk of default associated with these borrowers is offset by requiring greater owner equity and by charging an annual premium of up to one percent rather than the one-half of one percent charged currently. After 24 months of on-time payments, the higher annual premium will be reduced. This new program will insure mortgages on homes currently ineligible under Sec. 203(b) and Sec. 234(c) of the National Housing Act, and will be obligations of the Mutual Mortgage Insurance Fund.

As required by the Federal Credit Reform Act of 1990, this account records administrative expenses for this program, as well as the subsidy costs, if any, associated with the loan guarantees committed in 1992 and thereafter. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**Object Classification** (in millions of dollars)

Identification code 86-0183-0-1-371	2002 actual	2003 est.	2004 est.
25.2 Other services .....	44	65	65
25.3 Other purchases of goods and services from Government accounts .....	455	369	379
41.0 Grants, subsidies, and contributions .....	916	1,863	
43.0 Interest and dividends .....	101	527	
99.9 Total new obligations .....	1,516	2,824	444

**FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 86-4242-0-3-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....		50	50
00.02 Interest paid to Treasury .....		2	2
00.03 Claims & other .....		4	4
10.00 Total new obligations .....		56	56
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	3	
22.00 New financing authority (gross) .....	1	75	105
22.60 Portion applied to repay debt .....	-5	-22	-49
23.90 Total budgetary resources available for obligation .....	3	56	56
23.95 Total new obligations .....		-56	-56
24.40 Unobligated balance carried forward, end of year .....	3		
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....		50	50
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	25	55
70.00 Total new financing authority (gross) .....	1	75	105
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4	-1	5
73.10 Total new obligations .....		56	56
73.20 Total financing disbursements (gross) .....	-5	-50	-56
74.40 Obligated balance, end of year .....	-1	5	5
87.00 Total financing disbursements (gross) .....	5	50	56
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds .....		-1	-1
Non-Federal sources:			
88.40 Repayment of principal .....	-1	-23	-50
88.40 Repayment of interest .....		-1	-4
88.90 Total, offsetting collections (cash) .....	-1	-25	-55
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....		50	50
90.00 Financing disbursements .....	4	25	1

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

The \$50 million in 2004 direct loan limitation in the MMI Fund would permit the Department to use Purchase Money Mortgages (PMMs) to help finance the sale of acquired single family properties. HUD would extend credit for these single-family homes to community nonprofit organizations or local government entities who would be expected to sell the properties to low- and moderate-income buyers. The use of PMMs provides a tool for State and local nonprofit organizations to use in revitalizing communities, and creates enhanced homeownership opportunities for low- and moderate-income families.

**Status of Direct Loans** (in millions of dollars)

Identification code 86-4242-0-3-371	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	250	50	50

**Credit accounts—Continued****FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT—Continued****Status of Direct Loans (in millions of dollars)—Continued**

Identification code 86-4242-0-3-371	2002 actual	2003 est.	2004 est.
1142 Unobligated direct loan limitation (-) .....	-250		
1150 Total direct loan obligations .....		50	50
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1		22
1231 Disbursements: Direct loan disbursements .....		50	50
1251 Repayments: Repayments and prepayments .....	-24		-50
Write-offs for default:			
1263 Direct loans .....		-4	-9
1264 Other adjustments, net .....	-1		
1290 Outstanding, end of year .....		22	13

**Balance Sheet (in millions of dollars)**

Identification code 86-4242-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	11	3	3	
1206 Non-Federal assets: Receivables, net .....				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	1		22	
1405 Allowance for subsidy cost (-) .....	-2	-3	-7	
1499 Net present value of assets related to direct loans .....	-1	-3	15	
1999 Total assets .....	10		18	
<b>LIABILITIES:</b>				
Federal liabilities:				
2103 Treasury borrowing .....	5		28	
2105 Other liabilities—intragovernmental .....	4		-10	
Non-Federal liabilities:				
2201 Accounts payable .....	1			
2202 Interest payable .....				
2999 Total liabilities .....	10		18	
4999 Total liabilities and net position .....	10		18	

**FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 86-4587-0-3-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.08 Interest payments to Treasury .....	432	900	1,167
00.11 Default claims and other .....	5,691	3,888	4,005
00.91 Subtotal, capital/operating expenses .....	6,123	4,788	5,172
Negative Subsidy Activity:			
08.01 Payment of negative subsidy to liquidating account for new business .....	2,880	3,226	3,378
08.02 Reestimate of loan guarantee subsidy (downward reestimates) .....	2,223	763	
08.04 Interest on reestimates of loan guarantee subsidy .....	481	101	
08.91 Subtotal, subsidy activity .....	5,584	4,090	3,378
10.00 Total new obligations .....	11,707	8,878	8,550
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2,703	1,599	2,071
22.00 New financing authority (gross) .....	11,307	13,850	12,584
22.10 Resources available from recoveries of prior year obligations .....	46		
22.60 Portion applied to repay debt .....	-750	-4,500	-4,400
23.90 Total budgetary resources available for obligation .....	13,306	10,949	10,255
23.95 Total new obligations .....	-11,707	-8,878	-8,550
24.40 Unobligated balance carried forward, end of year .....	1,599	2,071	1,705

**New financing authority (gross), detail:**

<b>Discretionary:</b>			
47.00 Authority to borrow .....	3,400	5,000	5,500
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	7,938	8,850	7,084
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-31		
68.90 Spending authority from offsetting collections (total discretionary) .....	7,907	8,850	7,084
70.00 Total new financing authority (gross) .....	11,307	13,850	12,584

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	20	80	80
73.10 Total new obligations .....	11,707	8,878	8,550
73.20 Total financing disbursements (gross) .....	-11,632	-8,878	-8,550
73.45 Recoveries of prior year obligations .....	-46		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	31		
74.40 Obligated balance, end of year .....	80	80	80
87.00 Total financing disbursements (gross) .....	11,632	8,878	8,550

**Offsets:**

<b>Against gross financing authority and financing disbursements:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Transfer of Reestimates from reserves in Capital Reserve account .....	-1,017	-2,390	
88.25 Interest on uninvested funds .....	-291	-48	-20
<b>Non-Federal sources:</b>			
88.40 Fees and premiums .....	-2,863	-3,120	-4,213
88.40 Recoveries on defaults .....	-3,767	-3,292	-2,851
88.90 Total, offsetting collections (cash) .....	-7,938	-8,850	-7,084
<b>Against gross financing authority only:</b>			
88.95 Change in receivables from program accounts .....	31		

**Net financing authority and financing disbursements:**

89.00 Financing authority .....	3,400	5,000	5,500
90.00 Financing disbursements .....	3,694	28	1,466

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4587-0-3-371	2002 actual	2003 est.	2004 est.
<b>Position with respect to appropriations act limitation on commitments:</b>			
2111 Limitation on guaranteed loans made by private lenders .....	165,000	165,000	185,000
2142 Uncommitted loan guarantee limitation .....	-7,969	-1,992	-7,500
2150 Total guaranteed loan commitments .....	157,031	163,008	177,500
2199 Guaranteed amount of guaranteed loan commitments .....	157,031	163,008	177,500
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	419,313	435,353	493,216
2231 Disbursements of new guaranteed loans .....	136,382	133,582	139,289
2251 Repayments and prepayments .....	-115,070	-72,243	-64,119
<b>Adjustments:</b>			
2261 Terminations for default that result in loans receivable .....		-491	-804
2262 Terminations for default that result in acquisition of property .....	-5,203	-2,942	-2,835
2263 Terminations for default that result in claim payments .....	-69	-43	-45
2290 Outstanding, end of year .....	435,353	493,216	564,702
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	435,353	493,216	564,702
<b>Addendum:</b>			
<b>Cumulative balance of defaulted guaranteed loans that result in loans receivable:</b>			
2310 Outstanding, start of year .....	4	4	
2331 Disbursements for guaranteed loan claims .....		491	804
2351 Repayments of loans receivable .....			
2364 Other adjustments, net .....		-495	-804
2390 Outstanding, end of year .....	4		

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loans insured in 1992 and

thereafter. The amounts in this account are considered a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 86-4587-0-3-371	2001 actual <sup>1</sup>	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury	2,723	1,679	5,395	5,007
Investments in US securities:				
1106 Receivables, net	1,049			
1206 Non-Federal assets: Receivables, net	172	267		
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	122	4		
1502 Interest receivable	4			
1504 Foreclosed property	1,858	2,138	1,378	2,052
1505 Allowance for subsidy cost	-777			
1599 Net value of assets related to defaulted guaranteed loan	1,207	2,142	1,378	2,052
1901 Other Federal assets: Other assets		178		
1999 Total assets	5,151	4,266	6,773	7,059
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable	2,738			
2103 Federal liabilities, Debt	3,662	6,312	6,892	7,970
2105 Other		2		
Non-Federal liabilities:				
2201 Accounts payable	-67	153		
2204 Liabilities for loan guarantees	-1,220	-2,328	-119	-911
2207 Other	38	127		
2999 Total liabilities	5,151	4,266	6,773	7,059
4999 Total liabilities and net position	5,151	4,266	6,773	7,059

88.95	Against gross budget authority only:			
	Change in uncollected customer payments from Federal sources (unexpired)	-267		

**Net budget authority and outlays:**

89.00	Budget authority			
90.00	Outlays	-2,717	-5,935	-5,224

**Memorandum (non-add) entries:**

92.02	Total investments, end of year: Federal securities:			
	Net	21,249	28,449	33,449

In 2002, a new Capital Reserve account was established for the Mutual Mortgage Insurance Fund. Financial reserves, including securities, of the MMI Fund were transferred from the liquidating account to the new Capital Reserve account. Starting in 2003, this new account will earn interest on Treasury investments, collect negative subsidy and downward re-estimates from the Financing account, and pay upward reestimates. The Liquidating account will now only reflect cashflows related to pre-1992 books of business.

**Balance Sheet** (in millions of dollars)

Identification code 86-0236-0-1-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury		1,699	1,259	1,498
Investments in US securities:				
1102 Treasury securities, net		21,077	28,449	33,449
1106 Receivables, net		267		
1999 Total assets		23,043	29,708	34,947
<b>NET POSITION:</b>				
3300 Cumulative results of operations		23,043	29,708	34,947
3999 Total net position		23,043	29,708	34,947
4999 Total liabilities and net position		23,043	29,708	34,947

**FHA—MUTUAL MORTGAGE INSURANCE CAPITAL RESERVE ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 86-0236-0-1-371	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	22,848	26,393
22.00	New budget authority (gross)	2,984	5,935
22.21	Unobligated balance transferred to other accounts	-1,017	-2,390
22.22	Unobligated balance transferred from other accounts	20,881	
23.90	Total budgetary resources available for obligation	22,848	26,393
24.40	Unobligated balance carried forward, end of year	22,848	26,393
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00	Offsetting collections (cash)	2,717	5,935
69.10	Change in uncollected customer payments from Federal sources (unexpired)	267	
69.90	Spending authority from offsetting collections (total mandatory)	2,984	5,935
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year		-267
73.20	Total outlays (gross)		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-267	
74.40	Obligated balance, end of year	-267	-267
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00	Federal sources—negative subsidy from new business	-3,226	-3,378
88.00	Federal sources—downward reestimates	-2,704	-864
88.00	Federal sources—PY unobligated balance from Liquidating Acct	-315	
88.20	Interest on Federal securities	-13	-1,846
88.90	Total, offsetting collections (cash)	-2,717	-5,935

**FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS LIQUIDATING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 86-4070-0-3-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating expenses:			
00.03	Other operating costs	-4	
Capital investment:			
01.03	Acquisition of real properties	250	156
01.07	Capitalized property expenses	83	38
01.08	Loss mitigation activities	5	5
01.09	Preforeclosure sale claims	2	2
01.91	Total capital investment	340	201
Other:			
02.01	PY unobligated balance to Capital Reserve Acct		316
10.00	Total new obligations	336	517
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	17,747	244
22.00	New budget authority (gross)	3,710	273
22.10	Resources available from recoveries of prior year obligations	5	
22.21	Unobligated balance transferred to other accounts	-20,881	
23.90	Total budgetary resources available for obligation	581	517
23.95	Total new obligations	-336	-517
24.40	Unobligated balance carried forward, end of year	244	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	2,880	
Mandatory:			
69.00	Offsetting collections (cash)	1,200	273
69.10	Change in uncollected accounts receivable from Federal sources	-370	

**Credit accounts—Continued**

**FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS LIQUIDATING ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 86-4070-0-3-371	2002 actual	2003 est.	2004 est.
69.90 Spending authority from offsetting collections (total mandatory)	830	273	127
70.00 Total new budget authority (gross)	3,710	273	127
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	542	950	1,053
73.10 Total new obligations	336	517	127
73.20 Total outlays (gross)	-293	-414	-198
73.45 Recoveries of prior year obligations	-5		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	370		
74.40 Obligated balance, end of year	950	1,053	982
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	93	273	101
86.98 Outlays from mandatory balances	200	141	97
87.00 Total outlays (gross)	293	414	198
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Payment from financing account	-2,880		
88.20 Interest on Federal securities	-900		
Non-Federal sources:			
88.40 Fees and premiums	-14	-24	-20
88.40 Rebate of unearned prepaid premiums collected			
88.40 Proceeds from sale of real property	-271	-243	-107
88.40 Proceeds from sale of mortgage notes	-15		
88.40 Repayment of mortgage notes and sales contracts			
88.40 Interest and operating income			
88.40 Recoveries on defaulted mortgages		-6	
88.90 Total, offsetting collections (cash)	-4,080	-273	-127
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	370		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	-3,786	141	71
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value	17,282		
92.02 Total investments, end of year: Federal securities:			
Par value			

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4070-0-3-371	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	3	2	
1251 Repayments: Repayments and prepayments			
1264 Write-offs for default: Other adjustments, net	-1	-2	
1290 Outstanding, end of year	2		

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4070-0-3-371	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	39,963	31,968	27,191
2251 Repayments and prepayments	-7,738	-4,613	-3,556
Adjustments:			
2261 Terminations for default that result in loans receivable			
2262 Terminations for default that result in acquisition of property	-250	-156	-105
2263 Terminations for default that result in claim payments	-7	-8	-4

2290 Outstanding, end of year	31,968	27,191	23,526
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	31,968	27,191	23,526
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	4	7	
2331 Disbursements for guaranteed loan claims			
2351 Repayments of loans receivable	-1		
2361 Write-offs of loans receivable	-5		
2364 Other adjustments, net	9	-7	
2390 Outstanding, end of year	7		

The Federal Housing Administration Fund currently consists of four separate insurance funds.

In order to present more clearly the operations of the various funds, FHA's budget transactions are separated into two major business segments. The basic single-family insurance programs in the Mutual Mortgage Insurance (MMI) fund and the multifamily Cooperative Management Housing Insurance (CMHI) funds form one segment. All other multifamily and other specialized insurance programs in the General Insurance and Special Risk Insurance funds (GI/SRI) form the other segment.

The Federal Credit Reform Act of 1990 creates a structure of three accounts for existing credit program. For each of the FHA business segments (MMI/CMHI and GI/SRI) there is a liquidating account, which records the revenues and costs associated with loan insurance committed prior to October 1, 1991, a financing account which records the revenues and costs associated with commitments to insure loans made after September 30, 1991, and, a program account which records the transactions associated with the program subsidy costs, if any, and the costs of administering the program.

This liquidating account records, for this program, all cash flows to and from the Government resulting from MMI/CMHI loans insured prior to 1992 and is shown on a cash basis. All new activity in this program in 1992 and thereafter (including modifications of loans insured in any year) is recorded in the corresponding program (86-0183) and financing (86-4587 and 86-4242) accounts.

In 2002, a new MMI capital reserve account was established to maintain reserves required by statute that were previously deposited in the liquidating account.

The program activity in the "Program Highlights" table shown below reflects only the activity in the MMI/CMHI liquidating and financing accounts. The GI/SRI program activity can be found with the GI/SRI liquidating account (86-4072).

**PROGRAM HIGHLIGHTS**

	(in millions of dollars)		
	2002 actual	2003 est.	2004 est.
Insurance initiation:			
Mortgage insurance commitments (units)	1,299,868	1,419,769	1,474,051
Mortgage insurance written (in fiscal year):			
Units	1,221,340	1,163,480	1,156,919
Amount (in millions of dollars)	\$136,382	\$133,582	\$139,289
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance (in millions of dollars)	\$467,549	\$520,406	\$588,228

**Financial condition.**—The following tables reflect the revenues, expenses and financial condition of the MMI/CMHI liquidating funds based on Generally Accepted Accounting Principles.

**Statement of Operations (in millions of dollars)**

Identification code 86-4070-0-3-371	2001 actual <sup>1</sup>	2002 actual <sup>2</sup>	2003 est.	2004 est.
0101 Revenue	1,567	151	30	20

0102	Expense .....	-113	-111	-81	-48
0105	Net income or loss (-) .....	1,454	40	-51	-28
0108	Other comprehensive income .....	1,104	19,128	2,938	

<sup>1</sup> Estimated result on GAAP basis pending final audit.

**Balance Sheet** (in millions of dollars)

Identification code 86-4070-0-3-371	2001 actual <sup>1</sup>	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	1,269	1,193	71	
	Investments in US securities:				
	Receivables, net:				
1106	Receivables, net .....	17,105			
1106	Receivables, net .....	3,031			
Non-Federal assets:					
1206	Receivables, net .....	31	26	22	19
1207	Advances and prepayments .....				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	3	2		
1602	Interest receivable .....	2			
1603	Allowance for estimated uncollectible loans and interest (-) .....	-3	-2		
1699	Value of assets related to direct loans .....	2	1		
1701	Defaulted guaranteed loans, gross ....	13	24		
1702	Interest receivable .....	16	1		
1703	Allowance for estimated uncollectible loans and interest (-) .....	-25	-6		
1704	Defaulted guaranteed loans and interest receivable, net .....	4	19		
1705	Allowance for uncollectibles from foreclosed property .....				
1706	Foreclosed property .....	175	133	84	58
1799	Value of assets related to loan guarantees .....	179	152	84	58
1901	Other Federal assets: Other assets .....	14	18	18	19
1999	Total assets .....	21,631	1,389	195	96
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....	1,018			
2105	Other Intragovernmental liabilities .....				
Non-Federal liabilities:					
2201	Accounts payable .....	721	634	539	466
2204	Liabilities for loan guarantees .....	306	306	260	225
2207	Unearned revenue and advances, and other .....	458	461	67	9
2999	Total liabilities .....	2,503	1,401	866	700
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....	19,128	-12	-671	-604
3999	Total net position .....	19,128	-12	-671	-604
4999	Total liabilities and net position .....	21,631	1,389	195	96

**Object Classification** (in millions of dollars)

Identification code 86-4070-0-3-371	2002 actual	2003 est.	2004 est.
Other services:			
25.2	Other services .....	-4	
25.2	Other services—PY unobligated balance to Capital Reserve Acct .....		316
32.0	Land and structures .....	333	192
33.0	Investments and loans .....	5	5
42.0	Insurance claims and indemnities .....	2	4
99.9	Total new obligations .....	336	517

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 86-0200-0-1-371	2002 actual	2003 est.	2004 est.
0101	FHA-General and special risk, negative subsidies .....	451	352
0102	FHA-General and special risk, downward reestimates of subsidies .....	1,542	1,102

**GENERAL AND SPECIAL RISK PROGRAM ACCOUNT**  
(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan guarantee modifications, as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended, \$15,000,000, to remain available until expended: Provided, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to \$25,000,000,000.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed \$50,000,000, of which not to exceed \$30,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed \$20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, \$229,000,000, of which \$209,000,000, shall be transferred to the appropriation for "Salaries and expenses"; and of which \$20,000,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses necessary to carry out the guaranteed and direct loan programs, \$93,780,000, of which no less than \$16,946,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve activities under "Housing Programs" or "Federal Housing Administration": Provided, That to the extent guaranteed loan commitments exceed \$8,426,000,000 on or before April 1, 2004, an additional \$1,980 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments over \$8,426,000,000 (including a pro rata amount for any increment below \$1,000,000), but in no case shall funds made available by this proviso exceed \$14,400,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 86-0200-0-1-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02	Guaranteed loan subsidy .....	8	15
00.07	Reestimate of credit subsidy .....	688	851
00.08	Interest on reestimates of loan guarantee subsidy .....	307	316
00.09	Administrative expenses, salaries & expenses transfer .....	216	224
00.10	Administrative contract expenses .....	94	94
10.00	Total new obligations .....	1,313	1,500
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	75	53
22.00	New budget authority (gross) .....	1,376	1,500
22.60	Portion applied to repay debt .....	-30	
23.90	Total budgetary resources available for obligation .....	1,421	1,553
23.95	Total new obligations .....	-1,313	-1,500
23.98	Unobligated balance expiring or withdrawn .....	-56	
24.40	Unobligated balance carried forward, end of year .....	53	53
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	381	333
Mandatory:			
60.00	Appropriation .....	995	1,167
70.00	Total new budget authority (gross) .....	1,376	1,500
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	112	77
73.10	Total new obligations .....	1,313	1,500
73.20	Total outlays (gross) .....	-1,340	-1,523
73.40	Adjustments in expired accounts (net) .....	-8	
74.40	Obligated balance, end of year .....	77	54
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	281	310
86.93	Outlays from discretionary balances .....	64	46

## Credit accounts—Continued

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT—Continued  
(INCLUDING TRANSFERS OF FUNDS)—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 86-0200-0-1-371	2002 actual	2003 est.	2004 est.
86.97 Outlays from new mandatory authority .....	995	1,167	
87.00 Total outlays (gross) .....	1,340	1,523	338
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,376	1,500	338
90.00 Outlays .....	1,340	1,523	338
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	10	9	9
99.01 Outlays .....	10	9	9

## Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0200-0-1-371	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Single-family PMMs .....		2	2
115002 Multifamily bridge loans .....		2	2
115003 Unused Limitation Authority .....	50	46	46
115901 Total direct loan levels .....	50	50	50
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Apartments NC/SC .....	2,843	2,900	3,000
215003 221d3 NP/Coop owned apts .....	89	95	100
215004 Tax Credits NC .....	765	800	850
215005 Mixed Income (Hope d4) .....	15	16	
215006 Apartments Refinance .....	1,615	1,700	1,800
215007 241a Supplemental Loans for Apts .....	14	20	25
215008 Operating Loss Loans for Apts (plus 232) .....	2	3	3
215009 HFA Risk Sharing .....	357	400	420
215012 GSE Risk Sharing .....		100	120
215013 FHA Full Insurance for Health Care Facilities (plus 241/232) .....	649	700	725
215014 Health Care Refinances .....	1,502	1,600	1,700
215015 Hospitals .....	149	550	700
215016 Other Rental (incl 207(mhp),220,231) .....		300	325
215017 Section 234: Condominiums .....	12,982	13,700	14,100
215018 Section 203(k): Rehabilitation Mortgages .....	949	925	912
215019 Section 221(d)(2): Low Income Housing .....			
215021 Title 1 Property Improvement .....	95	100	105
215022 Title 1 Manufactured Housing .....	55	80	75
215023 Standby authority .....	919	11	40
215901 Total loan guarantee levels .....	23,000	24,000	25,000
<b>Guaranteed loan subsidy (in percent):</b>			
232001 Apartments NC/SC .....	-0.14	-0.06	-0.62
232003 221d3 NP/Coop owned apts .....	8.89	3.93	5.35
232004 Tax Credits NC .....	-2.50	-0.65	-1.59
232005 Mixed Income (Hope d4) .....	-0.14	-0.33	0.00
232006 Apartments Refinance .....	-0.97	-2.17	-2.13
232007 241a Supplemental Loans for Apts .....	28.16	6.35	8.60
232008 Operating Loss Loans for Apts (plus 232) .....	19.34	18.69	17.84
232009 HFA Risk Sharing .....	-1.55	-1.37	-1.67
232012 GSE Risk Sharing .....	-0.57	-1.36	-1.08
232013 FHA Full Insurance for Health Care Facilities (plus 241/232) .....	-2.21	-1.19	-0.22
232014 Health Care Refinances .....	-2.54	-1.97	-1.28
232015 Hospitals .....	-0.36	-2.76	-3.33
232016 Other Rental (incl 207(mhp),220,231) .....		-0.07	-0.08
232017 Section 234: Condominiums .....	-1.99	-1.08	-1.03
232018 Section 203(k): Rehabilitation Mortgages .....	-1.53	-0.46	-0.02
232019 Section 221(d)(2): Low Income Housing .....	0.00	0.00	0.00
232021 Title 1 Property Improvement .....	0.96	2.02	1.86
232022 Title 1 Manufactured Housing .....	-0.84	-0.47	-0.14
232023 Standby authority .....	0.00	0.00	0.00
232901 Weighted average subsidy rate .....	-1.53	-1.05	-1.05
<b>Guaranteed loan subsidy budget authority:</b>			
233001 Apartments NC/SC .....	-4	-2	-19
233003 221d3 NP/Coop owned apts .....	8	4	5
233004 Tax Credits NC .....	-19	-5	-14
233005 Mixed Income (Hope d4) .....			

233006 Apartments Refinance .....	-16	-37	-38
233007 241a Supplemental Loans for Apts .....	4	1	2
233008 Operating Loss Loans for Apts (plus 232) .....		1	1
233009 HFA Risk Sharing .....	-6	-5	-7
233012 GSE Risk Sharing .....		-1	-1
233013 FHA Full Insurance for Health Care Facilities (plus 241/232) .....	-14	-8	-2
233014 Health Care Refinances .....	-33	-32	-22
233015 Hospitals .....		-15	-23
233016 Other Rental (incl 207(mhp),220,231) .....			
233017 Section 234: Condominiums .....	-258	-148	-146
233018 Section 203(k): Rehabilitation Mortgages .....	-15	-4	
233019 Section 221(d)(2): Low Income Housing .....			
233021 Title 1 Property Improvement .....	1	2	2
233022 Title 1 Manufactured Housing .....			
233023 Standby authority .....			
233024 Emergency Appropriation .....			
233901 Total subsidy budget authority .....	-352	-251	-262
<b>Guaranteed loan subsidy outlays:</b>			
234001 Apartments NC/SC .....	5	5	-14
234003 221d3 NP/Coop owned apts .....	3	3	2
234004 Tax Credits NC .....	-17	-23	-12
234005 Mixed Income (Hope d4) .....			
234006 Apartments Refinance .....	-13	-43	-38
234007 241a Supplemental Loans for Apts .....	1	1	2
234008 Operating Loss Loans for Apts (plus 232) .....	1		1
234009 HFA Risk Sharing .....	-3	-10	-7
234012 GSE Risk Sharing .....		-1	-1
234013 FHA Full Insurance for Health Care Facilities (plus 241/232) .....	-14	-21	-3
234014 Health Care Refinances .....	-33	-62	-24
234015 Hospitals .....	-3	-12	-21
234016 Other Rental (incl 207(mhp),220,231) .....			
234017 Section 234: Condominiums .....	-259	-148	-128
234018 Section 203(k): Rehabilitation Mortgages .....	-15	-4	
234019 Section 221(d)(2): Low Income Housing .....			
234021 Title 1 Property Improvement .....	1	2	2
234022 Title 1 Manufactured Housing .....			
234023 Standby authority .....			
234901 Total subsidy outlays .....	-346	-313	-241
<b>Guaranteed loan upward reestimate subsidy budget authority:</b>			
235024 General and Special Risk .....	995	1,167	
235901 Total upward reestimate budget authority .....	995	1,167	
<b>Guaranteed loan upward reestimate subsidy outlays:</b>			
236024 General and Special Risk .....	995	1,167	
236901 Total upward reestimate subsidy outlays .....	995	1,167	
<b>Guaranteed loan downward reestimate subsidy budget authority:</b>			
237024 General and Special Risk .....	-1,542	-1,102	
237901 Total downward reestimate subsidy budget authority .....	-1,542	-1,102	
<b>Guaranteed loan downward reestimate subsidy outlays:</b>			
238024 General and Special Risk .....	-1,542	-1,102	
238901 Total downward reestimate subsidy outlays .....	-1,542	-1,102	
<b>Administrative expense data:</b>			
351001 Budget authority, S&E Transfer .....	216	224	229
351001 Budget authority .....	150	94	94
358001 Outlays from balances .....	64	46	19
359001 Outlays from new authority .....	265	299	304

**Multifamily Products.**—This account includes budget authority for multifamily insurance programs requiring positive credit subsidies, as well as for salaries and expenses and other administrative costs for all General and Special Risk Insurance Fund programs.

As required by the Federal Credit Reform Act of 1990, this account records, for the single family, multifamily, hospital, and Title I insurance programs of FHA's General Insurance and Special Risk Insurance Funds, the subsidy costs associated with the loan guarantees committed or direct loans obligated in 1992 and thereafter (including modifications of loan guarantees or direct loans that resulted from obligations or commitments in any year), as well as administrative expenses of these programs. The subsidy amounts are estimated on a present value basis; the administrative expenses are accounted for on a cash basis.

The Budget includes a reduction in the annual premium rate of multifamily Section 221(d)(4) loan guarantees from 57 basis points to 50 basis points. This reflects improved estimates of these loan guarantee subsidy cost.

**Object Classification** (in millions of dollars)

Identification code 86-0200-0-1-371	2002 actual	2003 est.	2004 est.
25.1 Advisory and assistance services .....	52	77	77
25.2 Other services .....	42	17	17
25.3 Other purchases of goods and services from Government accounts .....	216	224	229
41.0 Grants, subsidies, and contributions .....	1,003	1,182	15
99.9 Total new obligations .....	1,313	1,500	338

**FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 86-4077-0-3-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Capital investment, claims and other:			
00.01 Default claims and other .....	927	1,346	1,355
00.05 Interest paid to Treasury .....	92	97	102
00.08 Asset sale negative subsidy payment to the receipt account .....	88	26	7
00.14 Contract Costs .....	18	20	20
00.91 Direct Program by Activities—Subtotal (1 level) .....	1,125	1,489	1,484
08.01 Payment of negative subsidy to receipt account .....	364	326	256
08.02 Downward subsidy rate reestimate .....	1,091	774	.....
08.04 Interest on subsidy rate reestimates .....	451	328	.....
08.91 Direct Program by Activities—Subtotal (1 level) .....	1,906	1,428	256
10.00 Total new obligations .....	3,031	2,917	1,740
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1,766	1,419	1,284
22.00 New financing authority (gross) .....	2,841	2,982	1,862
22.10 Resources available from recoveries of prior year obligations .....	3	.....	.....
22.60 Portion applied to repay debt .....	-161	-200	-200
23.90 Total budgetary resources available for obligation .....	4,449	4,201	2,946
23.95 Total new obligations .....	-3,031	-2,917	-1,740
24.40 Unobligated balance carried forward, end of year .....	1,419	1,284	1,206
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow .....	525	500	400
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	2,273	2,482	1,462
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	43	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	2,316	2,482	1,462
70.00 Total new financing authority (gross) .....	2,841	2,982	1,862
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-123	-158	.....
73.10 Total new obligations .....	3,031	2,917	1,740
73.20 Total financing disbursements (gross) .....	-3,020	-2,759	-1,740
73.45 Recoveries of prior year obligations .....	-3	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-43	.....	.....
74.40 Obligated balance, end of year .....	-158	.....	.....
87.00 Total financing disbursements (gross) .....	3,020	2,759	1,740

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Payments from program account .....	-16	-11	-15
88.00 Repayment of principal and interest from liquidating account .....	-14	-16	-16
88.00 Subsidy reestimate from program account .....	-995	-1,167	.....

88.25 Interest on uninvested funds .....	-90	-92	-97
Non-Federal sources:			
88.40 Fees and premiums .....	-481	-494	-580
88.40 Recoveries on defaulted mortgages .....	-116	-76	-86
88.40 Title I recoveries .....	-23	-3	-3
88.40 Single family property recoveries .....	-247	-440	-452
88.40 Gross Proceeds from sale of mortgage notes (liquidating) .....	-88	-26	-7
88.40 Gross Proceeds from Mortgage Note Sales .....	-202	-156	-209
88.40 Multifamily property recoveries .....	-1	-1	-1
88.90 Total, offsetting collections (cash) .....	-2,273	-2,482	-1,466
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	-43	.....	.....
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	525	500	396
90.00 Financing disbursements .....	748	277	274

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 86-4077-0-3-371	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	23,000	24,000	25,000
2150 Total guaranteed loan commitments .....	23,000	24,000	25,000
2199 Guaranteed amount of guaranteed loan commitments .....	23,000	24,000	25,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	73,376	74,738	90,889
2231 Disbursements of new guaranteed loans .....	20,600	23,644	24,753
2251 Repayments and prepayments .....	-18,390	-6,220	-7,696
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-458	-530	-633
2262 Terminations for default that result in acquisition of property .....	-387	-733	-634
2263 Terminations for default that result in claim payments .....	-3	-10	-10
2290 Outstanding, end of year .....	74,738	90,889	106,669
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	74,738	90,889	106,669
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	618	601	942
2331 Disbursements for guaranteed loan claims .....	458	530	633
2351 Repayments of loans receivable .....	-244	-189	-298
2361 Write-offs of loans receivable .....	-231	.....	.....
2390 Outstanding, end of year .....	601	942	1,277

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and thereafter (including modifications of loan guarantees that resulted from commitments in any year) for FHA's General and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

**Balance Sheet<sup>1</sup>** (in millions of dollars)

Identification code 86-4077-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	1,643	1,260	1,663	.....
Investments in US securities:				
1106 Receivables, net .....	332	28	.....	.....
1107 Borrowings receivable from liquidating account .....	.....	.....	202	202
Non-Federal assets:				
1201 Investments in non-Federal securities, net .....	.....	.....	.....	.....

**Credit accounts—Continued****FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT—Continued****Balance Sheet<sup>1</sup> (in millions of dollars)—Continued**

Identification code 86-4077-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
1206 Receivables, net .....	16	12		
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross .....	618	601	942	1,277
1502 Interest receivable .....	84	23		
1504 Foreclosed property .....	187	206	528	528
1505 Allowance for subsidy cost .....	-362		-1,061	-1,061
1599 Net value of assets related to defaulted guaranteed loan .....	527	830	409	744
1702 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Interest receivable .....	18			
Other Federal assets:				
1801 Cash and other monetary assets .....	1			
1901 Other assets .....	-17	211	211	874
1999 Total assets .....	2,520	2,341	2,485	1,820
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable Intragovernmental .....	190			
2103 Debt .....	877	1,241	738	738
2105 Payable to Special Receipt Account for Subsidy Reestimate .....	12			
Non-Federal liabilities:				
2201 Accounts payable .....		1		
2202 Interest payable .....	6	3		
2203 Debt .....	-2			
2204 Liabilities for loan guarantees .....	1,428	1,072	1,747	1,082
2207 Other .....	9	24		
2999 Total liabilities .....	2,520	2,341	2,485	1,820
4999 Total liabilities and net position .....	2,520	2,341	2,485	1,820

**FHA—GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 86-4105-0-3-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	1	3	3
00.02 Interest paid to Treasury .....		1	1
10.00 Total new obligations .....	1	4	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		
22.00 New financing authority (gross) .....		3	3
23.90 Total budgetary resources available for obligation .....	1	3	3
23.95 Total new obligations .....	-1	-4	-4
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....		3	3
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....		4	4
68.47 Portion applied to repay debt .....		-4	-4
68.90 Spending authority from offsetting collections (total discretionary) .....			
70.00 Total new financing authority (gross) .....		3	3
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1	4	4
73.20 Total financing disbursements (gross) .....		-4	-4
87.00 Total financing disbursements (gross) .....		4	4

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40	Interest received on loans .....	-1	-1
88.40	Repayment of Principal .....	-3	-3
88.90	Total, offsetting collections (cash) .....	-4	-4

**Net financing authority and financing disbursements:**

89.00	Financing authority .....	-1	-1
90.00	Financing disbursements .....		

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4105-0-3-371	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans .....	50	50
1142	Unobligated direct loan limitation (-) .....	-49	-49
1150	Total direct loan obligations .....	1	1
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....	2	2
1231	Disbursements: Direct loan disbursements .....	1	4
1251	Repayments: Repayments and prepayments .....	-1	-4
1290	Outstanding, end of year .....	2	2

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including loan modifications) for FHA's General Insurance and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

This schedule includes two direct loan programs. One provides bridge loan financing to facilitate the disposition of multifamily housing owned by the Department to non-profit organizations who agree to preserve it as affordable rental or cooperative housing. The second is a single-family direct loan program for purchase money mortgages, as discussed in the preceding section for the Mutual Mortgage Insurance Fund.

**Balance Sheet (in millions of dollars)**

Identification code 86-4105-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross .....	1	2	2
1499	Net present value of assets related to direct loans .....	1	2	2
1999	Total assets .....	1	2	2
<b>LIABILITIES:</b>				
Federal liabilities:				
2103	Treasury borrowing .....		1	1
2104	Resources payable to Treasury .....	1	1	1
2999	Total liabilities .....	1	2	2
4999	Total liabilities and net position .....	1	2	2

**FHA—LOAN GUARANTEE RECOVERY FUND—FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 86-4106-0-3-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Default Claims .....	1	
10.00	Total new obligations (object class 42.0) .....	1	

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	3	3	5
22.00	New financing authority (gross)	1	2	
23.90	Total budgetary resources available for obligation	4	5	5
23.95	Total new obligations	-1		
24.40	Unobligated balance carried forward, end of year	3	5	5

**New financing authority (gross), detail:**

Discretionary:

68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	1	2	
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**Change in obligated balances:**

73.10	Total new obligations	1		
73.20	Total financing disbursements (gross)	-1		
87.00	Total financing disbursements (gross)	1		

**Offsets:**

Against gross financing authority and financing disbursements:

88.00	Offsetting collections (cash) from: Federal sources	-1	-2	
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**Net financing authority and financing disbursements:**

89.00	Financing authority			
90.00	Financing disbursements		-2	

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4106-0-3-371	2002 actual	2003 est.	2004 est.	
<b>Position with respect to appropriations act limitation on commitments:</b>				
2111	Limitation on guaranteed loans made by private lenders			
2121	Limitation available from carry-forward	4	4	
2143	Uncommitted limitation carried forward	-4		
2150	Total guaranteed loan commitments		4	
2199	Guaranteed amount of guaranteed loan commitments		4	
<b>Cumulative balance of guaranteed loans outstanding:</b>				
2210	Outstanding, start of year	4	5	6
2231	Disbursements of new guaranteed loans	1	4	
2251	Repayments and prepayments		-3	-3
2290	Outstanding, end of year	5	6	3
<b>Memorandum:</b>				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	5	6	3

**Balance Sheet (in millions of dollars)**

Identification code 86-4106-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Investments in US securities:				
1102	Federal assets: Treasury securities, par	3	3	5
	Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1504	Foreclosed property	1	1	1
1599	Net present value of assets related to defaulted guaranteed loans	1	1	1
1999	Total assets	3	4	6
<b>LIABILITIES:</b>				
2204	Non-Federal liabilities: Liabilities for loan guarantees	3	4	6
2999	Total liabilities	3	4	6
4999	Total liabilities and net position	3	4	6

Section 4 of the Church Arson Prevention Act of 1996 (P.L. 104-155), entitled "Loan Guarantee Recovery Fund," authorizes the Secretary of Housing and Urban Development to guarantee loans made by financial institutions to assist certain nonprofit organizations that were damaged as a result of acts of arson or terrorism.

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

**Unavailable Collections (in millions of dollars)**

Identification code 86-4072-0-3-371	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year	7	7	7
07.99	Balance, end of year	7	7	7

**Program and Financing (in millions of dollars)**

Identification code 86-4072-0-3-371	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Operating expenses:				
00.02	Interest on debentures	40	43	42
00.03	Other operating costs	26	28	26
00.05	Legislative savings repayments	14	16	16
00.06	PAE & 3rd party restructuring fees	84	62	25
00.91	Total operating expenses	164	149	109
Capital investment: Claims and other:				
01.01	Acquisition of defaulted Title I notes	-1	-4	-2
01.02	Assignment of mortgages	73	112	134
01.03	Assignments per 221 G4	119	182	219
01.05	Mark-To-Market Restructures	421	479	354
01.08	Tax advances on held mortgages	29	30	32
01.09	Acquisition of real properties	23	11	8
01.10	Capitalized property expenses	170	176	220
01.11	Rehabilitation of real properties	7	10	18
01.12	Upfront Grants	62	61	60
01.13	Other	214	90	85
01.14	M&M Contract	3	3	3
01.16	Payment to the Financing Account-Asset Sale	88	7	7
01.91	Total capital investment	1,208	1,157	1,138
10.00	Total new obligations	1,372	1,306	1,247

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	1,986	528
22.00	New budget authority (gross)	2,073	1,531
22.10	Resources available from recoveries of prior year obligations	10	
22.40	Capital transfer to general fund		-528
22.60	Portion applied to repay debt	-2,169	-225
23.90	Total budgetary resources available for obligation	1,900	1,306
23.95	Total new obligations	-1,372	-1,306
24.40	Unobligated balance carried forward, end of year	528	

**New budget authority (gross), detail:**

Mandatory:

60.00	Appropriation	1,094	472	577
67.10	Authority to borrow	249	225	220
69.00	Offsetting collections (cash)	739	834	670
69.10	Change in uncollected customer payments from Federal sources (unexpired)	-9		
69.90	Spending authority from offsetting collections (total mandatory)	730	834	670
70.00	Total new budget authority (gross)	2,073	1,531	1,467

**Change in obligated balances:**

72.40	Obligated balance, start of year	803	889	444
73.10	Total new obligations	1,372	1,306	1,247
73.20	Total outlays (gross)	-1,285	-1,751	-1,247
73.45	Recoveries of prior year obligations	-10		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	9		
74.40	Obligated balance, end of year	889	444	444

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority	1,276	1,306	1,247
86.98	Outlays from mandatory balances	9	445	
87.00	Total outlays (gross)	1,285	1,751	1,247

**Offsets:**

Against gross budget authority and outlays:

Offsetting collections (cash) from:

88.00	Federal sources	-10		
Non-Federal sources:				
88.40	Fees and premiums	-101	-100	-84

**Credit accounts—Continued****FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 86-4072-0-3-371	2002 actual	2003 est.	2004 est.
88.40 Rebates of insurance premiums .....	2	2	2
88.40 Multifamily foreclosure sales .....	-27	-147	-52
88.40 Proceeds from sale of real property .....	-55	-28	-37
88.40 Proceeds from sale of mortgage notes .....	-86	-265	-250
88.40 MTM second mortgage repayments .....	-4	-7	-8
88.40 Recoveries on defaulted mortgages .....	-180	-103	-64
88.40 Interest .....	-77	-74	-70
88.40 Other interest, dividends and revenue .....	-11	-12	-12
88.40 Other collections .....	-190	-100	-95
88.90 Total, offsetting collections (cash) .....	-739	-834	-670
88.95 Against gross budget authority only: Change in uncollected customer payments from Federal sources (unexpired) .....	9		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,343	697	797
90.00 Outlays .....	546	917	577
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	7	2	6
92.02 Total investments, end of year: Federal securities: Par value .....	2	6	6

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4072-0-3-371	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	38	26	16
1251 Repayments: Repayments and prepayments .....	-12	-10	-7
1290 Outstanding, end of year .....	26	16	9

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4072-0-3-371	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	25,370	21,319	18,546
2251 Repayments and prepayments .....	-3,414	-1,991	-1,743
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-614	-768	-704
2262 Terminations for default that result in acquisition of property .....	-22	-11	-7
2263 Terminations for default that result in claim payments .....	-1	-3	-2
2290 Outstanding, end of year .....	21,319	18,546	16,090
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	21,319	18,546	16,090
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	1,999	2,226	2,114
2331 Disbursements for guaranteed loan claims .....	614	768	704
2351 Repayments of loans receivable .....	-271	-523	-374
2361 Write-offs of loans receivable .....	-108	-357	-263
2364 Other adjustments, net .....	-8		
2390 Outstanding, end of year .....	2,226	2,114	2,181

The General Insurance fund provides for a large number of specialized mortgage insurance programs, including the insurance of loans for property improvements as well as for cooperatives, condominiums, nursing homes, rental housing and nonprofit hospitals.

The Special Risk Insurance fund provides insurance on behalf of mortgagors who otherwise would not be eligible for mortgage insurance. In addition, the fund provides insurance

on mortgages covering experimental housing where strict adherence to State or local building regulations was not observed.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from loan guarantees committed and direct loans obligated prior to 1992. This account is shown on a cash basis. New insurance and direct loan activity in 1992 and thereafter in the GI/SRI programs is recorded in corresponding program (86-0200) and financing (86-4077 and 86-4105) accounts.

Section 571 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 established the Office of Multifamily Housing Assistance Restructuring within HUD to administer the program of mortgage and rental assistance restructuring. Included in the budget estimates for this account are projections for the financial operations of the office.

Restructuring authorities under the Multifamily Assisted Housing Reform and Affordability Act of 1997 expire at the end of fiscal year 2006 except for binding commitments entered into prior to October 1, 2006.

*Financial Condition.*—The following tables reflect the revenues, expenses, and financial condition of the GI/SRI Liquidating Account based on Generally Accepted Accounting Principles.

**Statement of Operations (in millions of dollars)**

Identification code 86-4072-0-3-371	2001 actual <sup>1</sup>	2002 actual <sup>2</sup>	2003 est.	2004 est.
0101 Revenue .....	430	348		
0102 Expense .....	-503	-382		
0105 Net income or loss (-) .....	-73	-34		
0108 Other comprehensive income .....	-598	-527		

<sup>1</sup> Preliminary results pending final audit.

**Balance Sheet (in millions of dollars)**

Identification code 86-4072-0-3-371	2001 actual <sup>1</sup>	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	2,782	1,415		
Investments in US securities:				
1102 Treasury securities, par .....	7	2		
1106 Receivables, net .....	9		3	3
1107 Advances and prepayments .....	20			
Non-Federal assets:				
1201 Investments in non-Federal securities, net .....				
1206 Receivables, net .....	124	26	86	86
1207 Advances and prepayments .....				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	39	25	16	9
1602 Interest receivable .....	-1			
1603 Allowance for estimated uncollectible loans and interest (-) .....	-21	-8	-8	-8
1699 Value of assets related to direct loans .....	17	17	8	1
1701 Defaulted guaranteed loans, gross ....	2,006	2,226	2,013	2,139
1702 Interest receivable .....	130	107	100	100
1703 Allowance for estimated uncollectible loans and interest (-) .....	-1,126	-917	-1,614	-1,740
1704 Defaulted guaranteed loans and interest receivable, net .....	1,010	1,416	499	499
1705 Allowance for uncollectibles from foreclosed property .....		2	2	2
1706 Foreclosed property .....	84	68	244	
1799 Value of assets related to loan guarantees .....	1,094	1,486	745	501
Other Federal assets:				
1801 Funds held by the Public .....	109			
1901 Other assets .....	18	120	120	120

1999	Total assets .....	4,180	3,066	962	711
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....	52	27	363	363
2105	Other Liabilities .....	127	175		
Non-Federal liabilities:					
2201	Accounts payable .....	444	405	443	443
2202	Interest payable .....	-4	5		
2203	Debt .....	223	285		
2204	Liabilities for loan guarantees .....	6,732	6,059		
2206	Pension and other actuarial liabilities .....			5,960	5,960
2207	Unearned revenue and advances .....	384	409	124	124
2999	Total liabilities .....	7,958	7,365	6,890	6,890
<b>NET POSITION:</b>					
3100	Appropriated capital .....	1,826	812	8,525	8,525
3300	Cumulative results of operations .....	-5,604	-5,111	-14,453	-14,704
3999	Total net position .....	-3,778	-4,299	-5,928	-6,179
4999	Total liabilities and net position .....	4,180	3,066	962	711

<sup>1</sup> Preliminary pending final audit.

**Object Classification** (in millions of dollars)

Identification code 86-4072-0-3-371		2002 actual	2003 est.	2004 est.
25.2	Other services .....	327	183	139
32.0	Land and structures .....	262	258	306
33.0	Investments and loans .....	612	769	705
42.0	Insurance claims and indemnities .....	29	30	32
43.0	Interest and dividends .....	40	43	42
44.0	Repayments to financing account .....	102	23	23
99.9	Total new obligations .....	1,372	1,306	1,247

**HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 86-4115-0-3-371		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
Capital investment:				
00.02	Maintenance security and collateral .....	4	5	5
01.01	Operating expenses: Interest on borrowings .....	250	229	188
10.00	Total new obligations .....	254	234	193
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	26	90	
22.00	New budget authority (gross) .....	344	234	193
22.40	Capital transfer to general fund .....	-26	-90	
23.90	Total budgetary resources available for obligation .....	344	234	193
23.95	Total new obligations .....	-254	-234	-193
24.40	Unobligated balance carried forward, end of year .....	90		
<b>New budget authority (gross), detail:</b>				
Mandatory:				
69.00	Offsetting collections (cash) .....	807	751	751
69.47	Portion applied to repay debt .....	-463	-517	-558
69.90	Spending authority from offsetting collections (total mandatory) .....	344	234	193
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	152	128	140
73.10	Total new obligations .....	254	234	193
73.20	Total outlays (gross) .....	-278	-222	-288
74.40	Obligated balance, end of year .....	128	140	45
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	278	222	193
86.98	Outlays from mandatory balances .....			95
87.00	Total outlays (gross) .....	278	222	288
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-649	-530	-530

88.40	Non-Federal sources .....	-158	-221	-221
88.90	Total, offsetting collections (cash) .....	-807	-751	-751

**Net budget authority and outlays:**

89.00	Budget authority .....	-463	-517	-558
90.00	Outlays .....	-529	-529	-463

**Status of Direct Loans** (in millions of dollars)

Identification code 86-4115-0-3-371		2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	7,805	7,647	7,426
1231	Disbursements: Direct loan disbursements .....			
1251	Repayments: Repayments and prepayments .....	-158	-221	-221
1264	Write-offs for default: Other adjustments, net .....			
1290	Outstanding, end of year .....	7,647	7,426	7,205

Note.—Amounts for direct loan obligations reflect reservations of section 202 funds. Loan obligations shown under the program and financing schedule reflect loans that have reached the initial closing stage of processing.

The Housing for the Elderly or Handicapped Fund was established pursuant to section 202 of the Housing Act of 1959, as amended. The fund provided direct loans to nonprofit organizations building and managing housing projects for lower income persons who are elderly or disabled.

Projects included an assured range of necessary services for the occupants of such projects. In addition, the section 8 lower income housing assistance payments program has been used in conjunction with the section 202 program. Applications under the two programs have been processed simultaneously.

The data included in these schedules represent direct loan activities funded under the Housing for the Elderly or Handicapped Loan Fund. Further, activities in support of the needs of the elderly and disabled have been carried out under a grant program funded in the 1991 Appropriations Act (P.L. 101-507) and authorized in the National Affordable Housing Act (P.L. 101-625).

After April 1, 1992, all projects for which there were administrative reservations converted to the capital advance assistance program.

The program and financing schedule for this account summarizes the Federal government's obligations for this loan program.

**Financing.**—Repayments and interest income from loans continue to be available to pay for commitments of the fund.

**Statement of Operations** (in millions of dollars)

Identification code 86-4115-0-3-371		2001 actual	2002 actual	2003 est.	2004 est.
0101	Revenue .....	659	646	525	493
0102	Expense .....	-294	-254	-229	-188
0105	Net income or loss (-) .....	365	392	296	305

**Balance Sheet** (in millions of dollars)

Identification code 86-4115-0-3-371		2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	178	218	218	268
1207	Non-Federal assets: Advances and prepayments .....				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	7,804	7,646	7,427	7,206
1602	Interest receivable .....	98	88	70	70
1603	Allowance for estimated uncollectible loans and interest (-) .....	-20	-19	-17	-17
1604	Direct loans and interest receivable, net .....	7,882	7,715	7,480	7,259
1606	Acquired Real Property .....	9	9	8	8

**Credit accounts—Continued**

**HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT—Continued**

**Balance Sheet (in millions of dollars)—Continued**

Identification code 86-4115-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
1699 Value of assets related to direct loans .....	7,891	7,724	7,488	7,267
1999 Total assets .....	8,069	7,942	7,706	7,535
<b>LIABILITIES:</b>				
<b>Federal liabilities:</b>				
2102 Interest payable .....	150	126	200	200
2103 Debt .....	3,103	2,640	2,442	2,363
2104 Resources payable to Treasury .....	4,407	4,381	4,281	4,191
2207 Non-Federal liabilities: Other .....	22	15	22	20
2999 Total liabilities .....	7,682	7,162	6,945	6,774
<b>NET POSITION:</b>				
3100 Unexpended Appropriations .....	22	22	10	10
3300 Revolving Fund: Cumulative results of operations .....	365	758	751	751
3999 Total net position .....	387	780	761	761
4999 Total liabilities and net position .....	8,069	7,942	7,706	7,535

**Object Classification (in millions of dollars)**

Identification code 86-4115-0-3-371	2002 actual	2003 est.	2004 est.
32.0 Land and structures .....	4	5	5
43.0 Interest and dividends .....	250	229	188
99.9 Total new obligations .....	254	234	193

**MANUFACTURED HOUSING FEES TRUST FUND**

*For necessary expenses as authorized by the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended (42 U.S.C. 5401 et seq.), \$17,000,000, to remain available until expended, to be derived from the Manufactured Housing Fees Trust Fund: Provided, That not to exceed the total amount appropriated under this heading shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund pursuant to section 620 of such Act: Provided further, That the amount made available under this heading from the general fund shall be reduced as such collections are received during fiscal year 2004 so as to result in a final fiscal year 2004 appropriation from the general fund estimated at not more than \$0 and fees pursuant to such section 620 shall be modified as necessary to ensure such a final fiscal year 2004 appropriation.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 86-8119-0-7-376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.00 Manufactured home inspection and monitoring .....	8	13	17
<b>Appropriations:</b>			
05.00 Manufactured home inspection and monitoring .....	—8	—13	—17
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 86-8119-0-7-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Transfer to salaries and expenses .....	1	1	2
00.02 Other program costs .....	6	14	15
10.00 Total new obligations (object class 25.2) .....	7	15	17

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	1	2	
22.00 New budget authority (gross) .....	8	13	17
23.90 Total budgetary resources available for obligation .....	9	15	17
23.95 Total new obligations .....	—7	—15	—17
24.40 Unobligated balance carried forward, end of year .....	2		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.26 Appropriation (trust fund) .....	8	13	17

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	3		5
73.10 Total new obligations .....	7	15	17
73.20 Total outlays (gross) .....	—9	—10	—14
74.40 Obligated balance, end of year .....		5	8

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	5	10	14
86.93 Outlays from discretionary balances .....	4		
87.00 Total outlays (gross) .....	9	10	14

**Net budget authority and outlays:**

89.00 Budget authority .....	8	13	17
90.00 Outlays .....	9	10	14

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorizes development and enforcement of appropriate standards for the construction, design, and performance of manufactured homes to assure their quality, durability, affordability, and safety. All manufactured homes produced since the standards took effect on June 15, 1976 must comply with Federal construction and safety standards. The States are actively encouraged to participate in the program under compliance plans approved by HUD. New program requirements mandated by the Manufactured Housing Improvement Act of 2000 include procurement of an Administering Organization, formation of a Consensus Committee to recommend revisions to and interpretations of the manufactured housing standards, development and implementation of standards for installation of manufactured housing, and development and implementation of a dispute resolution program.

Fees are charged to the manufacturers for each manufactured home transportable section produced and will be used to fund the costs of all authorized activities necessary for the consensus committee, HUD, and its agents to carry out all aspects of the manufactured housing legislation. Fees are deposited in a trust fund administered by the Department, and a portion of the fee receipts are transferred to the salaries and expenses account to defray the direct administrative expenses of the program. In 2002, 323,727 transportable sections were produced, for a total of 180,451 manufactured homes.

The Manufactured Housing Improvement Act of 2000 created a Manufactured Housing Fees Trust Fund and made spending subject to appropriations. This account provides spending for activities formerly funded under Manufactured Home Inspection and Monitoring.

This account also presents activities formerly shown under the Interstate Land Sales account.

The Interstate Land Sales Full Disclosure Act provides protection to the public with respect to purchases or leases of subdivision lots. Statements of record must be filed with the Secretary before subdivisions with 100 or more lots may be sold in interstate commerce, except when the subdivision is eligible for exemption.

The Secretary is authorized to charge a fee, to be paid by the developer when filing a statement of record. The fee receipts are permanently appropriated and have helped finance a portion of the direct administrative expenses incurred in program operations.

An estimated 600 filings in 2004 will result in \$350,000 in fees.

## GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

### Federal Funds

The Housing and Urban Development Act of 1968 authorized the Government National Mortgage Association (Ginnie Mae) to guarantee the timely payment of principal and interest on privately issued securities that are backed by pools of FHA, Veterans Affairs (VA) and Rural Housing Service mortgages. The Ginnie Mae guarantee gives lenders access to the capital markets for funds to originate new loans. New FHA and VA loans are currently pooled into Ginnie Mae securities.

**Financing.**—Ginnie Mae issuers are assessed commitment, guarantee and other fees to cover costs incurred by Ginnie Mae and to fund a reserve against possible future payments under the guarantee.

**Operating results.**—Fee collections, interest, and other income are expected to exceed expenses by \$691 million in 2003 and \$780 million in 2004.

### Credit accounts:

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

(INCLUDING TRANSFER OF FUNDS)

*New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$200,000,000,000, to remain available until September 30, 2005.*

*For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, \$10,695,000, to be derived from the GNMA guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed \$10,695,000, shall be transferred to the appropriation for "Salaries and expenses".*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Unavailable Collections (in millions of dollars)

Identification code 86-0186-0-1-371	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	1,351	1,696	2,084
Receipts:			
02.20 Negative subsidies	354	398	405
04.00 Total: Balances and collections	1,705	2,094	2,489
Appropriations:			
05.00 Guarantees of mortgage-backed securities loan guarantee program account	-9	-10	-11
07.99 Balance, end of year	1,696	2,084	2,478

#### Program and Financing (in millions of dollars)

Identification code 86-0186-0-1-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Administrative expenses, salaries and expenses	9	10	11
10.00 Total new obligations (object class 25.3)	9	10	11
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	9	10	11
23.95 Total new obligations	-9	-10	-11
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund)	9	10	11
<b>Change in obligated balances:</b>			
73.10 Total new obligations	9	10	11

73.20 Total outlays (gross)	-9	-10	-11
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	9	10	11
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	9	10	11
90.00 Outlays	9	10	11

#### Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0186-0-1-371	2002 actual	2003 est.	2004 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Ginnie Mae mortgage-backed securities	174,853	120,000	150,000
215002 Standby commitment authority	25,147	80,000	50,000
215901 Total loan guarantee levels	200,000	200,000	200,000
<b>Guaranteed loan subsidy (in percent):</b>			
232001 Ginnie Mae mortgage-backed securities	-0.33	-0.33	-0.27
232002 Standby commitment authority	-0.33	-0.33	-0.27
232901 Weighted average subsidy rate	-0.33	-0.33	-0.27
<b>Guaranteed loan subsidy budget authority:</b>			
233001 Ginnie Mae mortgage-backed securities	-363	-396	-405
233002 Standby commitment authority			
233901 Total subsidy budget authority	-363	-396	-405
<b>Guaranteed loan subsidy outlays:</b>			
234001 Ginnie Mae mortgage-backed securities	-354	-396	-405
234002 Standby commitment authority			
234901 Total subsidy outlays	-354	-396	-405
<b>Administrative expense data:</b>			
351001 Budget authority	9	10	11
359001 Outlays from new authority	9	10	11

As required by the Federal Credit Reform Act of 1990, this account records the administrative expenses of this program. The administrative expenses are estimated on a cash basis.

#### GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT

#### Program and Financing (in millions of dollars)

Identification code 86-4240-0-3-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operating expenses	46	4	4
00.02 Capital investment	27	102	41
00.91 Subtotal, Operating expenses and capital investment	73	106	45
08.01 Payment to receipt account for negative subsidy	354	396	405
10.00 Total new obligations	427	502	450
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	666	769	809
22.00 New financing authority (gross)	530	542	548
23.90 Total budgetary resources available for obligation	1,196	1,311	1,357
23.95 Total new obligations	-427	-502	-450
24.40 Unobligated balance carried forward, end of year	769	809	907
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	530	542	548
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	26	35	39
73.10 Total new obligations	427	502	450
73.20 Total financing disbursements (gross)	-418	-498	-448
74.40 Obligated balance, end of year	35	39	41
87.00 Total financing disbursements (gross)	418	498	448

## Credit accounts—Continued

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING  
ACCOUNT—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 86-4240-0-3-371	2002 actual	2003 est.	2004 est.	
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.25	Interest on uninvested funds .....	- 52	- 31	- 38
Non-Federal sources:				
88.40	Guarantee Fees .....	- 376	- 365	- 390
88.40	Commitment and other fees .....	- 48	- 83	- 52
88.40	Multiclass fees .....	- 30	- 39	- 44
88.40	Repayment of advances .....	- 24	- 24	- 24
88.90	Total, offsetting collections (cash) .....	- 530	- 542	- 548
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....			
90.00	Financing disbursements .....	- 112	- 44	- 100

## Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4240-0-3-371	2002 actual	2003 est.	2004 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders .....	200,000	200,000	200,000
2121	Limitation available from carry-forward .....	38,343	59,419	
2143	Uncommitted limitation carried forward .....	- 59,419		
2150	Total guaranteed loan commitments .....	178,924	259,419	200,000
2199	Guaranteed amount of guaranteed loan commitments .....	178,924	259,419	200,000
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	604,309	568,229	597,721
2231	Disbursements of new guaranteed loans .....	174,853	120,000	150,000
2251	Repayments and prepayments .....	- 210,933	- 90,508	- 106,733
2290	Outstanding, end of year .....	568,229	597,721	640,988
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	568,229	597,721	640,988

**Operating Results.**—Fee collections, interest, and other income are expected to exceed expenses by \$94 million in 2002; \$74 million in 2003 and \$112 million in 2004. These amounts will be retained against losses that may be incurred on guarantees.

## Balance Sheet (in millions of dollars)

Identification code 86-4240-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	693	805	813	821
1206	Non-Federal assets: Receivables, net .....	32	30	30	32
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	3	4	38	51
1603	Allowance for estimated uncollectible loans and interest (-) .....		- 2	- 11	- 15
1699	Value of assets related to direct loans .....	3	2	27	36
1803	Other Federal assets: Property, plant and equipment, net .....	8	9	4	4
1999	Total assets .....	736	846	874	893
<b>LIABILITIES:</b>					
Non-Federal liabilities:					
2201	Accounts payable .....	59	75	81	85
2207	Other .....	21	21	21	21
2999	Total liabilities .....	80	96	102	106

## NET POSITION:

3300	Cumulative results of operations .....	656	750	772	787
3999	Total net position .....	656	750	772	787
4999	Total liabilities and net position .....	736	846	874	893

Note.—Ginnie Mae guarantees the timely payment of principal and interest installments on securities which are backed by FHA-insured, Rural Housing Service-insured, and VA-guaranteed mortgages. Such guarantees are excluded from the Government total of guaranteed obligations duplicating FHA, Rural Housing Service, and VA guarantees.

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING  
ACCOUNT

## Unavailable Collections (in millions of dollars)

Identification code 86-4238-0-3-371	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....			
<b>Receipts:</b>				
02.80	Guarantees of mortgage-backed securities liquidating account, offsetting collections .....	400	389	392
<b>Appropriations:</b>				
05.00	Guarantees of mortgage-backed securities liquidating account .....	- 400	- 389	- 392
07.99	Balance, end of year .....			

## Program and Financing (in millions of dollars)

Identification code 86-4238-0-3-371	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Administrative contract expenses .....		91	40
<b>Operating expenses:</b>				
00.02	Default expenses .....		11	1
00.03	Servicing expenses .....	1	1	1
00.91	Total operating expenses .....	1	103	42
<b>Capital investment:</b>				
01.01	Advances of guaranty payments .....	38	57	35
10.00	Total new obligations .....	39	160	77
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	6,589	6,950	7,270
22.00	New budget authority (gross) .....	400	480	432
23.90	Total budgetary resources available for obligation .....	6,989	7,430	7,702
23.95	Total new obligations .....	- 39	- 160	- 77
24.40	Unobligated balance carried forward, end of year .....	6,950	7,270	7,625

## New budget authority (gross), detail:

<b>Mandatory:</b>				
60.00	Appropriation .....		91	40
69.00	Offsetting collections (cash) .....	400	389	392
70.00	Total new budget authority (gross) .....	400	480	432

## Change in obligated balances:

72.40	Obligated balance, start of year <sup>1</sup> .....	- 66	- 39	- 49
73.10	Total new obligations .....	39	160	77
73.20	Total outlays (gross) .....	- 12	- 170	- 77
74.40	Obligated balance, end of year .....	- 39	- 49	- 49

## Outlays (gross), detail:

86.97	Outlays from new mandatory authority .....	12	170	77
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## Offsets:

<b>Against gross budget authority and outlays:</b>				
<b>Offsetting collections (cash) from:</b>				
88.20	Interest on Federal securities .....	- 355	- 346	- 353
<b>Non-Federal sources:</b>				
88.40	Repayments of guaranteed payments .....	- 42	- 38	- 36
88.40	Servicing income .....	- 2	- 3	- 2
88.40	Repayments on mortgages .....	- 1	- 2	- 1
88.90	Total, offsetting collections (cash) .....	- 400	- 389	- 392

## Net budget authority and outlays:

89.00	Budget authority .....		91	40
90.00	Outlays .....	- 388	- 219	- 315

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: Federal securities: Par value .....	6,575	6,958	7,180
92.02	Total investments, end of year: Federal securities: Par value .....	6,958	7,180	7,452

<sup>1</sup> This line nets unpaid obligations and offsetting collections from new Federal sources.

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4238-0-3-371	2002 actual	2003 est.	2004 est.	
<b>Cumulative balance of direct loans outstanding:</b>				
1210	Outstanding, start of year .....	110	102	98
1232	Disbursements: Purchase of loans assets from the public .....	38	37	35
1252	Repayments: Proceeds from loan asset sales to the public or discounted .....	-45	-40	-37
1263	Write-offs for default: Direct loans .....	-1	-1	-2
1290	Outstanding, end of year .....	102	98	94

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4238-0-3-371	2002 actual	2003 est.	2004 est.	
<b>Cumulative balance of guaranteed loans outstanding:</b>				
2210	Outstanding, start of year .....	134	122	110
2251	Repayments and prepayments .....	-12	-12	-14
2290	Outstanding, end of year .....	122	110	96
<b>Memorandum:</b>				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	122	110	96

**Operating results.**—Fee collections, interest, and other income are expected to exceed expenses by \$229 million in 2003 and \$273 million in 2004. These amounts will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees.

**Statement of Operations (in millions of dollars)**

Identification code 86-4238-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.	
0101	Revenue .....	383	346	349	355
0102	Expense .....			-120	-82
0105	Net income or loss (-) .....	383	346	229	273
0199	Total comprehensive income .....	383	346	229	273

**Balance Sheet (in millions of dollars)**

Identification code 86-4238-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
<b>Federal assets:</b>					
1101	Fund balances with Treasury .....				
<b>Investments in US securities:</b>					
1102	Treasury securities, par .....	6,557	6,935	7,180	7,452
1106	Receivables, net .....	85	60	75	74
1206	Non-Federal assets: Receivables, net .....	2	2	1	1
<b>Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:</b>					
1601	Direct loans, gross .....	110	102	98	94
1603	Allowance for estimated uncollectible loans and interest (-) .....	-99	-95	-87	-82
1699	Value of assets related to direct loans .....	11	7	11	12
1999	Total assets .....	6,655	7,004	7,267	7,539
<b>LIABILITIES:</b>					
<b>Non-Federal liabilities:</b>					
2201	Accounts payable .....	20	22	21	20
2207	Other .....	515	517	538	549
2999	Total liabilities .....	535	539	559	569
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....	6,120	6,465	6,708	6,970

3999	Total net position .....	6,120	6,465	6,708	6,970
4999	Total liabilities and net position .....	6,655	7,004	7,267	7,539

Note.—Ginnie Mae guarantees the timely payment of principal and interest installments on securities which are backed by FHA-insured, Rural Housing Service, and VA-guaranteed mortgages. Such guarantees are excluded from the Government total of guaranteed obligations duplicating FHA, Rural Housing Service, and VA guarantees.

**Object Classification (in millions of dollars)**

Identification code 86-4238-0-3-371	2002 actual	2003 est.	2004 est.	
25.2	Other services .....	1	103	42
33.0	Investments and loans .....	38	57	35
99.9	Total new obligations .....	39	160	77

**POLICY DEVELOPMENT AND RESEARCH**

*Federal Funds*

**General and special funds:**

**RESEARCH AND TECHNOLOGY**

*For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, \$51,000,000, to remain available until September 30, 2005, of which \$7,500,000 shall be for program evaluations and \$2,000,000 shall be for activities to support the removal of barriers to affordable housing.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 86-0108-0-1-451	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Housing Research .....	38	49	51
00.02	PATH .....	8	2	
00.03	Millennial Housing Commission .....	2		
10.00	Total new obligations .....	48	51	51

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year .....	3	4	
22.00	New budget authority (gross) .....	49	47	51
23.90	Total budgetary resources available for obligation .....	52	51	51
23.95	Total new obligations .....	-48	-51	-51
24.40	Unobligated balance carried forward, end of year .....	4		

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation .....	50	47	51
41.00	Transferred to other accounts .....	-1		
43.00	Appropriation (total discretionary) .....	49	47	51

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	51	41	41
73.10	Total new obligations .....	48	51	51
73.20	Total outlays (gross) .....	-57	-51	-50
73.40	Adjustments in expired accounts (net) .....	-1		
74.40	Obligated balance, end of year .....	41	41	42

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	20	19	20
86.93	Outlays from discretionary balances .....	37	32	30
87.00	Total outlays (gross) .....	57	51	50

**Net budget authority and outlays:**

89.00	Budget authority .....	49	47	51
90.00	Outlays .....	57	51	50

The Housing and Urban Development Act of 1970 directs the Secretary to undertake programs of research, studies,

**General and special funds—Continued**

**RESEARCH AND TECHNOLOGY—Continued**

testing, and demonstrations related to the HUD mission. These functions are carried out internally and through contracts with industry, nonprofit research organizations, and educational institutions, and through agreements with State and local governments and other Federal agencies.

In 2004, the research program will expand funding for program evaluations and cover some of the increased costs associated with analyzing newly available 2000 census data to determine their implications for HUD programs. National Housing Surveys will continue in 2004. Research and evaluation activities will also support the Department in carrying out its responsibilities under the Government Performance and Results Act.

**Object Classification** (in millions of dollars)

Identification code 86-0108-0-1-451	2002 actual	2003 est.	2004 est.
25.2 Other services .....	45	46	45
41.0 Grants, subsidies, and contributions .....	3	5	6
99.9 Total new obligations .....	48	51	51

**FAIR HOUSING AND EQUAL OPPORTUNITY**

**Federal Funds**

**General and special funds:**

**FAIR HOUSING ACTIVITIES**

*For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, \$50,000,000, to remain available until September 30, 2005, of which \$20,250,000 shall be to carry out activities pursuant to such section 561: Provided, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing** (in millions of dollars)

Identification code 86-0144-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Fair housing assistance .....	28	27	31
00.02 Fair housing initiatives .....	24	20	20
10.00 Total new obligations (object class 41.0) .....	52	47	51
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	31	23	22
22.00 New budget authority (gross) .....	46	46	50
23.90 Total budgetary resources available for obligation	77	69	72
23.95 Total new obligations .....	-52	-47	-51
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	23	22	21
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	46	46	50
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	45	53	53
73.10 Total new obligations .....	52	47	51
73.20 Total outlays (gross) .....	-43	-47	-46
74.40 Obligated balance, end of year .....	53	53	59
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	1	1

86.93 Outlays from discretionary balances .....	38	46	45
87.00 Total outlays (gross) .....	43	47	46
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	46	46	50
90.00 Outlays .....	43	47	46

The Budget proposes an appropriation of \$50 million in 2004 to fund fair housing activities that support efforts to end housing discrimination. Of the amount requested, \$30 million is for the Fair Housing Assistance Program and \$20 million is for the Fair Housing Initiatives Program.

The Fair Housing Assistance Program (FHAP), authorized by title VIII of the Civil Rights Act of 1968 as amended, provides funding to State and local agencies to assure prompt and effective processing of Title VIII (Civil Rights Act of 1968) complaints.

The funding requested for FHAP will support fair housing enforcement by increasing funding to support additional State and local fair housing organizations to meet the needs of currently underserved populations. It will also address the persistent high rate of discrimination against minorities as identified by the 2000 Housing Discrimination Study. It is estimated that the number of new State and local agencies with laws equivalent to the Fair Housing Act will increase to 99 in 2004 from 98 in 2003.

The Fair Housing Initiatives Program (FHIP), authorized by the Housing and Community Development Act of 1987, as amended by the Housing and Community Development Act of 1992, provides support to public and private organizations for the purpose of eliminating or preventing discrimination in housing and for enhancing fair housing opportunities. FHIP provides funding for projects that inform and educate the public, including housing providers, on the rights and obligations of the Fair Housing Act and about substantially equivalent state and local fair housing laws.

**OFFICE OF LEAD HAZARD CONTROL**

**Federal Funds**

**General and Special Funds:**

**LEAD HAZARD REDUCTION**

*For the Lead Hazard Reduction Program, as authorized by section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, \$136,000,000, to remain available until September 30, 2005, of which \$10,000,000 shall be for the Healthy Homes Initiative, pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related diseases and hazards.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing** (in millions of dollars)

Identification code 86-0174-0-1-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Lead abatement .....	90	136	186
10.00 Total new obligations (object class 41.0) .....	90	136	186
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	86	110	100
22.00 New budget authority (gross) .....	110	126	136
22.10 Resources available from recoveries of prior year obligations .....	4		
23.90 Total budgetary resources available for obligation	200	236	236
23.95 Total new obligations .....	-90	-136	-186
24.40 Unobligated balance carried forward, end of year .....	110	100	50

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	110	126 136
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	196	187 222
73.10	Total new obligations .....	90	136 186
73.20	Total outlays (gross) .....	-95	-101 -110
73.40	Adjustments in expired accounts (net) .....	-1	
73.45	Recoveries of prior year obligations .....	-4	
74.40	Obligated balance, end of year .....	187	222 298
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	2	3 3
86.93	Outlays from discretionary balances .....	93	98 107
87.00	Total outlays (gross) .....	95	101 110
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	110	126 136
90.00	Outlays .....	95	101 110

Title X of the Housing and Community Development Act of 1992 (Public Law 102-550), known as the Residential Lead-Based Paint Hazard Reduction Act, authorized the Secretary to establish the Lead-Based Paint Hazard Control Grant Program. The primary purpose of the program is to reduce the exposure of young children to lead-based paint hazards in their homes.

The program is a major part of a 10-year strategy to eliminate lead poisoning in children. The 2004 Budget includes a \$10 million increase to \$116 million for HUD's Lead Hazard Control Program competitive grants and operation LEAP. Technical studies, technical assistance and the Healthy Homes Initiative are both funded at \$10 million. Operation LEAP funds will be used to leverage other private and public sector resources for the lead hazard control program.

The Lead Hazard Control Grant Program provides grants of \$1 to \$2.5 million to State and local governments and Indian tribes for control of lead-based paint hazards in privately owned, low-income owner-occupied and rental housing. The grants are also designed to stimulate the development of a housing maintenance and rehabilitation workforce trained in lead-safe work practices and a certified hazard evaluation and control industry. In awarding grants, HUD promotes the use of new, low cost approaches to hazard control that can be replicated across the nation.

The Healthy Homes Initiative will enable the Department to control additional childhood diseases and injuries that are caused by housing related factors. The initiative will allow for a demonstration that evaluates the methods of controlling two or more housing related diseases through a single intervention. A public education/outreach effort, to enable the public to act effectively to protect their children, will also be conducted.

The Office of Healthy Homes and Lead Hazard Control will continue its Technical Support program, which will include public education; technical assistance for State and local agencies, private property owners, HUD programs and field offices and professional organizations; quality control to ensure that the evaluation and control of lead-based paint hazards is done properly in HUD-assisted housing; development of standards, technical guidance, regulations and improved testing; and hazard control methods.

**MANAGEMENT AND ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES  
(INCLUDING TRANSFER OF FUNDS)**

*For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed \$25,000 for official reception and representation expenses, \$1,112,130,000, of which \$564,000,000 shall be provided from the various funds of the Federal Housing Administration, \$10,695,000 shall be provided from funds of the Government National Mortgage Association, \$1,000,000 shall be provided from the "Community development loan guarantees program" account, \$150,000 shall be provided by transfer from the "Native American housing block grants" account, \$250,000 shall be provided by transfer from the "Indian housing loan guarantee fund program" account and \$35,000 shall be transferred from the "Native Hawaiian housing loan guarantee fund" account.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

<b>Program and Financing (in millions of dollars)</b>				
Identification code 86-0143-0-1-999	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Direct program:				
00.01	Housing, mortgage credit, regulatory and energy conservation .....	217	201	211
00.02	Community planning and development programs .....	39	36	38
00.03	Equal opportunity and research programs .....	41	38	40
00.04	Departmental management, legal and audit services .....	45	42	44
00.05	Field direction and administration .....	208	193	203
09.01	Reimbursable program .....	546	560	576
09.99	Total reimbursable program .....	546	560	576
10.00	Total new obligations .....	1,096	1,070	1,112
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	1,101	1,070	1,112
23.95	Total new obligations .....	-1,096	-1,070	-1,112
23.98	Unobligated balance expiring or withdrawn .....	-4		
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	556	510	536
40.73	Reduction pursuant to P.L. 107-206 .....	-1		
43.00	Appropriation (total discretionary) .....	555	510	536
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	546	560	576
70.00	Total new budget authority (gross) .....	1,101	1,070	1,112
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	174	130	120
73.10	Total new obligations .....	1,096	1,070	1,112
73.20	Total outlays (gross) .....	-1,136	-1,080	-1,105
73.40	Adjustments in expired accounts (net) .....	-5		
74.40	Obligated balance, end of year .....	130	120	127
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	1,021	953	988
86.93	Outlays from discretionary balances .....	115	127	117
87.00	Total outlays (gross) .....	1,136	1,080	1,105
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-546	-560	-576

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**  
(INCLUDING TRANSFER OF FUNDS)—Continued

**Program and Financing** (in millions of dollars)—Continued

Identification code 86-0143-0-1-999	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	555	510	536
90.00 Outlays .....	590	520	529
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	51	51	51
99.01 Outlays .....	51	51	51

This appropriation finances all salaries and related costs associated with administering the programs of the Department of Housing and Urban Development, including: housing and mortgage credit programs; community planning and development programs; equal opportunity, research, regulatory and insurance programs; departmental management, and legal services; and, field direction and administration.

**Object Classification** (in millions of dollars)

Identification code 86-0143-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	315	323	335
11.3 Other than full-time permanent .....	5	4	5
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	322	329	342
12.1 Civilian personnel benefits .....	75	77	80
21.0 Travel and transportation of persons .....	9	10	10
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	47	46	51
23.3 Communications, utilities, and miscellaneous charges .....	13	13	15
24.0 Printing and reproduction .....	2	2	2
25.1 Advisory and assistance services .....	50	20	22
25.2 Other services .....	5	2	2
25.3 Other purchases of goods and services from Government accounts .....	17	7	7
25.4 Operation and maintenance of facilities .....	1	1	1
25.7 Operation and maintenance of equipment .....	1		
26.0 Supplies and materials .....	3	2	2
31.0 Equipment .....	3		1
42.0 Insurance claims and indemnities .....	1		
99.0 Direct obligations .....	550	510	536
99.0 Reimbursable obligations .....	546	560	576
99.9 Total new obligations .....	1,096	1,070	1,112

**Personnel Summary**

Identification code 86-0143-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	4,473	4,500	4,500
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	4,440	4,830	4,830

**OFFICE OF INSPECTOR GENERAL**

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$100,080,000, of which \$24,000,000 shall be provided from the various funds of the Federal Housing Administration: Provided, That no less than \$300,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems for the Office of Inspector General.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 207-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 86-0189-0-1-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	68	75	76
09.01 Reimbursable program .....	27	23	24
10.00 Total new obligations .....	95	98	100
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	95	98	100
23.95 Total new obligations .....	-95	-98	-100
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	68	75	76
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	27	23	24
70.00 Total new budget authority (gross) .....	95	98	100
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	26	22	24
73.10 Total new obligations .....	95	98	100
73.20 Total outlays (gross) .....	-98	-96	-100
73.40 Adjustments in expired accounts (net) .....	-1		
74.40 Obligated balance, end of year .....	22	24	24
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	82	81	83
86.93 Outlays from discretionary balances .....	16	15	17
87.00 Total outlays (gross) .....	98	96	100
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-27	-23	-24
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	68	75	76
90.00 Outlays .....	70	73	76
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	4	4	4
99.01 Outlays .....	4	4	4

This appropriation provides agency wide audit and investigative functions to identify and correct management and administrative deficiencies that create conditions for existing or potential instances of fraud, waste and mismanagement. The audit function provides internal audit and contract audit. Internal audits review and evaluate all facets of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

**Object Classification** (in millions of dollars)

Identification code 86-0189-0-1-451	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	35	41	41
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	37	43	43
12.1 Civilian personnel benefits .....	10	11	12
21.0 Travel and transportation of persons .....	4	4	4
23.1 Rental payments to GSA .....	5	6	6
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.1 Advisory and assistance services .....	8	7	7
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	68	75	76
99.0 Reimbursable obligations .....	27	23	24
99.9 Total new obligations .....	95	98	100

**Personnel Summary**

Identification code 86-0189-0-1-451	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	467	517	509
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	181	158	166

**CONSOLIDATED FEE FUND  
(RESCISSION)**

All unobligated balances remaining available from fees and charges under section 7(j) of the Department of Housing and Urban Development Act on October 1, 2003 are rescinded.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 86-5486-0-2-604	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	1		
10.00 Total new obligations (object class 25.3) .....	1		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	16	8	
22.00 New budget authority (gross) .....	-7	-8	
23.90 Total budgetary resources available for obligation .....	9		
23.95 Total new obligations .....	-1		
24.40 Unobligated balance carried forward, end of year .....	8		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance rescinded .....	-7	-8	
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1		
73.20 Total outlays (gross) .....	-1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		-1	
86.93 Outlays from discretionary balances .....			-1
86.98 Outlays from mandatory balances .....	1		
87.00 Total outlays (gross) .....	1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-7	-8	
90.00 Outlays .....	1	-1	-1

Section 7(j) of the Department of Housing and Urban Development Act established fees and charges from selected programs to offset the costs of audits, inspections and other related expenses that may be incurred by the Department in monitoring these programs. These funds are no longer needed. In 2004, the budget proposes a rescission of all unobligated funds.

**OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT  
SALARIES AND EXPENSES  
(INCLUDING TRANSFER OF FUNDS)**

**Unavailable Collections (in millions of dollars)**

Identification code 86-5272-0-2-371	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.60 Office of federal housing enterprise oversight .....	27	30	32
Appropriations:			
05.00 Office of federal housing enterprise oversight .....	-27	-30	-32

07.99 Balance, end of year .....			
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**Program and Financing (in millions of dollars)**

Identification code 86-5272-0-2-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	27	30	32
10.00 Total new obligations .....	27	30	32
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	27	30	32
23.95 Total new obligations .....	-27	-30	-32
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) .....	27	30	32
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	5	6
73.10 Total new obligations .....	27	30	32
73.20 Total outlays (gross) .....	-27	-29	-31
74.40 Obligated balance, end of year .....	5	6	7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	23	24	26
86.93 Outlays from discretionary balances .....	4	5	6
87.00 Total outlays (gross) .....	27	29	31
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	27	30	32
90.00 Outlays .....	27	29	31
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

This appropriation funds the Office of Federal Housing Enterprise Oversight (the Office), which was established in 1992 to regulate the financial safety and soundness of two housing Government Sponsored Enterprises (GSEs)—Fannie Mae and Freddie Mac. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a risk-based capital standard for the GSEs, and gave the regulator enhanced authority to enforce those standards. The office is also required by statute to conduct on-site annual examinations at the GSEs to determine the condition of each enterprise for the purpose of ensuring their financial safety and soundness.

In order to treat OFHEO similarly to other financial regulators, including the regulator of the Federal Home Loan Bank System, the Budget proposes legislation that would provide direct funding of OFHEO's activities with mandatory assessments on Fannie Mae and Freddie Mac.

**Object Classification (in millions of dollars)**

Identification code 86-5272-0-2-371	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Personnel Compensation .....	13	16	19
12.1 Civilian personnel benefits .....	3	4	5
23.2 Rental payments to others .....	2	3	3
25.2 Other services .....	1	5	3
31.0 Equipment .....	6	1	1
32.0 Land and structures .....	2		
99.0 Direct obligations .....	27	29	31
99.5 Below reporting threshold .....		1	1
99.9 Total new obligations .....	27	30	32

**Personnel Summary**

Identification code 86-5272-0-2-371	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	112	135	151

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

For additional capital for Working Capital Fund (42 U.S.C. 3535) for the development of, modifications to, and infrastructure for Department-wide Information technology systems, and for the continuing operation of both Department-wide and program-specific information systems, \$276,300,000 to remain available until September 30, 2005: Provided, That any amounts transferred to this Fund under this Act shall remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 86-4586-0-4-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....		276	276
09.01 Reimbursable program .....	314	108	75
10.00 Total new obligations .....	314	384	351
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	24	58	27
22.00 New budget authority (gross) .....	345	351	341
22.10 Resources available from recoveries of prior year obligations .....	3	2	2
23.90 Total budgetary resources available for obligation .....	372	411	370
23.95 Total new obligations .....	-314	-384	-351
24.40 Unobligated balance carried forward, end of year .....	58	27	19
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		276	276
Mandatory:			
69.00 Offsetting collections (cash) .....	364	75	65
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-19		
69.90 Spending authority from offsetting collections (total mandatory) .....	345	75	65
70.00 Total new budget authority (gross) .....	345	351	341
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	71	125	94
73.10 Total new obligations .....	314	384	351
73.20 Total outlays (gross) .....	-277	-413	-341
73.45 Recoveries of prior year obligations .....	-3	-2	-2
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	19		
74.40 Obligated balance, end of year .....	125	94	102
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		213	213
86.93 Outlays from discretionary balances .....			63
86.97 Outlays from new mandatory authority .....	277	75	65
86.98 Outlays from mandatory balances .....		125	
87.00 Total outlays (gross) .....	277	413	341
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-364	-75	-65
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	19		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		276	276
90.00 Outlays .....	-88	338	276
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

The Working Capital Fund, authorized by the Department of Housing and Urban Development Act of 1965, finances information technology and office automation initiatives which can be performed more efficiently on a centralized basis. In

2001 and 2002 the fund was financed from fees charged for services performed. In 2003 and 2004, a direct appropriation is requested for the operations of the computer system and for development and modifications of Department-wide systems. Fees will continue for services to develop and modify systems where the benefit is limited to a specific program.

**Object Classification (in millions of dollars)**

Identification code 86-4586-0-4-451	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....		34	34
12.1 Civilian personnel benefits .....		6	6
21.0 Travel and transportation of persons .....		2	2
23.3 Communications, utilities, and miscellaneous charges .....		40	40
25.1 Advisory and assistance services .....		158	158
26.0 Supplies and materials .....		1	1
31.0 Equipment .....		35	35
99.0 Direct obligations .....	276		276
<b>Reimbursable obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	28		
12.1 Civilian personnel benefits .....	7		
21.0 Travel and transportation of persons .....	1		
23.3 Communications, utilities, and miscellaneous charges .....	47		
25.1 Advisory and assistance services .....	209	108	75
26.0 Supplies and materials .....	1		
31.0 Equipment .....	21		
99.0 Reimbursable obligations .....	314	108	75
99.9 Total new obligations .....	314	384	351

**Personnel Summary**

Identification code 86-4586-0-4-451	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....		380	380
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	354		

**ADMINISTRATIVE PROVISIONS**

SEC. 201. Section 3(a)(3) of the United States Housing Act of 1937 is amended in subsection (A) by striking the words, "non-elderly, non-disabled" before the word "family" the first time it appears, and thereafter, and by striking the words, "not more than", and inserting in lieu thereof the words, "at least", before the words "\$50 per month," and in subsection (B) by deleting the entire subsection and inserting the words "Notwithstanding subparagraph (A), a hardship exemption may be granted on a case-by-case basis as determined by the Secretary.

SEC. 202. (a) Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year 2004 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation in a prior fiscal year under clause (i) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year 2004 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 2004 do not have the number of cases of acquired immunodeficiency syndrome (AIDS) required under such clause.

(b) The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year 2004, in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

SEC. 203. (a) Notwithstanding any other provision of law, the amount allocated for fiscal year 2004 and thereafter to the City of Philadelphia, Pennsylvania on behalf of the Philadelphia, PA-NJ Pri-

mary Metropolitan Statistical Area (hereafter ‘metropolitan area’), under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), shall be adjusted by the Secretary of Housing and Urban Development by allocating to the State of New Jersey the proportion of the metropolitan area’s amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area that is located in New Jersey. The State of New Jersey shall use amounts allocated to the State under this subsection to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in the portion of the metropolitan area that is located in New Jersey.

(b) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall allocate to Wake County, North Carolina, the amounts that otherwise would be allocated for fiscal year 2004 and thereafter under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the City of Raleigh, North Carolina, on behalf of the Raleigh-Durham-Chapel Hill, North Carolina Metropolitan Statistical Area. Any amounts allocated to Wake County shall be used to carry out eligible activities under section 855 of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

SEC. 204. (a) During fiscal year 2004, in the provision of rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) in connection with a program to demonstrate the economy and effectiveness of providing such assistance for use in assisted living facilities that is carried out in the counties of the State of Michigan specified in subsection (b) of this section, notwithstanding paragraphs (3) and (18)(B)(iii) of such section 8(o), a family residing in an assisted living facility in any such county, on behalf of which a public housing agency provides assistance pursuant to section 8(o)(18) of such Act, may be required, at the time the family initially receives such assistance, to pay rent in an amount exceeding 40 percent of the monthly adjusted income of the family by such a percentage or amount as the Secretary of Housing and Urban Development determines to be appropriate.

(b) The counties specified in this subsection are Oakland County, Macomb County, Wayne County, and Washtenaw County, in the State of Michigan.

SEC. 205. Service Coordinators for Section 811 Housing.—Section 683(2) of the Housing and Community Development Act of 1992 is amended—

(1) in subparagraph (F), by striking “and”;

(2) in subparagraph (G), by striking “section.” and inserting “section; and”; and

(3) by adding the following new subparagraph at the end:

“(H) housing that is assisted under section 811 of the Cranston-Gonzalez National Affordable Housing Act.”.

SEC. 206. Section 1316 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4516) is amended in subsection (a) in the first sentence by striking “, to the extent provided in appropriation Acts,” and in subsection (f) in the third sentence by striking “, to the extent provided in appropriation Acts and subsection (e).”.

SEC. 207. Repeal of Section 236(s) Loan Program.—

(a) Section 236(s) of the National Housing Act (12 U.S.C. 1715z-1(s)) is amended—

(1) in the heading by striking “AND LOANS”;

(2) in paragraph (1), by striking “and loans”;

(3) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking “or loan”; and

(B) in subparagraph (E)(i), by striking “or loan (as appropriate)”;

(4) in paragraph (3), in the matter that precedes subparagraph (A), by striking “or loan”;

(5) in paragraph (4)—

(A) in the paragraph heading, by striking “and loan”; and

(B) by striking “or loan” after “grant” each place it appears;

(6) in paragraph (7), by striking subparagraph (D); and

(7) by striking paragraph (5) and redesignating paragraphs (6) and (7) as (5) and (6).

SEC. 208. Development-Based Subsidies.

(a) IN GENERAL.—Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) is amended by adding at the end the following new subsection:

“(o) DEVELOPMENT-BASED SUBSIDIES.—

“(1) IN GENERAL.—In order to facilitate the financing of capital needs and development-based financial management and account-

ability, the Secretary may approve, on a project-by-project basis, the conversion of a public housing project or a portion of a public housing project to structures receiving project-based voucher assistance, which structures may be on or off the original site of the public housing project, provided—

“(A) that the number of public housing units converted under this subsection shall be equal to the number of units receiving project-based voucher assistance under this subsection, and that a commitment has first been obtained from an approved lender for a mortgage loan secured by the property to finance qualified, necessary acquisition or capital improvements under terms established by the Secretary; and

“(B) that the Secretary shall not approve the conversion of any public housing project or portion of a project that is owned by a public housing agency that is not in compliance with the provisions of subsection (j) at such time as the Secretary is asked to consider such approval.

“For purposes of this subsection and any other section or subsection of this Act, where the Secretary determines that such construction would assist with the execution of this subsection, any reference to a project or dwelling unit owned by a public housing agency shall be deemed to include a project or dwelling unit owned by an entity controlled by such agency.

(2) FUNDING OF VOUCHERS.—The initial year of any contract for project-based voucher assistance under this subsection may be funded with amounts made available in an appropriations Act under the headings making amounts available for the purposes set forth in subsections (d) or (e) of this section. Any renewal of such contracts shall be funded with appropriated amounts available for the renewal of assistance under section 8.

“(3) Project-based voucher assistance provided under this subsection shall be administered under section 8(o)(13), except that—

“(A) subparagraphs (C)(ii) and (D) of such section shall not apply;

“(B)(i) any units converted to project-based voucher assistance under this subsection shall be maintained as assisted housing and provided project-based voucher assistance for the same length of time as the housing would have been required under subsection (d)(3) of this section to be operated and maintained as public housing (restricted use period), subject to the availability of sufficient appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in advance in appropriations Acts;

“(ii) notwithstanding clause (i), when dwelling units which are receiving project-based voucher assistance pursuant to a conversion under this subsection and which are not located in developments or portions of developments predominantly occupied by elderly persons or persons with disabilities, or both, become vacant, the public housing agency may rent up to one-fourth of such units to unassisted families, and for each unit so rented for the duration of such rental may use the assistance otherwise associated with that unit to provide tenant-based voucher assistance under section 8; and

“(iii)(I) notwithstanding clause (i), if the Secretary determines that such action would further the purposes of this subsection, the Secretary may provide for termination of the restricted use period set forth in clause (i) if any units converted to project-based voucher assistance under this subsection are foreclosed upon (or otherwise disposed of pursuant to an instrument in lieu of foreclosure), on the date the units are acquired by foreclosure (or instrument in lieu of foreclosure), unless—

“(aa) the Secretary determines that the foreclosure is part of an arrangement the purpose of which is to terminate the restricted use period; or

“(bb) a bona fide and reasonable contract acceptable to the Secretary to purchase such units is presented by a person who is willing to continue such use restrictions; and

“(II) if the Secretary provides for termination of the restricted use period pursuant to subclause (I) and if the contract for project-based assistance is also being terminated or is expiring, the Secretary shall make available enhanced voucher assistance under section 8(t) to any eligible family occupying an assisted unit at the time of such termination;

“(C) any units converted to project-based voucher assistance under this subsection shall remain covered by and subject to the provisions in the public housing cooperation agreement entered into between the governing body of the locality involved and the public housing agency;

## Intragovernmental funds—Continued

## ADMINISTRATIVE PROVISIONS—Continued

“(D) any units converted to project-based voucher assistance under this subsection shall not be included as tenant-based assistance that is attached to a structure for the purposes of the 20 percent limitation set forth in section 8(o)(13)(B);

“(E) the rent level for a unit converted to project-based voucher assistance under this subsection may be set at a level lower than the level at which such rent would otherwise be set pursuant to section 8(o)(13)(H), provided such lower level is sufficient, in the determination of the Secretary, to cover debt service payments on obligations to finance the cost of any necessary rehabilitation, contributions to a capital reserve, amounts necessary for adequate debt service coverage, the cost of the subsequent operation of the housing as project-based voucher assistance, and any other necessary costs;

“(F) where units converted to project-based voucher assistance under this subsection are owned by the public housing agency (including an entity controlled by such agency), the Secretary may administer or make alternative arrangements to administer the obligations otherwise required of the public housing agency under the annual contributions contract; and

“(G) the Secretary may waive, or specify alternative requirements for, applicable provisions of this Act where the Secretary determines that such waiver or requirements would facilitate a successful transition from public housing to project-based voucher assistance.

“(4) TREATMENT OF CONVERSION.—The conversion of public housing units to project-based voucher assistance under this subsection, including any disposition of public housing units to an entity controlled by the public housing agency prior to but in furtherance of such conversion, shall not be considered a disposition under section 18 of this Act.

“(5) FEDERAL GUARANTEES FOR FINANCING.—

“(A) AUTHORITY.—Subject to the Federal Credit Reform Act of 1990, as amended, the Secretary may, upon such terms and conditions as the Secretary may prescribe regulations, make commitments to guarantee total loan principal only, not to exceed 80 percent of the principal amount of the loans, notes or other obligations issued to finance qualified, necessary acquisition or capital improvements of units converted under this subsection.

“(B) TERMS OF LOANS.—Loans, notes or other obligations guaranteed pursuant to this subsection shall be in such form and denominations, have such maturities not to exceed forty years, and be subject to such conditions as may be prescribed by the Secretary.

“(C) SECURITY.—As a condition for issuing guarantees under this subsection, the Secretary shall require the entity to furnish, at the discretion of the Secretary, such security as may be deemed appropriate by the Secretary in making such guarantees. In addition, in connection with any loan, note, or other obligation guaranteed pursuant to this subsection, the Secretary may require the payment of a premium charge, which premium charge shall be retained and used by the Secretary to offset the risk to the government associated with such guarantee.

“(D) REMEDIES.—In addition to other available remedies, with respect to any property securing a loan, note, or other obligation guaranteed under this subsection, or with respect to any such guarantee, the Secretary is hereby authorized to—

“(1) acquire possession of, or title to, the property by voluntary conveyance in exchange for extinguishment of the loan, note, or other obligation guaranteed under this subsection;

“(2) institute proceedings for foreclosure, including proceedings under the Multifamily Mortgage Foreclosure Act of 1981 (12 U.S.C. 3701 et seq.); or

“(3) take action the Secretary determines to be necessary to prevent or mitigate losses in connection with the guarantee under this subsection.

“The Secretary is authorized to accept assignment of any loan, note or other obligation guaranteed under this subsection and to exercise all the rights of a holder of such debt instrument, including the right to sell such loan, note, or other obligation, and to take such action and advance such sums as may be necessary to preserve or protect the lien of such loan, note or other obligation.

“(E) AUTHORIZATION OF APPROPRIATIONS FOR CREDIT SUBSIDY AND OTHER COSTS OF CARRYING OUT THIS PARAGRAPH.—There are authorized to be appropriated to cover the costs (as such

term is defined in section 661a of title 2, United States Code) of guarantees under this paragraph, the payment of amounts payable under such guarantees, and other costs of carrying out this paragraph, such sums as may be necessary for fiscal year 2004 and fiscal years thereafter: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.”

(b) USE OF CAPITAL FUND AMOUNTS FOR CONVERSION.—Section 9(d)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1)) is amended—

(1) in subparagraph (I), by striking “; and” at the end;

(2) in subparagraph (J), by striking the period and inserting “; and”; and

(3) by inserting at the end the following new subparagraph:

“(K) assistance in the financing for necessary renovations to, or other capital expenses for, any project receiving project-based voucher assistance pursuant to subsection (o) of this section, including the making of capital contributions to such projects where needed to make financing feasible and the purchase or provision of letters of credit or other credit enhancements necessary to carry out such subsection, initial contributions to any necessary reserves, and any contributions that the Secretary may require for the initial administration of such subsection (o) with respect to such project.”

SEC. 209. Repeal of Federalization of Public Housing Units.

(a) Section 9(n)(1) of the United States Housing Act of 1937 is hereby repealed.

(b) Section 226 of the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, is hereby repealed.

(c) The amendment made by subsection (a) shall be deemed to have taken effect on October 1, 1998.

(d) The amendment made by subsection (b) shall be deemed to have taken effect on October 21, 1998.

SEC. 210. Section 8(y)(7)(A) of the United States Housing Act of 1937 is amended by striking “for fiscal year 2000 and each fiscal year thereafter to the extent provided in advance in appropriations Acts”.

SEC. 211. Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note; P.L. 104-120) is amended in subsection (d)(2) by adding the following new paragraph after paragraph (B): “(C) LAND COSTS IN THE COLONIAS.—Paying the remaining land costs of a family in the colonias on which a dwelling will be developed.”

SEC. 212. INCREASED FLEXIBILITY FOR PAYMENT OF INTEREST ON SINGLE FAMILY CLAIMS.

Section 224 of the National Housing Act (12 U.S.C. 1735o) is amended by adding the following new sentence at the end of the first paragraph: “Notwithstanding the preceding sentence and the following paragraph, if an insurance claim is paid in cash for any mortgage that is insured under section 203 or 234 of this Act and is endorsed for mortgage insurance after the date of enactment of this sentence, the debenture interest rate for purposes of calculating such a claim shall be the monthly average yield, for the month in which the default on the mortgage occurred, on United States Treasury Securities adjusted to a constant maturity of ten years.”

SEC. 213. The McKinney-Vento Homeless Assistance Act (42 U.S.C. 11301 et seq.) is amended—

(1) in section 101(b), by striking “INTERAGENCY COUNCIL ON THE HOMELESS” and inserting “UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS”;

(2) in section 102(b)(1), by striking “an Interagency Council on the Homeless” and inserting “the United States Interagency Council on Homelessness”;

(3) in the heading for title II, by striking “INTERAGENCY COUNCIL ON THE HOMELESS” and inserting “UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS”;

(4) in sections 201, 207(1), 501(c)(2)(a), and 501(d)(3), by striking “Interagency Council on the Homeless” and inserting “United States Interagency Council on Homelessness”; and

(5) in section 204(c), by inserting after “reimbursable” the two places it appears the following: “or nonreimbursable”.

SEC. 214. FHA PAYMENT REWARDS PROGRAM.

Title II of the National Housing Act (12 U.S.C. 1707 et seq.) is amended by adding the following new section at the end:

“PAYMENT REWARDS FOR CERTAIN SINGLE FAMILY MORTGAGES

“SEC. 257. For purposes of establishing an alternative to high cost mortgages for borrowers with credit impairments, the Secretary may insure under sections 203(b) and 234(c) of this title any mortgage

that meets the requirements of such sections, except as provided in the following sentences. The Secretary may establish lower percentage of appraised value limitations than those provided in section 203(b)(2)(B). Notwithstanding section 203(c)(2)(B), the Secretary may establish and collect annual premium payments in an amount not exceeding 1.0 percent of the remaining insured principal balance and such payments may be reduced or eliminated in subsequent years based on mortgage payment performance. All mortgages insured pursuant to this section shall be obligations of the Mutual Mortgage Insurance Fund notwithstanding section 519 of this Act.”.

## GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:			
86-271910 FHA-general and special risk, Negative subsidies .....	451	352	263
86-271930 FHA-general and special risk, Downward re-estimates of subsidies .....	1,542	1,102	.....
86-274330 Indian housing loan guarantees, downward reestimates of subsidies .....	.....	1	.....
86-276230 Title VI indian loan guarantee downward re-estimate .....	.....	1	.....
General Fund Offsetting receipts from the public .....	1,993	1,456	263



# DEPARTMENT OF THE INTERIOR

## LANDS AND MINERALS MANAGEMENT

### BUREAU OF LAND MANAGEMENT

The Bureau of Land Management (BLM) is charged with the multiple use management of natural resources on 262 million acres of public land. It also supervises mineral leasing and operations on an additional 438 million acres of Federal mineral estate that underlie other surface ownerships. The lands managed by BLM provide important natural resources, recreational and scenic values to the American people, as well as resource commodities and revenue to the Federal Government, States, and counties. It is the mission of the BLM to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

### Federal Funds

#### General and special funds:

#### MANAGEMENT OF LANDS AND RESOURCES

*For necessary expenses of the Bureau of Land Management, as authorized by law, \$828,079,000, to remain available until expended, of which \$20,973,000 shall be derived from the Land and Water Conservation Fund, and of which not to exceed \$1,000,000 shall be derived from the special receipt account established by the Land and Water Conservation Act of 1965, as amended: Provided, That \$1,000,000 is for high priority projects, to be carried out by the Youth Conservation Corps; \$51,387,000 is for conservation spending category activities; \$2,222,000 is for assessment of the mineral potential of public lands in Alaska pursuant to section 1010 of Public Law 96-487; \$3,000,000, is for a lump sum grant to the National Fish and Wildlife Foundation, subject to a match by at least an equal amount by the Foundation, for cost-shared projects supporting conservation of Bureau lands; \$32,696,000 is for Mining Law Administration program operations, including the cost of administering the mining claim fee program, to be reduced by amounts collected by the Bureau and credited to this appropriation from annual mining claim fees so as to result in a final fiscal year 2004 appropriation estimated at not more than \$828,079,000; and \$2,000,000, to be derived from communication site rental fees, is for the cost of administering communication site activities: Provided further, That appropriations herein made shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau or its contractors. (16 U.S.C. 3150, 4601-6a(i)).*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Unavailable Collections (in millions of dollars)

Identification code 14-1109-0-1-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....		1	
Receipts:			
02.20 Recreation, entrance and use fees .....	1		
04.00 Total: Balances and collections .....	1	1	
Appropriations:			
05.01 LWCF Recreation Fees .....		-1	
07.99 Balance, end of year .....		1	

#### Program and Financing (in millions of dollars)

Identification code 14-1109-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.11 Land resources .....	191	180	180
00.12 Wildlife and fisheries .....	38	33	33
00.13 Threatened and endangered species .....	22	21	21
00.14 Recreation management .....	63	62	66

00.15 Energy and minerals .....	102	103	104
00.16 Realty and ownership management .....	88	82	80
00.17 Resource protection .....	64	75	78
00.18 Transportation and facilities maintenance .....	71	84	84
00.19 Land and resource information systems .....	20	19	19
00.20 Workforce and organizational support .....	142	133	136
00.21 Alaska minerals assessment .....	5	2	2
00.22 Communication site rental fees .....	2	1	1
00.24 Mining law administration .....	33	33	33
00.25 Challenge Cost Share .....	18	18	19
09.01 Reimbursable program .....	23	46	58
10.00 Total new obligations .....	864	892	914

#### Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	51	34	29
22.00 New budget authority (gross) .....	831	871	886
22.10 Resources available from recoveries of prior year obligations .....	16	16	15
23.90 Total budgetary resources available for obligation	898	921	930
23.95 Total new obligations .....	-864	-892	-914
24.40 Unobligated balance carried forward, end of year .....	34	29	16

#### New budget authority (gross), detail:

<b>Discretionary:</b>			
40.00 Appropriation .....	789	812	807
<b>Appropriation (special fund):</b>			
40.20 Appropriation, special fund LWCF .....			21
40.20 Appropriation (14-5108, Recreation, entrance and use fees) .....		1	
40.76 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	788	813	828
<b>Spending authority from offsetting collections:</b>			
<b>Offsetting collections (cash):</b>			
68.00 Offsetting collections (Mining Law) .....	19	33	33
68.00 Offsetting collections .....	23	25	25
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	43	58	58
70.00 Total new budget authority (gross) .....	831	871	886

#### Change in obligated balances:

72.40 Obligated balance, start of year .....	204	231	265
73.10 Total new obligations .....	864	892	914
73.20 Total outlays (gross) .....	-821	-843	-891
73.45 Recoveries of prior year obligations .....	-16	-16	-15
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	231	265	274

#### Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	649	693	704
86.93 Outlays from discretionary balances .....	172	150	187
87.00 Total outlays (gross) .....	821	843	891

#### Offsets:

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-22	-25	-25
88.40 Non-Federal sources .....	-20	-33	-33
88.90 Total, offsetting collections (cash) .....	-42	-58	-58
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		

#### Net budget authority and outlays:

89.00 Budget authority .....	788	813	828
90.00 Outlays .....	778	785	833

#### Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....	30	30	37
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**General and special funds—Continued**

MANAGEMENT OF LANDS AND RESOURCES—Continued

99.01	Outlays .....	30	30	37
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*Land resources.*—Provides for management of rangeland and forest resources; riparian areas; soil, water, and air activities; wild horses and burros; and cultural resources.

*Wildlife and fisheries management.*—Provides for maintenance, improvement, or enhancement of fish and wildlife habitats as part of the management of public lands and ecosystems.

*Threatened and endangered species management.*—Provides for protection, conservation, consultation, recovery, and evaluation of populations and habitats of threatened, endangered and special status animal and plant species.

*Recreation management.*—Provides for management and protection of recreational resource values, designated and potential wilderness areas, and collection and expenditure of recreation user fees.

*Energy and minerals management.*—Provides for management of onshore oil and gas, coal, geothermal resources and other leasable minerals; mineral materials activities; and the administration of encumbrances on the mineral estate on Federal and Indian lands.

*Realty and ownership management.*—Provides for management and non-reimbursable processing of authorizations and compliance for realty actions and rights-of-way (including Alaska), administration of land title records and completion of cadastral surveys on public lands.

*Resource protection.*—Provides for management of the land use planning and National Environmental Policy Act processes. Also ensures the health and safety of users or activities on public lands through protection from criminal and other unlawful activities; the effects of hazardous material and/or waste; and physical safety hazards.

*Transportation and facilities maintenance.*—Provides for maintenance of administrative and recreation sites, roads, trails, bridges and dams including compliance with building codes and standards and environmental protection requirements.

*Land and resource information systems.*—Provides for the operation and maintenance of existing bureau-wide automated systems and for the development and bureau-wide implementation of Land and Resource Information Systems.

*Workforce and organizational support.*—Provides for management of specified bureau business practices, such as human resources, EEO, financial resources, procurement, property, general use automated systems, and fixed costs.

*Alaska minerals.*—Provides for the identification, inventory, and evaluation of mineral resources on Federal lands within the State of Alaska.

*Communication sites.*—Provides for the processing of communication site use authorization requests.

*Mining law administration.*—Provides for exploration and development of minerals on public lands pursuant to the General Mining Law of 1872, including validity examinations, patent application reviews, enforcement of environmental and bonding requirements, and recordation of mining claims. Program costs are partially offset by claim maintenance and other fees.

*Challenge Cost Share (CCS).*—This activity combines into one activity BLM's challenge cost share program.

The program leverages non-federal funding by entering into competitive cooperative agreements with public and private entities to conduct on-the-ground work and projects that improve conditions of the public lands. These conservation, protection, restoration, and enhancement projects benefit fish, wildlife, recreation, forestry, cultural resources, threatened and endangered species, riparian areas, and rangelands. This

is part of the Administration's Cooperative Conservation Initiative.

This account includes \$29,414,000 for Federal Infrastructure Improvement, which is part of the Conservation Spending Category.

**MLR WORKLOAD AND PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
Backlog of fluid energy minerals authorizations (# APDs in backlog status) .....	3,800	2,500	1,400
Backlog of solid energy minerals authorizations (# LBAs in backlog status) .....	18	15	10
Backlog of energy related rights-of-way authorizations (# of cases in backlog status) .....	1,620	1,740	1,860
Oil, gas and geothermal compliance, production verifications (# I&E actions) .....	16,500	17,250	19,000
Coal compliance and production verifications (# I&E/PV actions) .....	2,180	2,200	2,300
Energy related land use plans completed .....	0	4	5
Grazing permits renewed .....	2,170	1,600	1,600
Restoration treatments to achieve desired condition (# of acres treated) .....	1,080,000	500,000	400,000
Restoration treatments to achieve desired condition (# of miles treated) .....	460	700	1,000
Control and eradicate invasive species infestations (# of acres treated) .....	312,600	230,000	233,000
Wild horse and burro herd management areas at appropriate management levels (%) .....	51%	63%	75%
National Monument and National Conservation Area land use plans completed .....	0	3	9
Recreation sites in good or fair condition based on Facility Condition Index (%) .....	87%	82%	84%
Visitor satisfaction with quality of recreation experience (%) ..	n/a	92%	94%
Recreation areas with universally accessible facilities (%) .....	5%	7%	9%
Administrative sites maintained at acceptable conditions standards (%) .....	87%	89%	90%
Roads maintained at acceptable conditions standards (%) .....	63%	65%	68%
Bridges maintained at acceptable conditions standards (%) .....	92%	94%	97%
Dams maintained at acceptable conditions standards (%) .....	69%	69%	70%
Land disposals & conveyances completed including Alaska ANCSA & ANILCA conveyances (acres) .....	684,800	500,000	500,000
Competitive sourcing studies completed for public-private or direct conversion (% of FTE studied) .....	0	15%	25%
New or renegotiated contracts covered under performance-based service agreements (%) .....	30%	33%	40%

**Object Classification (in millions of dollars)**

Identification code 14-1109-0-1-302	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	328	324	326
11.3 Other than full-time permanent .....	20	20	21
11.5 Other personnel compensation .....	14	14	14
11.9 Total personnel compensation .....	362	358	361
12.1 Civilian personnel benefits .....	91	91	93
13.0 Benefits for former personnel .....	9	9	9
21.0 Travel and transportation of persons .....	22	22	22
22.0 Transportation of things .....	15	15	15
23.1 Rental payments to GSA .....	21	22	23
23.2 Rental payments to others .....	22	22	23
23.3 Communications, utilities, and miscellaneous charges .....	19	20	21
24.0 Printing and reproduction .....	2	2	2
25.1 Advisory and assistance services .....	9	10	12
25.2 Other services .....	157	160	162
25.3 Other purchases of goods and services from Government accounts .....	13	13	13
25.4 Operation and maintenance of facilities .....	10	12	13
25.5 Research and development contracts .....	1	1	1
25.7 Operation and maintenance of equipment .....	9	12	12
26.0 Supplies and materials .....	28	28	28
31.0 Equipment .....	24	23	23
32.0 Land and structures .....	14	14	13
41.0 Grants, subsidies, and contributions .....	13	12	10
99.0 Direct obligations .....	841	846	856
99.0 Reimbursable obligations .....	23	46	58
99.9 Total new obligations .....	864	892	914

**Personnel Summary**

Identification code 14-1109-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	6,439	6,246	6,288
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	163	160	160
<b>Allocation account:</b>			
Total compensable workyears:			
3001 Civilian full-time equivalent employment .....	13	14	14

**CONSTRUCTION**

For construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, \$10,976,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-1110-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	15	13	13
10.00 Total new obligations .....	15	13	13
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	22	16	14
22.00 New budget authority (gross) .....	13	11	11
22.21 Unobligated balance transferred to other accounts	-5		
23.90 Total budgetary resources available for obligation	30	27	25
23.95 Total new obligations .....	-15	-13	-13
24.40 Unobligated balance carried forward, end of year .....	16	14	14
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	13	11	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	12	5
73.10 Total new obligations .....	15	13	13
73.20 Total outlays (gross) .....	-12	-18	-15
74.40 Obligated balance, end of year .....	12	5	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	3	3
86.93 Outlays from discretionary balances .....	8	15	12
87.00 Total outlays (gross) .....	12	18	15
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	13	11	11
90.00 Outlays .....	12	18	15

**Construction.**—Provides for the construction of buildings, recreation facilities, bridges, roads, and trails necessary for effective multiple use management of the public lands and resources.

These funds emphasize the Administration's commitment to halt infrastructure decay and allow for systematic protection of critical health and safety, natural and cultural resources, and the environment.

**Object Classification (in millions of dollars)**

Identification code 14-1110-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.2 Other services .....	3	3	3
32.0 Land and structures .....	12	9	9
99.0 Direct obligations .....	15	12	12
99.5 Below reporting threshold .....		1	1

99.9 Total new obligations .....	15	13	13
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**Personnel Summary**

Identification code 14-1110-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	8	9	9

**OREGON AND CALIFORNIA GRANT LANDS**

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein, including existing connecting roads on or adjacent to such grant lands; \$106,672,000, to remain available until expended: Provided, That 25 percent of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land-grant fund and shall be transferred to the General Fund in the Treasury in accordance with the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-1116-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Western Oregon facilities maintenance .....			1
00.03 Western Oregon transportation and facilities maintenance .....	11	11	11
00.04 Western Oregon resource management .....	91	87	86
00.05 Western Oregon information and resource data system	2	2	2
00.06 Jobs-in-the-woods .....	6	6	6
10.00 Total new obligations .....	110	106	106
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	5	2	4
22.00 New budget authority (gross) .....	105	106	107
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation	112	108	111
23.95 Total new obligations .....	-110	-106	-106
24.40 Unobligated balance carried forward, end of year .....	2	4	4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	105	106	107
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	34	37	33
73.10 Total new obligations .....	110	106	106
73.20 Total outlays (gross) .....	-105	-110	-107
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	37	33	32
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	69	70	71
86.93 Outlays from discretionary balances .....	36	40	36
87.00 Total outlays (gross) .....	105	110	107
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	105	106	107
90.00 Outlays .....	105	110	107
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	5	5	5
99.01 Outlays .....	5	5	5

**Western Oregon resources management.**—Provides for the management of 2.4 million acres of lands that are primarily

General and special funds—Continued

OREGON AND CALIFORNIA GRANT LANDS—Continued

forested ecosystems in western Oregon. These lands support a number of resource management activities including timber management, grazing management, and recreation management. In support of these management activities, BLM is involved in improving critical watersheds, restoring wildlife and fish habitat, providing safe recreation opportunities, and preserving cultural resources.

*Western Oregon information and resource data systems.*—Provides for the acquisition, operation and maintenance of the automated data support systems required for the management of the O&C programs.

*Western Oregon transportation and facilities maintenance.*—Provides for the maintenance of office buildings, warehouse and storage structures, shops, greenhouses, recreation sites and the transportation system that is necessary to assure public safety and effective management of the lands in western Oregon.

*Western Oregon construction and acquisition.*—Provides for the acquisition of road easements and road use agreements for timber site access and for other resource management activities including recreation use. This activity also provides for transportation planning, survey and design of access and other resource management roads, and construction projects.

*Jobs in the Woods.*—Provides for the “Jobs in the Woods” program offering resource-based job opportunities to displaced timber workers in the Pacific Northwest to improve water quality and restore Oregon’s coastal salmon populations. Projects include: improving fish passage structures, improving instream habitat, reducing sedimentation runoff, and improving road conditions.

O&C WORKLOAD AND PERFORMANCE MEASURES

	2002 actual	2003 est.	2004 est.
Percent of allowable sale quantity (ASQ) offered in Pacific Northwest .....	80%	74%	87%
Volume of wood products offered from BLM managed lands in Pacific Northwest (MMBF) .....	162,500	150,000	176,000
Forest restoration projects implemented (acres) .....	34,100	35,000	38,000

Object Classification (in millions of dollars)

Identification code 14-1116-0-1-302	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	46	44	47
11.3 Other than full-time permanent .....	6	6	6
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	53	51	54
12.1 Civilian personnel benefits .....	13	13	12
21.0 Travel and transportation of persons .....	1	1	2
22.0 Transportation of things .....	3	3	3
23.3 Communications, utilities, and miscellaneous charges .....	2	2	1
25.2 Other services .....	28	27	27
25.3 Other purchases of goods and services from Government accounts .....	1	1	.....
25.4 Operation and maintenance of facilities .....	1	1	.....
26.0 Supplies and materials .....	4	3	4
31.0 Equipment .....	3	3	2
32.0 Land and structures .....	1	1	1
99.9 Total new obligations .....	110	106	106

Personnel Summary

Identification code 14-1116-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,003	967	975

WILDLAND FIRE MANAGEMENT

*For necessary expenses for fire preparedness, suppression operations, fire science and research, emergency rehabilitation, hazardous fuels reduction, and rural fire assistance by the Department of the Interior, \$698,725,000, to remain available until expended, of which not to exceed \$12,374,000 shall be for the renovation or construction of fire facilities: Provided, That such funds are also available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes: Provided further, That persons hired pursuant to 43 U.S.C. 1469 may be furnished subsistence and lodging without cost from funds available from this appropriation: Provided further, That notwithstanding 42 U.S.C. 1856d, sums received by a bureau or office of the Department of the Interior for fire protection rendered pursuant to 42 U.S.C. 1856 et seq., protection of United States property, may be credited to the appropriation from which funds were expended to provide that protection, and are available without fiscal year limitation: Provided further, That using the amounts designated under this title of this Act, the Secretary of the Interior may enter into procurement contracts, grants, or cooperative agreements, for hazardous fuels reduction activities, and for training and monitoring associated with such hazardous fuels reduction activities, on Federal land, or on adjacent non-Federal land for activities that benefit resources on Federal land: Provided further, That notwithstanding requirements of the Competition in Contracting Act but subject to any such requirements as the Director of the Office of Management and Budget may prescribe, the Secretary, for purposes of hazardous fuels reduction activities, may obtain maximum practicable competition among: (A) local private, nonprofit, or cooperative entities; (B) Youth Conservation Corps crews or related partnerships with state, local, or non-profit youth groups; (C) small or micro-businesses; or (D) other entities that will hire or train locally a significant percentage, defined as 50 percent or more, of the project workforce to complete such contracts: Provided further, That in implementing this section, the Secretary shall develop written guidance to field units to ensure accountability and consistent application of the authorities provided herein: Provided further, That funds appropriated under this head may be used to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service for the costs of carrying out their responsibilities under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) to consult and conference, as required by section 7 of such Act in connection with wildland fire management activities.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 14-1125-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Wildland Fire Preparedness .....	304	273	283
00.03 Wildland Fire Suppression Operations .....	395	161	195
00.04 Other Operations .....	252	265	223
09.01 Reimbursable program .....	15	48	30
10.00 Total new obligations .....	966	747	731
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	119	121	82
22.00 New budget authority (gross) .....	724	688	732
22.10 Resources available from recoveries of prior year obligations .....	21	20	20
22.22 Unobligated balance transferred from other accounts .....	223	.....	.....
23.90 Total budgetary resources available for obligation .....	1,087	829	834
23.95 Total new obligations .....	-966	-747	-731
24.40 Unobligated balance carried forward, end of year .....	121	82	103
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	678	654	698
42.00 Transferred from other accounts .....	17	.....	.....
43.00 Appropriation (total discretionary) .....	695	654	698
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	33	34	34
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-4	.....	.....

68.90	Spending authority from offsetting collections (total discretionary) .....	29	34	34
70.00	Total new budget authority (gross) .....	724	688	732
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	248	279	246
73.10	Total new obligations .....	966	747	731
73.20	Total outlays (gross) .....	-918	-760	-718
73.45	Recoveries of prior year obligations .....	-21	-20	-20
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	4		
74.40	Obligated balance, end of year .....	279	246	239
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	537	472	502
86.93	Outlays from discretionary balances .....	381	288	216
87.00	Total outlays (gross) .....	918	760	718
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-33	-34	-34
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	4		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	695	654	698
90.00	Outlays .....	885	726	684
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	13	13	16
99.01	Outlays .....	13	13	16

**Wildland fire preparedness.**—This activity funds the non-emergency and predictable aspects of the Department's wildland fire program. Preparedness includes readiness, operational planning, oversight, procurement, training, supervision, and deployment of wildland fire suppression personnel and equipment prior to wildland fire occurrence. It also includes activities related to program monitoring and evaluation, integration of fire into land-use planning, fire facility construction and maintenance, and fire research and fire science program activities.

**Fire suppression operations.**—This activity funds the emergency and unpredictable aspects of the Department's wildland fire management program. Suppression operations include the total spectrum of management actions taken on wildland fires in a safe, cost-effective manner, considering public benefits and values to be protected and consistent with resource objectives and land management plans. Suppression operations also include severity funding used to improve initial attack preparedness response capabilities when abnormal fire conditions occur resulting in fire seasons starting earlier than normal, lasting longer than normal, or exceeding average fire danger ratings for prolonged periods. Funding requests are guided by the historical 10-year average of suppression expenditures, adjusted for inflation.

**Other operations.**—Other wildland fire operations include emergency rehabilitation, hazardous fuels reduction, and rural fire assistance. Emergency rehabilitation of wildland fire areas is carried out to prevent land degradation and resource damages and to stabilize soils, structures, or other conditions or damage caused by wildland fires. Hazardous fuels reduction operations include all operational aspects of applying prescribed fire to reduce fuel loadings and promote ecosystem diversity. It also includes mechanical fuels reduction treatments. Rural fire assistance provides for financial support to local and rural fire protection districts that protect small communities. These local firefighting agencies often provide a critical service in helping meet protection needs for wildland urban interface areas threatened by wildfire. Funding would be used for engines and other initial attack equipment, communication equipment, training and other related support.

PERFORMANCE MEASURES

	2002 actual	2003 est.	2004 est.
Percent of unplanned and unwanted fires controlled during initial attack .....	97	95	95
Gross fire suppression cost per acre .....	\$177	\$177	\$177
High priority acres treated in the WUI .....	209,320	307,000	307,000
# of acres in condition class 2 or 3 treated outside the WUI in fire regimes 1, 2, or 3 .....	n/a	725,407	730,000
# of acres in fire regimes 1, 2, or 3 moved to a better condition class .....	n/a	471,000	474,500
# of acres in fire regimes 1, 2, or 3 moved to better condition class per \$1million gross investment .....	n/a	6,285	6,332

Object Classification (in millions of dollars)

Identification code 14-1125-0-1-302	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	82	83	85
11.3	Other than full-time permanent .....	17	17	17
11.5	Other personnel compensation .....	52	26	26
11.8	Special personal services payments .....	17	19	19
11.9	Total personnel compensation .....	168	145	147
12.1	Civilian personnel benefits .....	34	25	26
21.0	Travel and transportation of persons .....	17	12	12
22.0	Transportation of things .....	9	4	4
23.2	Rental payments to others .....	1	1	1
23.3	Communications, utilities, and miscellaneous charges .....	5	11	11
24.0	Printing and reproduction .....		1	1
25.1	Advisory and assistance services .....	3	2	2
25.2	Other services .....	146	97	96
25.3	Other purchases of goods and services from Government accounts .....	22	19	19
25.4	Operation and maintenance of facilities .....	4	2	2
25.5	Research and development contracts .....	7	4	4
25.6	Medical care .....	1	1	1
25.7	Operation and maintenance of equipment .....	3	3	3
26.0	Supplies and materials .....	63	32	32
31.0	Equipment .....	12	11	11
32.0	Land and structures .....	9	6	6
41.0	Grants, subsidies, and contributions .....	19	16	16
99.0	Direct obligations .....	523	392	394
99.0	Reimbursable obligations .....	15	48	30
<b>Allocation Account:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	58	66	67
11.3	Other than full-time permanent .....	12	13	13
11.5	Other personnel compensation .....	41	21	21
11.8	Special personal services payments .....	51	15	15
11.9	Total personnel compensation .....	162	115	116
12.1	Civilian personnel benefits .....	25	20	20
21.0	Travel and transportation of persons .....	14	9	9
22.0	Transportation of things .....	4	4	4
23.3	Communications, utilities, and miscellaneous charges .....	25	9	9
25.1	Advisory and assistance services .....	1	1	1
25.2	Other services .....	116	77	76
25.3	Other purchases of goods and services from Government accounts .....	12	15	15
25.4	Operation and maintenance of facilities .....	2	2	2
25.5	Research and development contracts .....	3	3	3
25.7	Operation and maintenance of equipment .....	2	2	2
26.0	Supplies and materials .....	20	25	25
31.0	Equipment .....	18	8	8
32.0	Land and structures .....	6	4	4
41.0	Grants, subsidies, and contributions .....	24	13	13
99.0	Allocation account .....	428	307	307
99.9	Total new obligations .....	966	747	731

Personnel Summary

Identification code 14-1125-0-1-302	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	2,673	2,722	2,722
<b>Reimbursable:</b>				
Total compensable workyears:				
2001	Civilian full-time equivalent employment .....	31	30	30

## General and special funds—Continued

## CENTRAL HAZARDOUS MATERIALS FUND

For necessary expenses of the Department of the Interior and any of its component offices and bureaus for the remedial action, including associated activities, of hazardous waste substances, pollutants, or contaminants pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601 et seq.), \$9,978,000, to remain available until expended: Provided, That notwithstanding 31 U.S.C. 3302, sums recovered from or paid by a party in advance of or as reimbursement for remedial action or response activities conducted by the Department pursuant to section 107 or 113(f) of such Act, shall be credited to this account, to be available until expended without further appropriation: Provided further, That such sums recovered from or paid by any party are not limited to monetary payments and may include stocks, bonds or other personal or real property, which may be retained, liquidated, or otherwise disposed of by the Secretary and which shall be credited to this account.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 14-1121-0-1-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Remedial action .....	11	11	11
09.01 Reimbursable program .....		6	7
10.00 Total new obligations .....	11	17	18
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	10	30	23
22.00 New budget authority (gross) .....	30	10	10
23.90 Total budgetary resources available for obligation .....	40	40	33
23.95 Total new obligations .....	-11	-17	-18
24.40 Unobligated balance carried forward, end of year .....	30	23	15
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	10	10	10
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	20		
70.00 Total new budget authority (gross) .....	30	10	10
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10	13	18
73.10 Total new obligations .....	11	17	18
73.20 Total outlays (gross) .....	-8	-12	-17
74.40 Obligated balance, end of year .....	13	18	19
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	6	5	5
86.93 Outlays from discretionary balances .....	2	7	12
87.00 Total outlays (gross) .....	8	12	17
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.45 Offsetting collections (cash) from: Offsetting governmental collections (from non-Federal sources) .....	-20		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	10	10	10
90.00 Outlays .....	-12	12	17

The Central Hazardous Materials Fund is used to fund remedial investigations/feasibility studies and cleanups of hazardous waste sites for which the Department of the Interior is liable. Authority is provided for amounts recovered from responsible parties to be credited to this account. Thus, the account may be composed of both annual appropriations of no-year funds and of offsetting collections. The Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. Section 9601 et seq.) requires

responsible parties, including Federal landowners, to investigate and clean up releases of hazardous substances.

## Object Classification (in millions of dollars)

Identification code 14-1121-0-1-304	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services .....	1	1	1
99.0 Reimbursable obligations: Reimbursable obligations .....		6	7
Allocation Account:			
11.1 Personnel compensation: Full-time permanent .....	2	2	2
25.2 Other services .....	8	8	8
99.0 Allocation account .....	10	10	10
99.9 Total new obligations .....	11	17	18

## Personnel Summary

Identification code 14-1121-0-1-304	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	6	6	6

## LAND ACQUISITION

For expenses necessary to carry out sections 205, 206, and 318(d) of Public Law 94-579, including administrative expenses and acquisition of lands or waters, or interests therein, \$23,686,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, and to be for conservation spending category activities.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 14-5033-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Land acquisition .....	43	39	19
00.02 Acquisition management .....		3	4
00.03 Land Exchange Equalization Payments .....		1	1
09.01 Reimbursable program .....	4		
09.19 Reimbursable program—subtotal line .....			
10.00 Total new obligations .....	47	43	24
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	44	38	38
22.00 New budget authority (gross) .....	47	45	24
22.21 Unobligated balance transferred to other accounts .....	-6		
23.90 Total budgetary resources available for obligation .....	85	83	62
23.95 Total new obligations .....	-47	-43	-24
24.40 Unobligated balance carried forward, end of year .....	38	38	38
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) .....	50	45	24
68.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
70.00 Total new budget authority (gross) .....	47	45	24
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	3	2
73.10 Total new obligations .....	47	43	24
73.20 Total outlays (gross) .....	-55	-44	-27
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	3		
74.40 Obligated balance, end of year .....	3	2	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	17	14	7
86.93 Outlays from discretionary balances .....	38	30	20
87.00 Total outlays (gross) .....	55	44	27

**Offsets:**  
Against gross budget authority only:  
88.95 Change in uncollected customer payments from Federal sources (unexpired) ..... 3 .....

**Net budget authority and outlays:**  
89.00 Budget authority ..... 50 45 24  
90.00 Outlays ..... 55 44 27

This appropriation provides for the acquisition of lands or interests in lands, by exchange or purchase, when necessary for public recreation use, resource protection, or other purposes related to the management of public lands.

**Object Classification** (in millions of dollars)

Identification code 14-5033-0-2-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	2	2	2
25.2 Other services .....	1	2	3
32.0 Land and structures .....	40	39	19
99.0 Direct obligations .....	43	43	24
99.0 Reimbursable obligations .....	4		
99.9 Total new obligations .....	47	43	24

**Personnel Summary**

Identification code 14-5033-0-2-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	38	38	38

**RANGE IMPROVEMENTS**

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to 50 percent of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315 et seq.) and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, but not less than \$10,000,000, to remain available until expended: Provided, That not to exceed \$600,000 shall be available for administrative expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 14-5132-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.20 Grazing fees for range improvements, Taylor Grazing Act .....	8	8	8
<b>Appropriations:</b>			
05.00 Range improvements .....	-8	-8	-8
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 14-5132-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Improvements to Public Lands .....	8	7	8
00.02 Farm Tenant Act Lands .....	1	1	1
00.03 Administrative Expenses .....		1	1
10.00 Total new obligations .....	9	9	10
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	8	8
22.00 New budget authority (gross) .....	10	10	10

23.90 Total budgetary resources available for obligation	15	18	18
23.95 Total new obligations .....	-9	-9	-10
24.40 Unobligated balance carried forward, end of year .....	8	8	8

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.00 Appropriation .....	2	2	2
60.20 Appropriation (special fund) .....	8	8	8
62.50 Appropriation (total mandatory) .....	10	10	10

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	3	3	3
73.10 Total new obligations .....	9	9	10
73.20 Total outlays (gross) .....	-10	-10	-10
74.40 Obligated balance, end of year .....	3	3	3

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	7	7	7
86.98 Outlays from mandatory balances .....	3	3	3
87.00 Total outlays (gross) .....	10	10	10

**Net budget authority and outlays:**

89.00 Budget authority .....	10	10	10
90.00 Outlays .....	9	10	10

This appropriation is derived from a percentage of receipts from grazing of livestock on the public lands, and from grazing and mineral leasing receipts on Bankhead-Jones Farm Tenant Act lands transferred from the Department of Agriculture by various Executive Orders. These funds are used for the planning, construction, development, and monitoring of range improvements when appropriated.

**Object Classification** (in millions of dollars)

Identification code 14-5132-0-2-302	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	2	2	2
12.1 Civilian personnel benefits .....	1		
22.0 Transportation of things .....		2	2
25.2 Other services .....	3	2	3
26.0 Supplies and materials .....	2		
32.0 Land and structures .....	1	3	3
99.9 Total new obligations .....	9	9	10

**Personnel Summary**

Identification code 14-5132-0-2-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	57	58	58

**SERVICE CHARGES, DEPOSITS, AND FORFEITURES**

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for costs of providing copies of official public land documents, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under Public Law 94-579, as amended, and Public Law 93-153, to remain available until expended: Provided, That notwithstanding any provision to the contrary of section 305(a) of Public Law 94-579 (43 U.S.C. 1735(a)), any moneys that have been or will be received pursuant to that section, whether as a result of forfeiture, compromise, or settlement, if not appropriate for refund pursuant to section 305(c) of that Act (43 U.S.C. 1735(c)), shall be available and may be expended under the authority of this Act by the Secretary to improve, protect, or rehabilitate any public lands administered through the Bureau of Land Management which have been damaged by the action of a resource developer, purchaser, permittee, or any unauthorized person, without regard to whether all moneys collected from each such action are used on the exact lands damaged which led to the action: Provided further, That any such moneys that are in excess of amounts needed to repair damage to the exact land for

**General and special funds—Continued**

**SERVICE CHARGES, DEPOSITS, AND FORFEITURES—Continued**

which funds were collected may be used to repair other damaged public lands.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 14-5017-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Service charges, deposits, and forfeitures, BLM	18	18	20
Appropriations:			
05.00 Service charges, deposits, and forfeitures	-18	-18	-20
07.99 Balance, end of year			

**Program and Financing (in millions of dollars)**

Identification code 14-5017-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Right-of-way processing	9	10	11
00.02 Adopt-a-horse program	1	1	1
00.03 Repair of lands and facilities	2	2	2
00.04 Cost recoverable realty cases	1	1	1
00.05 Copy fees	3	3	3
10.00 Total new obligations	16	17	18
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	11	13	12
22.00 New budget authority (gross)	18	18	20
23.90 Total budgetary resources available for obligation	29	31	32
23.95 Total new obligations	-16	-17	-18
24.40 Unobligated balance carried forward, end of year	13	12	12
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund)	18	18	20
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	3	3	7
73.10 Total new obligations	16	17	18
73.20 Total outlays (gross)	-16	-14	-20
74.40 Obligated balance, end of year	3	7	6
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	7	9	10
86.93 Outlays from discretionary balances	9	5	10
87.00 Total outlays (gross)	16	14	20
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	18	18	20
90.00 Outlays	16	14	20

This appropriation is derived from: (1) revenues received to offset administrative and other costs incurred to process applications for rights-of-way, and the monitoring of construction, operation, and termination of rights-of-ways; (2) recovery of costs associated with the adopt-a-horse program; (3) revenues received for rehabilitation of damages to lands, resources, and facilities; (4) fees for processing specified categories of realty actions under FLPMA; (5) deposits received from contractors in lieu of completing contract requirements such as slash burning and timber extension expenses; and (6) fees for costs of reproduction and administrative services involved in providing requested copies of materials.

**Object Classification (in millions of dollars)**

Identification code 14-5017-0-2-302	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent	4	4	4

12.1 Civilian personnel benefits	2	2	2
22.0 Transportation of things	2	2	2
25.2 Other services	3	4	5
25.3 Other purchases of goods and services from Government accounts	3	3	3
26.0 Supplies and materials	2	2	2
99.9 Total new obligations	16	17	18

**Personnel Summary**

Identification code 14-5017-0-2-302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	93	95	95

**PERMANENT OPERATING FUNDS  
(REVOLVING FUND, SPECIAL ACCOUNT)**

In addition to the purposes authorized in Public Law 102-381, funds made available in the Forest Ecosystem Health and Recovery Fund can be used for the purpose of planning, preparing, implementing, and monitoring salvage timber sales and forest ecosystem health and recovery activities, such as release from competing vegetation and density control treatments. The Federal share of receipts (defined as the portion of salvage timber receipts not paid to the counties under 43 U.S.C. 1181f and 43 U.S.C. 1181f-1 et seq., and Public Law 106-393) derived from treatments funded by this account shall be deposited into the Forest Ecosystem Health and Recovery Fund.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 14-9926-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	3	5	7
Receipts:			
02.00 Lincoln County land act land sales		2	2
02.20 Deposits for road maintenance and reconstruction	2	2	2
02.21 Forest ecosystem health and recovery, disposal of salvage timber	5	5	8
02.22 Sale of land under S. Nevada public land management act, P.L. 105-263	83	181	46
02.23 Timber sale pipeline restoration fund	1	4	8
Offsetting receipts (proprietary):			
02.24 Surplus land sales under Federal land transaction facilitation act, P.L. 106-248	3	26	11
02.24 Surplus land sales under Federal land transaction facilitation act, P.L. 106-248			10
02.25 Recreational fee demonstration program	9	10	10
02.27 Fee collection support, public lands	1		
02.28 User fees for filming and photography on public lands		1	1
02.40 Earnings on investments, Southern Nevada public land management	2	2	4
02.42 Mineral leasing receipts from Naval Oil Shale Reserve # 3	1	4	12
02.99 Total receipts and collections	107	237	114
04.00 Total: Balances and collections	110	242	121
Appropriations:			
05.00 Permanent operating funds	-105	-235	-104
05.00 Permanent operating funds, legislative proposal			-10
05.99 Total appropriations	-105	-235	-114
07.99 Balance, end of year	5	7	7

**Program and Financing (in millions of dollars)**

Identification code 14-9926-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Forest ecosystems health and recovery	4	5	8
00.02 Recreation fee demonstration	10	10	10
00.03 Expenses, road maintenance deposits	3	2	2
00.04 Timber sale pipeline restoration fund	4	4	8

00.05	Southern Nevada public land sales (85)	60	108	144
00.07	Southern Nevada land sales earning on investments	2	2	4
00.08	Lincoln county land act		2	2
00.09	Commercial film and photography		1	1
00.11	Federal Land Disposal		5	2
00.12	Use of mineral leasing receipts for cleanup of Naval Oil Shale Reserve #3		2	2
10.00	Total new obligations	83	141	183
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	81	103	195
22.00	New budget authority (gross)	105	235	104
22.10	Resources available from recoveries of prior year obligations	1		
23.90	Total budgetary resources available for obligation	187	338	299
23.95	Total new obligations	-83	-141	-183
24.40	Unobligated balance carried forward, end of year	103	195	118
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.20	Appropriation (special fund)	105	235	104
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	19	57	41
73.10	Total new obligations	83	141	183
73.20	Total outlays (gross)	-45	-157	-171
73.45	Recoveries of prior year obligations	-1		
74.40	Obligated balance, end of year	57	41	51
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority	35	106	48
86.98	Outlays from mandatory balances	10	51	123
87.00	Total outlays (gross)	45	157	171
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	105	235	104
90.00	Outlays	45	157	171
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities: Par value	70	132	
92.02	Total investments, end of year: Federal securities: Par value	132		
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	1	1	1
99.01	Outlays	1	1	1

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority	105	235	104
Outlays	45	157	171
Legislative proposal, subject to PAYGO:			
Budget Authority			10
Outlays			
<b>Total:</b>			
Budget Authority	105	235	114
Outlays	45	157	171

Permanent operating funds accounts include:

**Operations and maintenance of quarters.**—Funds in this account are used to maintain and repair BLM employee-occupied quarters from which rental charges are collected. Agencies are required to collect quarters rentals from employees who occupy Government-owned housing and quarters. This housing is provided only in isolated areas or where an employee is required to live on-site at a Federally owned facility or reservation.

**Forest ecosystems health and recovery.**—Funds in this account are derived from revenue generated from the Federal share of receipts from the sale of salvage timber from the Oregon and California grant lands, public domain lands, and Coos Bay Wagon Road lands. This account was established to allow the Bureau of Land Management to more efficiently and effectively address forest health issues. Funds can be

used for other forest health purposes, including release from competing vegetation and density control treatments.

**Timber sale pipeline restoration fund.**—This fund provides for the deposit and use of fees collected by the BLM for sales of non-salvage timber pursuant to the timber salvage provisions of Public Law 104-19 and Public Law 105-83. Of the total deposited into this account, 75 percent is to be used for preparation of timber sales to fill the timber pipeline on lands administered by the BLM, and 25 percent is to be expended on the backlog of recreation projects on BLM lands.

**Recreation fees.**—This account holds funds that enable the BLM to retain and spend up to 15 percent of recreation receipts collected during the current year to offset fee collection costs.

**Expenses, road maintenance deposits.**—Users of certain roads under BLM's jurisdiction make deposits for maintenance purposes. Moneys collected are appropriated for necessary road maintenance. Moneys collected on Oregon and California grant lands are available only for those lands (43 U.S.C. 1762(c), 43 U.S.C. 1735(b)).

**Recreational fee demonstration program.**—Fees collected by the BLM at recreation sites identified pursuant to provisions of the 2002 Interior and Related Agencies Appropriations Act are deposited to this account. The temporary authority for this program expires at the end of fiscal year 2004. To ensure that fee revenue remains available for BLM sites after 2004, the Administration will propose legislation providing permanent fee authority. BLM returns 100 percent of these receipts back to the site where the fees were generated.

**Acquisitions in Deschutes, OR from land sale receipts.**—Pursuant to Public Law 105-221, the Oregon Public Lands Transfer Act, the Secretary of the Interior is authorized to use the proceeds from sales in Deschutes County to purchase environmentally sensitive lands.

**Operations and acquisitions in Nevada from land sale receipts.**—Pursuant to Public Law 105-263, 85% of receipts from sales of public domain lands in southern Nevada are used to acquire environmentally sensitive land in the State, and to make capital improvements to areas administered by the NPS, FWS, and BLM in Clark County, NV. Included in this account are earnings on investments.

**Lincoln County land sales.**—Public Law 106-298 authorizes the Secretary to dispose of certain lands in Lincoln County, Nevada, and distribute the proceeds as follows: five percent to the state of Nevada, 10 percent to the County, and 85 percent to an interest bearing account that is available for expenditure without further appropriation.

**Commercial film and photography fees.**—Fees collected pursuant to Public Law 106-206 are used to recover costs incurred as a result of filming activities or similar projects, including, but not limited to, administrative and personnel costs. Also, a reasonable fee is collected for commercial filming activities or similar projects on Federal lands administered by the Secretary of the Interior.

**Federal land disposal.**—The Federal Land Disposal Account, P.L. 106-248 Stat. 616, provides that the Administration will conduct sales of lands that have been classified as suitable for disposal under current resource management plans. This law provides that receipts from such sales may be used to acquire non-Federal lands with significant resource values that fall within the boundaries of areas now managed by the Department of the Interior.

**Object Classification** (in millions of dollars)

Identification code 14-9926-0-2-302	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent	8	12	11
11.3 Other than full-time permanent	2	4	4
11.5 Other personnel compensation	1		

**General and special funds—Continued**

**PERMANENT OPERATING FUNDS—Continued**  
(REVOLVING FUND, SPECIAL ACCOUNT)—Continued

**Object Classification** (in millions of dollars)—Continued

Identification code 14-9926-0-2-302	2002 actual	2003 est.	2004 est.
11.9 Total personnel compensation .....	11	16	15
12.1 Civilian personnel benefits .....	2	3	3
22.0 Transportation of things .....	1	1	1
25.2 Other services .....	20	35	15
25.3 Other purchases of goods and services from Govern- ment accounts .....	34	33	7
25.4 Operation and maintenance of facilities .....	1	1	1
26.0 Supplies and materials .....	3	2	2
31.0 Equipment .....	1	2	2
32.0 Land and structures .....	2	45	135
41.0 Grants, subsidies, and contributions .....	11	2	2
99.9 Total new obligations .....	83	141	183

**Personnel Summary**

Identification code 14-9926-0-2-302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	215	212	212

**PERMANENT OPERATING FUNDS**  
(Legislative proposal, subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 14-9926-4-2-302	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			10
24.40 Unobligated balance carried forward, end of year .....			10
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....			10
<b>Change in obligated balances:</b>			
73.20 Total outlays (gross) .....			
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			10
90.00 Outlays .....			

The Budget proposes that the Federal Land Transaction Facilitation Act (Title II of P.L. 106-248) be modified to provide BLM with more flexibility regarding federal lands to be disposed of and the use of receipts generated by these land sales. Specifically, this proposal will: (1) allow BLM to use updated management plans to identify areas suitable for disposal, (2) allow a portion of the receipts to be used for BLM restoration projects, and (3) cap receipt retention at \$100 million per year.

**MISCELLANEOUS PERMANENT PAYMENT ACCOUNTS**

**Unavailable Collections** (in millions of dollars)

Identification code 14-9921-0-2-999	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	46	35	27
Receipts:			
02.20 Receipts from grazing, etc., public lands outside grazing districts .....	1	2	2
02.21 Receipts from grazing, etc., public lands within graz- ing districts .....	1	1	1
02.22 Sale of public land and materials, 15% fund to States .....		33	9
02.24 Sale of public lands and materials .....	-2		
02.25 Oregon and California land grant fund .....	-4		
02.27 Receipts from oil and gas leases, National Petroleum Reserve—Alaska .....	1	35	4

02.29 Funds reserved, Title II projects in Federal lands .....	2	2	
02.30 Payment from the general fund, Title II projects in Federal lands .....	8	15	14
02.31 Payments from the general fund, Coos Bay wagon road grant lands .....	1	1	
02.33 Receipts from sale of public lands, Clark County, Nevada .....	-2		
02.34 Deposits, Oregon and California .....	16	10	12
02.40 Payments from the general fund, Oregon and Cali- fornia land grant fund .....	86	82	81
02.99 Total receipts and collections .....	106	181	125
04.00 Total: Balances and collections .....	152	216	152
Appropriations:			
05.00 Miscellaneous permanent payment accounts .....	-117	-189	-135
07.99 Balance, end of year .....	35	27	17

**Program and Financing** (in millions of dollars)

Identification code 14-9921-0-2-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Secure Rural Schools, PL 106-393:			
00.01 Payments to O&C Counties, Title I/III .....	195	93	94
00.02 Payments to Coos Bay Wagon Road Counties, Title I/III .....	1	1	1
00.03 Payment to O&C and CBWR Counties, Title II .....	4	17	17
Other payments to States and Counties:			
00.04 From grazing fees, etc., public lands outside grazing districts .....		2	2
00.05 From grazing fees, etc., public lands within grazing districts .....		1	1
00.06 Payments to Clark County, Nevada (15) .....		32	8
00.07 Proceeds from Sales .....		1	1
00.08 Native Alaskan groups' property .....	14	5	5
00.09 Payments to counties from national grasslands .....	1	1	1
00.10 Naval Petroleum Reserve-Alaska Share .....	2	35	4
00.11 Mineral Leasing Act payments to states .....		1	1
10.00 Total new obligations .....	217	189	135

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	4	6	6
22.00 New budget authority (gross) .....	211	189	135
23.90 Total budgetary resources available for obligation .....	215	195	141
23.95 Total new obligations .....	-217	-189	-135
23.97 Deficiency .....	8		
24.40 Unobligated balance carried forward, end of year .....	6	6	6

**New budget authority (gross), detail:**

Mandatory:			
60.00 Appropriation .....	94		
60.20 Appropriation (special fund & general fund feeder) .....	117	189	135
62.50 Appropriation (total mandatory) .....	211	189	135

**Change in obligated balances:**

72.40 Obligated balance, start of year .....		3	13
73.10 Total new obligations .....	217	189	135
73.20 Total outlays (gross) .....	-214	-179	-140
74.40 Obligated balance, end of year .....	3	13	8

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	211	171	122
86.98 Outlays from mandatory balances .....	3	8	18
87.00 Total outlays (gross) .....	214	179	140

**Net budget authority and outlays:**

89.00 Budget authority .....	211	189	135
90.00 Outlays .....	214	179	140

**Memorandum (non-add) entries:**

92.02 Total investments, end of year: Federal securities: Par value .....			
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Miscellaneous permanent payments include:  
*Payments to Oklahoma (royalties).*—The State of Oklahoma is paid 37½ percent of the Red River oil and gas royalties in lieu of State and local taxes on Kiowa, Comanche, and Apache Tribal lands, to be used for construction and mainte-

nance of public roads and support of public schools (65 Stat. 252).

*Payments for Oregon and California and Coos Bay Wagon Road grant lands, receipts.*—Under provisions of the Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106–393), annual payments to the 18 Oregon & California (O&C) counties will be derived from any revenues, fees, penalties, or miscellaneous receipts received by the Federal Government from activities by the BLM on O&C and Coos Bay Wagon Road lands. These receipts are exclusive of deposits to any relevant trust fund, i.e., Timber Sale Pipeline Restoration and Forest Ecosystem Health and Recovery funds, or permanent operating funds.

*Payments to States (proceeds of sales).*—The States are paid five percent of the net proceeds from sale of public land and public land products (31 U.S.C. 1305).

*Payments to States from grazing receipts, etc., public lands outside grazing districts.*—The States are paid 50 percent of the grazing receipts from public lands outside of grazing districts (43 U.S.C. 315i, 315m).

*Payments to States from grazing receipts, etc., public lands within districts.*—The States are paid 12½ percent of grazing receipts from public lands inside grazing districts (43 U.S.C. 315b, 315i).

*Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous.*—The States are paid specifically determined amounts from grazing receipts derived from miscellaneous lands within grazing districts when payment is not feasible on a percentage basis (43 U.S.C. 315).

*Payments to counties, National Grasslands.*—Of the revenues received from the use of Bankhead-Jones Act lands administered by the Bureau of Land Management, 25 percent is paid to the counties in which such lands are situated, for school and road purposes (7 U.S.C. 1012).

*Payments to Nevada from receipts on land sales.*—(A) Public Law 96–586 authorizes and directs the Secretary to sell not more than 700 acres of public lands per calendar year in and around Las Vegas, Nevada, the proceeds of which are to be used to acquire environmentally sensitive lands in the Lake Tahoe Basin of California and Nevada. Annual revenues are distributed to the State of Nevada (five percent) and the county in which the land is located (10 percent). (B) Public Law 105–263 authorizes the disposal through sale of approximately 27,000 acres in Clark County Nevada, the proceeds of which are to be distributed as follows: (a) five percent for use in the general education program of the State of Nevada (b) 10 percent for use by the Southern Nevada Water Authority for water treatment and transmission facility infrastructure in Clark County, Nevada and (c) the remaining 85 percent to be used to acquire environmentally sensitive lands in Nevada; capital improvements to areas administered by NPS, FWS and BLM in Clark County, Nevada; development of a multi-species habitat plan in Clark County, Nevada; development of parks, trails and natural areas in Clark County, Nevada; and reimbursements of BLM for costs incurred arranging sales and exchanges under the Act. (C) Public Law 106–298 authorizes the sale of certain lands in Lincoln County, Nevada. The proceeds of these sales are to be distributed as follows: (a) five percent to the State of Nevada for general education purposes; (b) 10 percent to Lincoln County for general purposes with emphasis on supporting schools; and (c) the remaining 85 percent to be used by the Secretary of the Interior to acquire environmentally sensitive lands in the State of Nevada, for identification and management of unique archaeological resources, for development of a multi-species habitat conservation plan in the county, and for other specified administrative purposes.

*Cook Inlet Region Inc. property.*—This account received funding appropriated by section 9102 of the fiscal year 1990 Department of Defense Appropriations Act for the acquisition

of Federal real properties, improvements on such lands or rights to their use or exploitation, and any personal property related to the land purchased by the Cook Inlet Region, Incorporated as authorized by the provisions of section 12(b) of Public Law 94–204 (43 U.S.C. 1611). Funds are made available to the Bureau of Land Management for administration and subsequent payment to accounts accepting Cook Inlet Region, Incorporated offers for Federal properties.

*Native Alaskan groups' properties.*—Funds were appropriated by Public Law 102–172 for the Calista Corporation, and by Public Law 102–415 for the Haida Corporation and the Gold Creek Susitna Association, Incorporated, for the acquisition by those groups of Federal real properties in fulfillment of claims originally settled in 43 U.S.C. 1617, the Alaska Native Claims Settlement Act.

*Payments to Alaska from oil and gas leasing in the National Petroleum Reserve-Alaska (NPR-A).*—P.L. 96–514 requires that any revenues received from oil and gas leasing in the NPR-A be shared 50 percent with the State of Alaska.

**Object Classification** (in millions of dollars)

Identification code 14–9921–0–2–999	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.2 Other services .....	3	3	3
25.4 Operation and maintenance of facilities .....	1	1	1
41.0 Grants, subsidies, and contributions .....	118	86	34
94.0 Financial transfers .....	94	98	96
99.0 Direct obligations .....	217	189	135
99.9 Total new obligations .....	217	189	135

**Personnel Summary**

Identification code 14–9921–0–2–999	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	13	17	17

**Public enterprise funds:**

**HELIUM FUND**

**Program and Financing** (in millions of dollars)

Identification code 14–4053–0–3–306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Production and Sales .....	6	6	6
09.02 Transmission and storage .....	2	2	2
09.03 Administration and other expenses .....	3	3	3
09.04 Land, structures, equipment .....	1	1	1
10.00 Total new obligations .....	12	12	12
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	42	40	39
22.00 New budget authority (gross) .....	19	21	21
22.60 Portion applied to repay debt .....	–10	–10	–10
23.90 Total budgetary resources available for obligation	51	51	50
23.95 Total new obligations .....	–12	–12	–12
24.40 Unobligated balance carried forward, end of year .....	40	39	38
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	21	21	21
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	–2		
69.90 Spending authority from offsetting collections (total mandatory) .....	19	21	21
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	–6	1	
73.10 Total new obligations .....	12	12	12

## Public enterprise funds—Continued

## HELIUM FUND—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 14-4053-0-3-306	2002 actual	2003 est.	2004 est.
73.20 Total outlays (gross) .....	-7	-14	-13
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
74.40 Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	5	7	7
86.98 Outlays from mandatory balances .....	2	7	6
87.00 Total outlays (gross) .....	7	14	13
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-21	-21	-21
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-14	-7	-8

The Helium Act Amendments of 1960, Public Law 86-777 (50 U.S.C. 167), authorized activities necessary to provide sufficient helium to meet the current and foreseeable future needs of essential government activities.

The Helium Privatization Act of 1996, Public Law 104-273, provides for the eventual privatization of the program and its functions. In FY 2004, the Helium program will consist of:

- continued storage and transmission of crude helium;
- complete disposal of helium refining facilities and other excess property not needed for storage and transmission of crude helium;
- oversight of the production of helium on Federal lands;
- administration of in kind crude helium gas sale program.

The estimates assume that the helium program will continue to fund full implementation of the Helium Privatization Act.

## Statement of Operations (in millions of dollars)

Identification code 14-4053-0-3-306	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	18	15	15	15
0102 Expense .....	-6	-8	-8	-8
0105 Net income or loss (-) .....	12	7	7	7

## Balance Sheet (in millions of dollars)

Identification code 14-4053-0-3-306	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	43	36	26	21
Other Federal assets:				
1802 Inventories and related properties .....	355	355	355	336
1803 Property, plant and equipment, net .....	10	10	10	10
1999 Total assets .....	408	401	391	367
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....	1,030	1,030	1,020	1,010
2103 Debt .....	289	289	289	289
2999 Total liabilities .....	1,319	1,319	1,309	1,299
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	-911	-918	-918	-932
3999 Total net position .....	-911	-918	-918	-932

4999 Total liabilities and net position .....	408	401	391	367
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## Object Classification (in millions of dollars)

Identification code 14-4053-0-3-306	2002 actual	2003 est.	2004 est.
11.3 Personnel compensation: Other than full-time permanent .....	4	4	4
12.1 Civilian personnel benefits .....	2	2	2
25.7 Operation and maintenance of equipment .....	4	4	4
31.0 Equipment .....	2	2	2
99.9 Total new obligations .....	12	12	12

## Personnel Summary

Identification code 14-4053-0-3-306	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	51	49	49

## Intragovernmental funds:

## WORKING CAPITAL FUND

## Program and Financing (in millions of dollars)

Identification code 14-4525-0-4-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Operating expenses .....	9	11	11
09.02 Capital investment .....	21	21	18
10.00 Total new obligations .....	30	32	29
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	24	31	31
22.00 New budget authority (gross) .....	36	31	31
22.10 Resources available from recoveries of prior year obligations .....	1	1	1
23.90 Total budgetary resources available for obligation .....	61	63	63
23.95 Total new obligations .....	-30	-32	-29
24.40 Unobligated balance carried forward, end of year .....	31	31	34
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	36	30	31
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	26	13	11
73.10 Total new obligations .....	30	32	29
73.20 Total outlays (gross) .....	-42	-33	-34
73.45 Recoveries of prior year obligations .....	-1	-1	-1
74.40 Obligated balance, end of year .....	13	11	7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	42	9	9
86.93 Outlays from discretionary balances .....		24	25
87.00 Total outlays (gross) .....	42	33	34
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-36	-30	-31
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		1	
90.00 Outlays .....	6	3	3

Section 306 of the Federal Land Policy and Management Act of 1976 authorizes a BLM working capital fund. The fund is managed as a self-sustaining revolving fund for purchase and maintenance of vehicles and equipment, purchase of materials for resource conservation projects, purchase of uniforms, and other business-type functions.

**Balance Sheet** (in millions of dollars)

Identification code 14-4525-0-4-302	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	48	44	45	48
1803 Other Federal assets: Property, plant and equipment, net .....	75	91	100	110
1999 Total assets .....	123	135	145	158
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	8			
2105 Other .....	2	3	4	5
2999 Total liabilities .....	10	3	4	5
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	113	132	141	153
3999 Total net position .....	113	132	141	153
4999 Total liabilities and net position .....	123	135	145	158

**Object Classification** (in millions of dollars)

Identification code 14-4525-0-4-302	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.7 Operation and maintenance of equipment .....	3	5	5
26.0 Supplies and materials .....	5	5	5
31.0 Equipment .....	21	21	18
99.9 Total new obligations .....	30	32	29

**Personnel Summary**

Identification code 14-4525-0-4-302	2002 actual	2003 est.	2004 est.
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	21	21	21

**Trust Funds**

**MISCELLANEOUS TRUST FUNDS**

In addition to amounts authorized to be expended under existing laws, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 14-9971-0-7-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Contributions and deposits, BLM .....	14	14	14
Appropriations:			
05.00 Miscellaneous trust funds .....	—14	—14	—14
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 14-9971-0-7-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Land and resource management trust fund .....	16	15	15
10.00 Total new obligations .....	16	15	15
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	12	11	12
22.00 New budget authority (gross) .....	14	14	14

23.90 Total budgetary resources available for obligation	26	25	26
23.95 Total new obligations .....	—16	—15	—15
24.40 Unobligated balance carried forward, end of year .....	11	12	12

**New budget authority (gross), detail:**

Mandatory:			
60.26 Appropriation (trust fund) .....	14	14	14

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	6	6	7
73.10 Total new obligations .....	16	15	15
73.20 Total outlays (gross) .....	—15	—14	—14
74.40 Obligated balance, end of year .....	6	7	7

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	8	7	7
86.98 Outlays from mandatory balances .....	7	7	7
87.00 Total outlays (gross) .....	15	14	14

**Net budget authority and outlays:**

89.00 Budget authority .....	14	14	14
90.00 Outlays .....	16	14	14

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

Current Trust Fund includes:

*Land and Resource Management Trust Fund.*—Provides for the acceptance of contributed money or services for: (1) resource development, protection and management; (2) conveyance or acquisition of public lands (including omitted lands or islands) to States, their political subdivisions or individuals; and (3) conducting cadastral surveys, provided that estimated costs are paid prior to project initiation. (The Federal Land Policy and Management Act of 1976 (43 U.S.C. 1721, 1737).)

Permanent Trust Funds include:

*Range improvements.*—Acceptance of contributions for rangeland improvements is authorized by the Taylor Grazing Act (43 U.S.C. 315h and 315i). These funds are permanently appropriated as trust funds to the Secretary for such uses as specified by those Acts.

*Public surveys.*—Acceptance of contributions for public surveys is authorized by 43 U.S.C. 759, 761, and 31 U.S.C. 1321(a). These contributions are permanently appropriated as trust funds to the Secretary for such uses as specified by those Acts.

*Trustee funds, Alaska townsites.*—Amounts received from sale of Alaska town lots are available for expenses incident to the maintenance and sale of townsites (31 U.S.C. 1321; Comp. Gen. Dec. of Nov. 18, 1935).

**Object Classification** (in millions of dollars)

Identification code 14-9971-0-7-302	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	4	4	4
12.1 Civilian personnel benefits .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	6	5	5
25.3 Other purchases of goods and services from Government accounts .....	1		
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	1	1	1
32.0 Land and structures .....	1	1	1
99.9 Total new obligations .....	16	15	15

## MISCELLANEOUS TRUST FUNDS—Continued

## Personnel Summary

Identification code 14-9971-0-7-302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	92	95	95

## ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures, and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to \$100,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Bureau; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on her certificate, not to exceed \$10,000: Provided, That notwithstanding 44 U.S.C. 501, the Bureau may, under cooperative cost-sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly produced publications for which the cooperators share the cost of printing either in cash or in services, and the Bureau determines the cooperator is capable of meeting accepted quality standards: Provided further, That section 28 of title 30, United States Code, is amended: (1) in section 28f(a), by striking "for years 2002 through 2003" and inserting in lieu thereof "for years 2004 through 2008"; and (2) in section 28g, by striking "and before September 30, 2003" and inserting in lieu thereof "and before September 30, 2008".

## MINERALS MANAGEMENT SERVICE

## Federal Funds

## General and special funds:

## ROYALTY AND OFFSHORE MINERALS MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed eight passenger motor vehicles for replacement only, \$164,216,000, of which \$80,396,000, shall be available for royalty management activities; and an amount not to exceed \$100,230,000, to be credited to this appropriation and to remain available until expended, from additions to receipts resulting from increases to rates in effect on August 5, 1993, from rate increases to fee collections for Outer Continental Shelf administrative activities performed by the Minerals Management Service (MMS) over and above the rates in effect on September 30, 1993, and from additional fees for Outer Continental Shelf administrative activities established after September 30, 1993: Provided, That to the extent \$100,230,000 in additions to receipts are not realized from the sources of receipts stated above, the amount needed to reach \$100,230,000 shall be credited to this appropriation from receipts resulting from rental rates for Outer Continental Shelf leases in effect before August 5, 1993: Provided further, That \$3,000,000 for computer acquisitions shall remain available until September 30, 2005: Provided further, That funds appropriated under this Act shall be available for the payment of interest in accordance with 30 U.S.C. 1721(b) and (d): Provided further, That not to exceed \$3,000 shall be available for reasonable expenses related to promoting volunteer beach and marine cleanup activities: Provided further, That notwithstanding any other provision of law, \$15,000 under this heading shall be available for refunds of overpayments in connection with certain Indian leases in which the Director of MMS concurred with the claimed refund due, to pay amounts owed to Indian allottees or tribes, or to correct prior unrecoverable erroneous payments: Provided further, That MMS may under the royalty-in-kind pilot program, or under its authority to transfer oil to the Strategic Petroleum Reserve, use a portion of the revenues from royalty-in-kind sales, without regard to fiscal year limitation, to pay for transportation to wholesale market centers or upstream pooling points, and to process or otherwise dispose of royalty production taken in kind, and to recover

MMS transportation costs, salaries, and other administrative costs directly related to filling the Strategic Petroleum Reserve: Provided further, That MMS shall analyze and document the expected return in advance of any royalty-in-kind sales to assure to the maximum extent practicable that royalty income under the pilot program is equal to or greater than royalty income recognized under a comparable royalty-in-kind program.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 14-1917-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 OCS lands .....	70	86	86
00.02 Royalty management .....	57	63	63
00.03 General administration .....	24	27	27
01.92 Total direct program .....	151	176	176
09.01 Reimbursable (OCS Revenue Receipts) .....	122	100	100
09.02 Reimbursable (Franchise Activities) .....	505	.....	.....
09.03 Reimbursable (ROMM) .....	2	2	2
09.99 Total reimbursable program .....	629	102	102
10.00 Total new obligations .....	780	278	278
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	11	7	5
22.00 New budget authority (gross) .....	767	266	266
22.10 Resources available from recoveries of prior year obligations .....	9	10	10
23.90 Total budgetary resources available for obligation	787	283	281
23.95 Total new obligations .....	-780	-278	-278
24.40 Unobligated balance carried forward, end of year .....	7	5	3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	151	164	164
Spending authority from offsetting collections:			
Offsetting collections (cash):			
68.00 Offsetting collections (cash) .....	108	100	100
68.00 Offsetting collections (cash) .....	2	2	2
68.90 Spending authority from offsetting collections (total discretionary) .....	110	102	102
Mandatory:			
69.00 Offsetting collections (cash) .....	506	.....	.....
70.00 Total new budget authority (gross) .....	767	266	266
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	69	78	80
73.10 Total new obligations .....	780	278	278
73.20 Total outlays (gross) .....	-762	-266	-271
73.45 Recoveries of prior year obligations .....	-9	-10	-10
74.40 Obligated balance, end of year .....	78	80	77
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	196	197	197
86.93 Outlays from discretionary balances .....	66	69	74
86.97 Outlays from new mandatory authority .....	450	.....	.....
86.98 Outlays from mandatory balances .....	50	.....	.....
87.00 Total outlays (gross) .....	762	266	271
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-506	.....	.....
88.40 Non-Federal sources .....	-110	-102	-102
88.90 Total, offsetting collections (cash) .....	-616	-102	-102
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	151	164	164
90.00 Outlays .....	145	164	169
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	10	10	10
99.01 Outlays .....	10	10	10

The Minerals Management Service supervises exploration for, and the development and production of, gas, oil, and other minerals on the Outer Continental Shelf (OCS) lands; and collects royalties, rentals, and bonuses due the Federal Government and Indian lessors from minerals produced on Federal, Indian, and OCS lands.

*Outer Continental Shelf (OCS) lands.*—The program provides for: (1) performance of environmental assessments to ensure compliance with the National Environmental Policy Act (NEPA); (2) conduct of lease offerings; (3) selection and evaluation of tracts offered for lease by competitive bidding; (4) assurance that the Federal Government receives fair market value for leased lands; and (5) regulation and supervision of energy and mineral exploration, development, and production operations on the OCS lands.

*Minerals revenue management.*—The minerals revenue management program provides accounting, auditing, and compliance activities for royalties, rentals, and bonuses due from minerals produced on Federal, Indian, allotted and OCS lands. The program includes an automated accounting system to ensure that all royalties are properly collected.

*General administration.*—General administrative expenses provide for management, executive direction and coordination, administrative support, Federal building space and general support services.

The following are key performance measures for the royalty and offshore minerals management account.

**PERFORMANCE MEASURES**

	2002 actual	2003 target	2004 target
Provide Strategic Petroleum Reserve with oil (million barrels)	11.8	39	47
Disburse revenues within 24 hours of receiving collections	80%	92%	94%
Receive fair market value for OCS mineral development (ratio)	2.4 to 1	1.8 to 1	1.8 to 1
Maint. low oil spill rate (barrels spilled per million produced)	Not available	10	10

**Object Classification (in millions of dollars)**

Identification code 14-1917-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent	105	104	104
12.1 Civilian personnel benefits	26	26	26
21.0 Travel and transportation of persons	3	3	3
23.3 Communications, utilities, and miscellaneous charges	6	36	36
25.2 Other services	9	5	5
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.0 Direct obligations	151	176	176
99.0 Reimbursable obligations	629	102	102
99.9 Total new obligations	780	278	278

**Personnel Summary**

Identification code 14-1917-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	1,647	1,642	1,642
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment	62		

**MINERAL LEASING AND ASSOCIATED PAYMENTS**

**Unavailable Collections (in millions of dollars)**

Identification code 14-5003-0-2-999	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
<b>Receipts:</b>			
02.20 Receipts from mineral leasing, public lands	685	887	884
<b>Appropriations:</b>			
05.00 Mineral leasing and associated payments	-685	-887	-884

07.99 Balance, end of year			
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**Program and Financing (in millions of dollars)**

Identification code 14-5003-0-2-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	685	887	884
10.00 Total new obligations (object class 41.0)	685	887	884
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	685	887	884
23.95 Total new obligations	-685	-887	-884
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund)	685	887	884
<b>Change in obligated balances:</b>			
73.10 Total new obligations	685	887	884
73.20 Total outlays (gross)	-685	-887	-884
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	685	887	884
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	685	887	884
90.00 Outlays	685	887	884

Alaska is paid 90 percent (50 percent for NPR-A area) and other States 50 percent of the receipts from bonuses, royalties, payor late payment interest, and rentals of public lands within those States resulting from the leasing and development of mineral resources under: the Mineral Leasing Act (30 U.S.C. 191); the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351); the Geothermal Steam Act of 1970 (30 U.S.C. 1001); and, from leases of potash deposits (30 U.S.C. 285), on both public domain and certain acquired lands.

**ENVIRONMENTAL IMPROVEMENT AND RESTORATION FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 14-5425-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	946	966	982
<b>Receipts:</b>			
02.40 Interest earned	20	16	28
04.00 Total: Balances and collections	966	982	1,010
07.99 Balance, end of year	966	982	1,010

**Program and Financing (in millions of dollars)**

Identification code 14-5425-0-2-302	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays			
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value	966	978	1,001
92.02 Total investments, end of year: Federal securities:			
Par value	978	1,001	1,034

Title IV of the Department of the Interior and Related Agencies Appropriations Act, 1998 (P.L. 105-83) established the Environmental Improvement and Restoration Fund account. Under section 352(a) of the Department of the Interior and Related Agencies Appropriations Act, 2000 (P.L. 106-113), the fund is to be invested. Twenty percent of the interest earned is permanently appropriated to the Department of

**General and special funds—Continued**

**ENVIRONMENTAL IMPROVEMENT AND RESTORATION FUND—Continued**

Commerce and the unappropriated balance of interest will remain in the fund. No budget authority is requested.

**NATIONAL FORESTS FUND, PAYMENT TO STATES**

**Unavailable Collections (in millions of dollars)**

Identification code 14-5243-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 National forests fund, payments to states—Interior	3	3	3
Appropriations:			
05.00 National forests fund, payment to states	-3	-3	-3
07.99 Balance, end of year			

**Program and Financing (in millions of dollars)**

Identification code 14-5243-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	3	3	3
10.00 Total new obligations (object class 41.0)	3	3	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	3	3	3
23.95 Total new obligations	-3	-3	-3
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund)	3	3	3
<b>Change in obligated balances:</b>			
73.10 Total new obligations	3	3	3
73.20 Total outlays (gross)	-3	-3	-3
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	3	3	3
90.00 Outlays	3	3	3

As of May 23, 1908 (16 U.S.C. 499), twenty-five percent of the revenues collected from onshore mineral leasing and production on national-forest lands have been paid to the state in which the national forest resides. A state's payment is based on national forest acreage and where a national forest is situated in several states, an individual state payment is proportionate to its area within that particular national forest.

**LEASES OF LANDS ACQUIRED FOR FLOOD CONTROL, NAVIGATION, AND ALLIED PURPOSES**

**Unavailable Collections (in millions of dollars)**

Identification code 14-5248-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Leases of lands acquired for flood control, navigation, and allied purpose	1	1	1
Appropriations:			
05.00 Leases of lands acquired for flood control, navigation, and allied purpose	-1	-1	-1
07.99 Balance, end of year			

**Program and Financing (in millions of dollars)**

Identification code 14-5248-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	1	1	1
10.00 Total new obligations (object class 41.0)	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	1	1	1
23.95 Total new obligations	-1	-1	-1
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund)	1	1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	1	1	1
90.00 Outlays	1	1	1

The Flood Control Act of 1936 (33 U.S.C. 701) provides that seventy-five percent of revenue collected on account of leasing of lands acquired for flood control be shared with the state in which it was collected. These funds are to be expended as the state legislature may prescribe for the benefit of the public schools and roads in the county from which the revenue was collected or for defraying any of the expenses of county government. County government expenses include obligations of levee and drainage districts for flood control and drainage improvements.

**Intragovernmental funds:**

**INTERIOR FRANCHISE FUND**

**Program and Financing (in millions of dollars)**

Identification code 14-4529-0-4-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Interior Franchise Fund Activities	520	926	1,025
10.00 Total new obligations	520	926	1,025
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	128	284	348
22.00 New budget authority (gross)	677	990	990
23.90 Total budgetary resources available for obligation	805	1,274	1,338
23.95 Total new obligations	-520	-926	-1,025
24.40 Unobligated balance carried forward, end of year	284	348	313
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash)	570	900	900
69.10 Change in uncollected customer payments from Federal sources (unexpired)	107	90	90
69.90 Spending authority from offsetting collections (total mandatory)	677	990	990
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	92	143	137
73.10 Total new obligations	520	926	1,025
73.20 Total outlays (gross)	-362	-842	-891
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-107	-90	-90
74.40 Obligated balance, end of year	143	137	181
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	312	792	792
86.98 Outlays from mandatory balances	50	50	99

87.00	Total outlays (gross) .....	362	842	891
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources Against gross budget authority only:	- 570	- 900	- 900
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	- 107	- 90	- 90
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	- 207	- 58	- 9

The Government Management Reform Act, P.L. 103-356, established the Franchise Fund Pilot Program. Pursuant to the Act, the Department of the Interior was designated as one of six executive branch agencies authorized to establish a franchise fund. Section 113 of the General Provisions of the Department of the Interior and Related Agencies Appropriation Act of 1997, P.L. 104-208, established in the Treasury a franchise fund pilot. This fund finances computer services and other administrative support services on a fully competitive and cost reimbursable basis to Federal customers. The budget extends through the end of fiscal year 2004 the authority for the franchise fund pilot program.

**Statement of Operations** (in millions of dollars)

Identification code 14-4529-0-4-306	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	235	498	698	698
0102 Expense .....	-223	-398	-598	-598
0105 Net income or loss (-) .....	12	100	100	100
0199 Total comprehensive income .....	12	100	100	100

**Balance Sheet** (in millions of dollars)

Identification code 14-4529-0-4-306	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	259	241	241	241
Investments in US securities:				
1106 Accounts Receivable: due from Federal Agencies .....	17	86	86	86
1999 Total assets .....	276	327	327	327
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	152	99	99	99
2105 Deferred Revenue: Due to Federal Agencies .....	124	228	228	228
2999 Total liabilities .....	276	327	327	327
4999 Total liabilities and net position .....	276	327	327	327

**Object Classification** (in millions of dollars)

Identification code 14-4529-0-4-306	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....		5	5
12.1 Civilian personnel benefits .....		1	1
25.2 Other services .....	520	920	1,019
99.0 Reimbursable obligations .....	520	926	1,025
99.9 Total new obligations .....	520	926	1,025

**Personnel Summary**

Identification code 14-4529-0-4-306	2002 actual	2003 est.	2004 est.
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....		83	83

**Trust Funds**

**OIL SPILL RESEARCH**

For necessary expenses to carry out title I, section 1016, title IV, sections 4202 and 4303, title VII, and title VIII, section 8201 of the Oil Pollution Act of 1990, \$7,105,000, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 14-8370-0-7-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	8	6	7
10.00 Total new obligations .....	8	6	7
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New budget authority (gross) .....	6	6	7
23.90 Total budgetary resources available for obligation	7	6	7
23.95 Total new obligations .....	-8	-6	-7
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	6	6	7
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4	6	6
73.10 Total new obligations .....	8	6	7
73.20 Total outlays (gross) .....	-6	-6	-7
74.40 Obligated balance, end of year .....	6	6	6
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	5	6
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	6	6	7
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	6	6	7
90.00 Outlays .....	5	6	7

The Oil Pollution Act of 1990 authorizes use of the Oil Spill Liability Trust Fund, established by section 9509 of the Internal Revenue Code of 1986, to perform oil pollution research and other duties related to oil spill prevention and financial responsibility. The moneys provided will be used to carry out the purposes for which the fund is established.

**Object Classification** (in millions of dollars)

Identification code 14-8370-0-7-302	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	2	2	2
25.2 Other services .....	6	4	5
99.9 Total new obligations .....	8	6	7

**Personnel Summary**

Identification code 14-8370-0-7-302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	23	22	22

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

**Federal Funds**

**General and special funds:**

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87,

**General and special funds—Continued**

**REGULATION AND TECHNOLOGY—Continued**

as amended, including the purchase of not to exceed 10 passenger motor vehicles, for replacement only; \$106,424,000: Provided, That the Secretary of the Interior, pursuant to regulations, may use directly or through grants to States, moneys collected in fiscal year 2004 for civil penalties assessed under section 518 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268), to reclaim lands adversely affected by coal mining practices after August 3, 1977, to remain available until expended: Provided further, That appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-1801-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.02 Environmental protection .....	79	79	79
00.03 Technology development & transfer .....	11	12	13
00.04 Financial management .....	1	1	1
00.05 Executive direction & administration .....	12	12	13
09.01 Reimbursable program .....	1	1	1
10.00 Total new obligations .....	104	105	107
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross) .....	104	106	108
23.90 Total budgetary resources available for obligation	105	107	109
23.95 Total new obligations .....	-104	-105	-107
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	103	105	107
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	104	106	108
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	42	37	37
73.10 Total new obligations .....	104	105	107
73.20 Total outlays (gross) .....	-109	-103	-107
74.40 Obligated balance, end of year .....	37	37	35
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	77	72	73
86.93 Outlays from discretionary balances .....	32	31	34
87.00 Total outlays (gross) .....	109	103	107
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	103	105	107
90.00 Outlays .....	107	102	106
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

*Environmental protection.*—This activity funds those functions that directly contribute to ensuring that the environment is protected during surface coal mining operations. It also addresses those activities that ensure that coal operators adequately reclaim the land after mining is completed.

Under this activity, OSM provides regulatory grants to States to operate enforcement programs under the terms of the Surface Mining Control and Reclamation Act of 1977

(SMCRA). It also provides for the operation of Federal and Indian land programs and the oversight of State programs. This activity also supports State regulatory program development and maintenance.

*Environmental restoration.*—This activity funds environmental reclamation efforts through the collection of civil penalties for post-SMCRA reclamation and funds from bond forfeitures. It also provides funding for underground and coal outcrop fires.

*Technology development and transfer.*—This activity provides funding to enhance the technical skills that States and Indian Tribes need to operate their regulatory programs. It provides technical outreach to States and Indian Tribes to solve problems related to the environmental effects of coal mining. The Applicant Violator System is funded from this activity.

*Financial management.*—This activity provides the resources for the managing, accounting, and processing of collections and for the pursuit of delinquent civil penalties. This includes developing and maintaining information management systems that support these functions and enhance the agency's ability to deny new mining permits to applicants with unabated State or Federal violations.

*Executive direction and administration.*—This activity provides funding for executive direction, general administrative support, and the acquisition of certain agency-wide common services, such as rent, telephones, and postage.

The following are key performance measures for the Regulation and technology account:

**PERFORMANCE MEASURES**

	2001 actual	2002 est.	2003 est.
Increase in the percent of sites free of offsite impacts .....	93.9%	94.0%	94.0%

**Object Classification (in millions of dollars)**

Identification code 14-1801-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	29	29	30
12.1 Civilian personnel benefits .....	5	5	5
21.0 Travel and transportation of persons .....	2	2	2
23.1 Rental payments to GSA .....	3	3	3
23.2 Rental payments to others .....			1
25.2 Other services .....	4	4	4
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
41.0 Grants, subsidies, and contributions .....	57	58	58
99.0 Direct obligations .....	102	103	105
99.0 Reimbursable obligations .....	1	1	1
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	104	105	107

**Personnel Summary**

Identification code 14-1801-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	398	407	407
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	3	3	3

**ABANDONED MINE RECLAMATION FUND**

For necessary expenses to carry out title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, including the purchase of not more than 10 passenger motor vehicles for replacement only, \$174,469,000 to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended; of which up to \$10,000,000, to be derived from the Federal Expenses Share of the Fund, shall be for supplemental grants to States for the reclamation of abandoned sites with acid mine rock

drainage from coal mines, and for associated activities, through the Appalachian Clean Streams Initiative: Provided, That grants to minimum program States will be \$1,500,000 per State in fiscal year 2004: Provided further, That prior year unobligated funds appropriated for the emergency reclamation program shall not be subject to the 25 percent limitation per State and may be used without fiscal year limitation for emergency projects: Provided further, That pursuant to Public Law 97-365, the Department of the Interior is authorized to use up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: Provided further, That funds made available under title IV of Public Law 95-87 may be used for any required non-Federal share of the cost of projects funded by the Federal Government for the purpose of environmental restoration related to treatment or abatement of acid mine drainage from abandoned mines: Provided further, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act: Provided further, That the State of Maryland may set aside the greater of \$1,000,000 or 10 percent of the total of the grants made available to the State under such title IV, if the amount set aside is deposited in an acid mine drainage abatement and treatment fund established under a State law, pursuant to which law the amount (together with all interest earned on the amount) is expended by the State to undertake acid mine drainage abatement and treatment projects, except that before any amounts greater than 10 percent of its title IV grants are deposited in an acid mine drainage abatement and treatment fund, the State of Maryland must first complete all Surface Mining Control and Reclamation Act priority one projects.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 14-5015-0-2-999	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	1,496	1,533	1,634
Receipts:			
02.00 Abandoned mine reclamation fees	287	296	302
02.20 Interest on late payment of coal mining reclamation fees		1	1
02.40 Earnings on investments	43	34	55
02.80 UMWA repayment of certain transfers	24		
02.99 Total receipts and collections	354	331	358
04.00 Total: Balances and collections	1,850	1,864	1,992
Appropriations:			
05.00 Abandoned mine reclamation fund	-341	-230	-233
05.99 Total appropriations	-341	-230	-233
06.10 Unobligated balance returned to receipts	24		
07.99 Balance, end of year	1,533	1,634	1,759

**Program and Financing** (in millions of dollars)

Identification code 14-5015-0-2-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Environmental restoration	219	181	181
00.02 Technology development and transfer	4	4	4
00.03 Financial management	6	6	6
00.04 Executive direction and administration	7	7	7
00.06 Transfer to UMWA Combined Benefits Fund	114	56	55
10.00 Total new obligations	350	254	253
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	49	49	40
22.00 New budget authority (gross)	341	230	233
22.10 Resources available from recoveries of prior year obligations	32	15	15
23.90 Total budgetary resources available for obligation	422	294	288
23.95 Total new obligations	-350	-254	-253
23.98 Unobligated balance expiring or withdrawn	-24		
24.40 Unobligated balance carried forward, end of year	49	40	35
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund)	203	174	174

Mandatory:			
60.20 Appropriation (special fund)	114	56	59
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	24		
70.00 Total new budget authority (gross)	341	230	233
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	311	317	363
73.10 Total new obligations	350	254	253
73.20 Total outlays (gross)	-311	-193	-219
73.45 Recoveries of prior year obligations	-32	-15	-15
74.40 Obligated balance, end of year	317	363	382
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	154	48	48
86.93 Outlays from discretionary balances	43	89	112
86.97 Outlays from new mandatory authority	114	56	59
87.00 Total outlays (gross)	311	193	219
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.45 Offsetting collections (cash) from: Offsetting governmental collections (from non-Federal sources)	-24		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	317	230	233
90.00 Outlays	287	193	219
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value	1,866	1,895	2,037
92.02 Total investments, end of year: Federal securities:			
Par value	1,895	2,037	2,176

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority	1	1	1
99.01 Outlays	1	1	1

**Environmental Restoration.**—This activity funds those functions that contribute to reclaiming lands affected by past coal mining practices. Funds are used to restore land and water resources and the environment that have been degraded by mining prior to the passage of the Surface Mining Control and Reclamation Act (SMCRA).

This activity provides reclamation grants to qualified States. It also provides for the Federal reclamation program, which includes the Federally-administered emergency reclamation program, and for high priority projects in States that do not have a reclamation program.

Funding is also provided within this account, for the Appalachian Clean Streams Initiative.

**Technology development and transfer.**—This activity provides funding to enhance the technical skills that the States and Indian Tribes need to operate their reclamation programs. OSM conducts technical studies on mining and reclamation-related problems. This activity also provides resources for the Small operators assistance program.

**Financial Management.**—This activity provides funds to identify, notify, collect, and audit fees from coal operators for the Abandoned Mine Reclamation Fund. OSM seeks to maximize voluntary compliance with the SMCRA's reclamation fee provisions.

**Executive direction and administration.**—This activity provides funding for executive direction, general administrative support, and the acquisition of certain agency-wide common services such as rent, telephones, and postage.

The following are the key performance measures for the Abandoned Mine Reclamation Fund account:

**PERFORMANCE MEASURES**

	2001 actual	2002 est.	2003 est.
Number of acres reclaimed on all abandoned coal mine sites.	8,600	8,200	6,900

The 2001 accomplishment for acres reclaimed is a calculated estimate. The accomplishments reported to OSM by States and Tribes for 2001 (13,808 acres) included more than one year. Also, estimates generally reflect the full number of projects funded; actual project completion may occur one to three years after initiation.

**General and special funds—Continued**

**ABANDONED MINE RECLAMATION FUND—Continued**

**Status of Funds (in millions of dollars)**

Identification code 14-5015-0-2-999	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100 Treasury balance .....	1	6	5
Federal securities:			
0101 Par value .....	1,866	1,895	2,037
0102 Unrealized discounts .....	-10		-5
0199 Total balance, start of year .....	1,856	1,899	2,037
Cash income during the year:			
Current law:			
Receipts:			
1200 Abandoned mine reclamation fund, reclamation fees .....	287	296	302
Offsetting receipts (proprietary):			
1220 Proprietary receipts .....		1	1
Offsetting receipts (intragovernmental):			
1240 Earnings on investments, Abandoned Mine Reclamation Fund .....	43	34	55
Offsetting collections:			
1280 Offsetting collections .....	24		
1299 Income under present law .....	354	331	358
Cash outgo during year:			
Current law:			
4500 Abandoned Mine Reclamation Fund .....	-311	-193	-219
Unexpended balance, end of year:			
8700 Uninvested balance .....	6	5	
Federal securities:			
8701 Par value .....	1,895	2,037	2,176
8702 Unrealized discounts .....		-5	
8799 Total balance, end of year .....	1,899	2,037	2,176

**Object Classification (in millions of dollars)**

Identification code 14-5015-0-2-999	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	15	15	15
12.1 Civilian personnel benefits .....	3	3	3
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	129	53	53
31.0 Equipment .....	1	1	1
41.0 Grants, subsidies, and contributions .....	195	175	174
99.0 Direct obligations .....	347	251	250
99.5 Below reporting threshold .....	3	3	3
99.9 Total new obligations .....	350	254	253

**Personnel Summary**

Identification code 14-5015-0-2-999	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	216	220	220

**WATER AND SCIENCE**

**BUREAU OF RECLAMATION**

Appropriations to the Bureau are made from the general fund and special funds. The special funds are: (a) the Reclamation Fund, derived from repayments and other revenues from water and power users, receipts from the sale, lease, and rental of Federal lands, and certain oil and mineral revenues; (b) the Central Valley Project Restoration Fund, consisting of revenues from project beneficiaries; and (c) other sources such as the Colorado River Dam Fund, which generates revenue from the sale of Boulder Canyon power, and the recreation, entrance, and use fee account, consisting of fees collected pursuant to the Land and Water Conservation

Fund Act of 1965, as amended. Non-Federal entities also advance funds for operation and maintenance and provide funds under the Contributed Funds Act. The 2004 estimates are summarized by source as follows (in millions of dollars):

	Total appropriations	General Fund	Reclamation Fund	CVP Restoration Fund	Other
Appropriated Funds:					
Water and Related Resources (net)	680	38	642		
Transferred from Water and Related Resources to Lower and Upper Colorado Basin Funds .....					
Policy and Administration .....	91	91			
Loan Program .....	57		57		
Central Valley Project Restoration Fund .....	0	0			
Abandoned mine reclamation fund, reclamation fees .....	40			40	
Working Capital Fund .....	-5	-5			
California Bay-Delta Restoration .....	15	15			
Gross Current Authority .....	878	139	699	40	
Central Valley Project Restoration Fund, current offset .....	-31			-31	
Net Current Appropriation .....	847	139	699	9	
San Gabriel Basin Restoration Fund (permanent discretionary) .....	0				
Total .....	847	139	699	9	
Permanent Funds:					
Loan Liquidating Account .....	-3				-3
Colorado River Dam Fund .....	80				80
Reclamation Trust Fund .....	10				10
Total Permanent Appropriations .....	87				87
Grand Total .....	934	139	699	9	87

**Federal Funds**

**General and special funds:**

**WATER AND RELATED RESOURCES**

(INCLUDING TRANSFER OF FUNDS)

*For management, development, and restoration of water and related natural resources and for related activities, including the operation, maintenance, and rehabilitation of reclamation and other facilities, participation in fulfilling related Federal responsibilities to Native Americans, and related grants to, and cooperative and other agreements with, State and local governments, Indian tribes, and others, \$771,217,000, to remain available until expended, of which \$57,330,000 shall be available for transfer to the Upper Colorado River Basin Fund and \$33,570,000 shall be available for transfer to the Lower Colorado River Basin Development Fund; of which such amounts as may be necessary may be advanced to the Colorado River Dam Fund; of which \$34,000,000 is for the settlement agreement of Sumner Peck Ranch, Inc. v. Bureau of Reclamation (Civ. No F-91-048 OWW (E.D.Cal)); and of which not more than \$500,000 is for high priority projects which shall be carried out by the Youth Conservation Corps, as authorized by 16 U.S.C. 1706: Provided, That such transfers may be increased or decreased within the overall appropriation under this heading: Provided further, That of the total appropriated, the amount for program activities that can be financed by the Reclamation Fund or the Bureau of Reclamation special fee account established by 16 U.S.C. 4601-6a(i) shall be derived from that Fund or account: Provided further, That funds contributed under 43 U.S.C. 395 are available until expended for the purposes for which contributed: Provided further, That funds advanced under 43 U.S.C. 397a shall be credited to this account and are available until expended for the same purposes as the sums appropriated under this heading: Provided further, That funds available for expenditure for the Departmental Irrigation Drainage Program may be expended by the Bureau of Reclamation for site remediation on a non-reimbursable basis: Provided further, That section 301 of Public Law 102-250, Reclamation States Emergency Drought Relief Act of 1991, as amended, is amended further by inserting "2003, and 2004" in lieu of "and 2003."*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 14-0680-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct Program:			
00.01 Facility Operations .....	152	210	198
00.02 Facility Maintenance and Rehabilitation .....	126	185	191
00.03 Water and Energy Management and Development .....	386	233	227
00.04 Fish and Wildlife Management and Development .....	90	102	102
00.05 Land Management and Development .....	27	42	42
01.00 Total Direct Program .....	781	772	760
09.01 Reimbursable program .....	194	177	176
10.00 Total new obligations .....	975	949	936
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	68	256	160
22.00 New budget authority (gross) .....	1,133	853	856
22.10 Resources available from recoveries of prior year obligations .....	32		
23.90 Total budgetary resources available for obligation .....	1,233	1,109	1,016
23.95 Total new obligations .....	-975	-949	-936
24.40 Unobligated balance carried forward, end of year .....	256	160	80
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	130	122	129
40.20 Appropriation (special fund) .....	670	619	642
41.00 Transferred to other accounts .....	-61	-65	-91
42.00 Transferred from other accounts .....	203		
43.00 Appropriation (total discretionary) .....	942	676	680
Spending authority from offsetting collections:			
68.00 (cash) .....	190	177	176
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	191	177	176
70.00 Total new budget authority (gross) .....	1,133	853	856
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	283	335	342
73.10 Total new obligations .....	975	949	936
73.20 Total outlays (gross) .....	-890	-942	-935
73.45 Recoveries of prior year obligations .....	-32		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	335	342	343
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	541	512	514
86.93 Outlays from discretionary balances .....	349	430	421
87.00 Total outlays (gross) .....	890	942	935
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-140	-140	-129
88.40 Non-Federal sources .....	-50	-37	-47
88.90 Total, offsetting collections (cash) .....	-190	-177	-176
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	942	676	680
90.00 Outlays .....	700	765	759
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	11	12	13
99.01 Outlays .....	11	12	13

**Status of Direct Loans** (in millions of dollars)

Identification code 14-0680-0-1-301	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	2	2	2
1251 Repayments: Repayments and prepayments .....			-1

1290	Outstanding, end of year .....	2	2	1
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The water and related resources account supports the development, management, and restoration of water and related natural resources in the 17 Western States. The account includes funds for operating and maintaining existing facilities to obtain the greatest overall level of benefits, to protect public safety, and to conduct studies on ways to improve the use of water and related natural resources. Work will be done in partnership and cooperation with non-Federal entities and other Federal agencies. In FY 2004, Reclamation will implement 4 initiatives, totaling \$11 million, that are directed at enhancing the Bureau of Reclamation's efficiency and performance in water and power delivery. The initiatives will: develop pilot projects that can demonstrate how to prevent crisis-level water conflicts in the West; expand the use of science to find a way to reduce the cost of water desalination and waste disposal; design water management programs that address environmental needs on a basin-wide scale; and enhance Reclamation managers' understanding of the purpose, process, and requirements of the Endangered Species Act, as it relates to federal actions.

**Object Classification** (in millions of dollars)

Identification code 14-0680-0-1-301	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	121	125	129
11.3 Other than full-time permanent .....	5	5	5
11.5 Other personnel compensation .....	9	9	9
11.9 Total personnel compensation .....	135	139	143
12.1 Civilian personnel benefits .....	27	27	27
21.0 Travel and transportation of persons .....	12	12	12
22.0 Transportation of things .....	5	5	5
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	7	7	7
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	278	262	242
26.0 Supplies and materials .....	22	22	23
31.0 Equipment .....	14	14	14
32.0 Land and structures .....	103	104	105
41.0 Grants, subsidies, and contributions .....	173	175	177
42.0 Insurance claims and indemnities .....	1	1	1
99.0 Direct obligations .....	780	771	759
99.0 Reimbursable obligations .....	194	177	176
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	975	949	936

**Personnel Summary**

Identification code 14-0680-0-1-301	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	2,208	2,205	2,211
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	558	558	558
Allocation account:			
Total compensable workyears:			
Civilian full-time equivalent employment:			
3001 Civilian full-time equivalent employment .....	320	322	322
3001 Civilian full-time equivalent employment .....	36	36	36

**CALIFORNIA BAY-DELTA RESTORATION**  
(INCLUDING TRANSFER OF FUNDS)

For carrying out authorized activities that are in accord with the CALFED Bay-Delta Program, including activities that would improve fish and wildlife habitat, water supply reliability, and water quality, consistent with plans to be approved by the Secretary of the Interior, \$15,000,000, to remain available until expended, of which such

**General and special funds—Continued**

**CALIFORNIA BAY-DELTA RESTORATION—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

amounts as may be necessary to carry out such activities may be transferred to appropriate accounts of other participating Federal agencies to carry out authorized purposes: Provided, That funds appropriated herein may be used for the Federal share of the costs of CALFED Program management.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-0687-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	20	48	15
10.00 Total new obligations .....	20	48	15
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	45	33	
22.00 New budget authority (gross) .....		15	15
22.10 Resources available from recoveries of prior year obligations .....	8		
23.90 Total budgetary resources available for obligation .....	53	48	15
23.95 Total new obligations .....	-20	-48	-15
24.40 Unobligated balance carried forward, end of year .....	33		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		15	15
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	65	43	10
73.10 Total new obligations .....	20	48	15
73.20 Total outlays (gross) .....	-35	-80	-15
73.45 Recoveries of prior year obligations .....	-8		
74.40 Obligated balance, end of year .....	43	10	10
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		5	5
86.93 Outlays from discretionary balances .....	35	75	10
87.00 Total outlays (gross) .....	35	80	15
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		15	15
90.00 Outlays .....	35	80	15

This account funds activities that are consistent with the CALFED Bay-Delta Program, a collaborative effort involving eighteen State and Federal agencies and representatives of California's urban, agricultural, and environmental communities. The goals of the program are to improve fish and wildlife habitat, water supply reliability, and water quality in the San Francisco Bay-San Joaquin River Delta, the principal hub of California's water distribution system.

**Object Classification (in millions of dollars)**

Identification code 14-0687-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.2 Other services .....	15	43	10
41.0 Grants, subsidies, and contributions .....	4	4	4
99.0 Direct obligations .....	19	47	14
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	20	48	15

**Personnel Summary**

Identification code 14-0687-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	11	10	10

**RECLAMATION FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 14-5000-0-2-301	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	2,980	3,087	3,396
<b>Receipts:</b>			
02.20 Miscellaneous interest .....	8	7	7
02.21 Royalties on natural resources .....	544	710	708
02.22 Sale of timber and other products .....		11	11
02.23 Other proprietary receipts from the public .....	153	139	147
02.24 Sale of public domain .....	9		
02.25 Sale of electric energy, Bonneville .....	31	51	31
02.26 Sale of power and other utilities .....	245	219	189
02.80 Construction, rehabilitation, operation and maintenance (WAPA), offsetting collections .....	297	551	510
02.99 Total receipts and collections .....	1,287	1,688	1,603
04.00 Total: Balances and collections .....	4,267	4,775	4,999
<b>Appropriations:</b>			
05.00 Water and related resources .....	-670	-614	-642
05.01 Policy and administration .....	-53	-55	-57
05.02 Construction, rehabilitation, operation and maintenance (WAPA) .....	-464	-710	-677
05.99 Total appropriations .....	-1,187	-1,379	-1,376
06.10 Unobligated balance returned to receipts .....	7		
07.99 Balance, end of year .....	3,087	3,396	3,623

This fund is derived from repayments and other revenues from water and power users, together with certain receipts from the sale, lease, and rental of Federal lands in the 17 Western States and certain oil and mineral revenues, and is available for expenditure pursuant to appropriation acts.

**POLICY AND ADMINISTRATION**

For necessary expenses of policy, administration, and related functions in the office of the Commissioner, the Denver office, and offices in the five regions of the Bureau of Reclamation, to remain available until expended, \$56,525,000, to be derived from the Reclamation Fund and be nonreimbursable as provided in 43 U.S.C. 377: Provided, That no part of any other appropriation in this Act shall be available for activities or functions budgeted as policy and administration expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-5065-0-2-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	56	55	57
10.00 Total new obligations .....	56	55	57
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2		
22.00 New budget authority (gross) .....	53	55	57
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	56	55	57
23.95 Total new obligations .....	-56	-55	-57

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.20	Appropriation (special fund)	53	55	57
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	8	9	6
73.10	Total new obligations	56	55	57
73.20	Total outlays (gross)	-54	-59	-57
73.45	Recoveries of prior year obligations	-1		
74.40	Obligated balance, end of year	9	6	6
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	44	50	51
86.93	Outlays from discretionary balances	10	9	6
87.00	Total outlays (gross)	54	59	57
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	53	55	57
90.00	Outlays	54	59	57
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	1	1	2
99.01	Outlays	1	1	2

The policy and administration account supports the direction and management of all Reclamation activities as performed by the Commissioner's office and the five regional offices. Charges attributable to individual projects or specific beneficiaries, including the costs of related administrative and technical services, are covered under other Bureau of Reclamation accounts.

<b>Object Classification (in millions of dollars)</b>				
Identification code 14-5065-0-2-301		2002 actual	2003 est.	2004 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	20	26	27
11.3	Other than full-time permanent	1	1	1
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	22	28	29
12.1	Civilian personnel benefits	4	5	5
21.0	Travel and transportation of persons	3	3	3
23.1	Rental payments to GSA	1	1	1
23.2	Rental payments to others	1	1	1
25.2	Other services	22	14	15
26.0	Supplies and materials	1	1	1
31.0	Equipment	1	1	1
99.0	Direct obligations	55	54	56
99.5	Below reporting threshold	1	1	1
99.9	Total new obligations	56	55	57

**Personnel Summary**

<b>Personnel Summary</b>				
Identification code 14-5065-0-2-301		2002 actual	2003 est.	2004 est.
Direct:				
Total compensable workyears:				
1001	Civilian full-time equivalent employment	277	335	335

**CENTRAL VALLEY PROJECT RESTORATION FUND**

For carrying out the programs, projects, plans, and habitat restoration, improvement, and acquisition provisions of the Central Valley Project Improvement Act, \$39,600,000, to be derived from such sums as may be collected in the Central Valley Project Restoration Fund pursuant to sections 3407(d), 3404(c)(3), 3405(f), and 3406(c)(1) of Public Law 102-575, to remain available until expended: Provided, That the Bureau of Reclamation is directed to assess and collect the full amount of the additional mitigation and restoration payments authorized by section 3407(d) of Public Law 102-575.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

<b>Unavailable Collections (in millions of dollars)</b>				
Identification code 14-5173-0-2-301		2002 actual	2003 est.	2004 est.
01.99	Balance, start of year	18	18	18
Receipts:				
02.20	Total discretionary and mandatory collections	55	49	40
04.00	Total: Balances and collections	73	67	58
Appropriations:				
05.00	Central Valley Project restoration fund	-55	-49	-40
07.99	Balance, end of year	18	18	18

<b>Program and Financing (in millions of dollars)</b>				
Identification code 14-5173-0-2-301		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Direct program activity	57	50	40
10.00	Total new obligations	57	50	40
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	1	1	
22.00	New budget authority (gross)	55	49	40
22.10	Resources available from recoveries of prior year obligations	2		
23.90	Total budgetary resources available for obligation	58	50	40
23.95	Total new obligations	-57	-50	-40
24.40	Unobligated balance carried forward, end of year	1		

<b>New budget authority (gross), detail:</b>				
Discretionary:				
Appropriation (special fund):				
40.20	Appropriation (special fund, restoration fund, other)	10	9	9
40.20	Appropriation (special fund, restoration fund, 3407(d))	45	40	31
43.00	Appropriation (total discretionary)	55	49	40
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	40	48	10
73.10	Total new obligations	57	50	40
73.20	Total outlays (gross)	-47	-88	-42
73.45	Recoveries of prior year obligations	-2		
74.40	Obligated balance, end of year	48	10	8
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	6	39	32
86.93	Outlays from discretionary balances	41	49	10
87.00	Total outlays (gross)	47	88	42
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	55	49	40
90.00	Outlays	47	88	42

This fund was established to carry out the provisions of the Central Valley Project Improvement Act. Resources are derived from donations, revenues from voluntary water transfers and tiered water pricing, and Friant Division surcharges. The account is also financed through additional mitigation and restoration payments collected on an annual basis from project beneficiaries.

<b>Object Classification (in millions of dollars)</b>				
Identification code 14-5173-0-2-301		2002 actual	2003 est.	2004 est.
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	1	1	1
25.2	Other services	36	29	19
41.0	Grants, subsidies, and contributions	19	19	19
99.0	Direct obligations	56	49	39
99.5	Below reporting threshold	1	1	1
99.9	Total new obligations	57	50	40

**General and special funds—Continued**

**CENTRAL VALLEY PROJECT RESTORATION FUND—Continued**

**Personnel Summary**

Identification code 14-5173-0-2-301	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	29	23	23

**COLORADO RIVER DAM FUND, BOULDER CANYON PROJECT**

**Unavailable Collections (in millions of dollars)**

Identification code 14-5656-0-2-301	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Revenues, Colorado River Dam fund, Boulder Canyon project, Interior .....	61	80	80
Appropriations:			
05.00 Colorado River dam fund, Boulder Canyon project .....	-61	-80	-80
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 14-5656-0-2-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Facility operations .....	24	46	43
00.02 Facility maintenance and rehabilitation .....	7	8	7
00.03 Payment of interest .....	12	12	11
00.04 Payments to Arizona and Nevada .....	1	1	1
00.05 Western Area Power Administration .....	4	4	4
00.06 Payment to Lower Colorado River Basin Development Fund .....	15	13	13
10.00 Total new obligations .....	63	84	79
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	10	6	1
22.00 New budget authority (gross) .....	61	80	80
22.10 Resources available from recoveries of prior year obligations .....	1		
22.40 Capital transfer to general fund .....	-3	-1	-1
23.90 Total budgetary resources available for obligation .....	69	85	80
23.95 Total new obligations .....	-63	-84	-79
24.40 Unobligated balance carried forward, end of year .....	6	1	1

**New budget authority (gross), detail:**

Mandatory:			
60.20 Appropriation (special fund) .....	61	80	80

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	4	4	34
73.10 Total new obligations .....	63	84	79
73.20 Total outlays (gross) .....	-63	-54	-79
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	4	34	34

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	49	44	44
86.98 Outlays from mandatory balances .....	14	10	35
87.00 Total outlays (gross) .....	63	54	79

**Net budget authority and outlays:**

89.00 Budget authority .....	61	80	80
90.00 Outlays .....	63	54	79

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

Revenues from the sale of Boulder Canyon power are placed in this fund and are available without further appropriation to pay the operation and maintenance costs of the project including those of the Western Area Power Administration

for power marketing, transmission, operation, maintenance, and rehabilitation; to pay interest on amounts advanced from the Treasury; to pay annually not more than \$300,000 each to Arizona and Nevada; and to repay advances from the Treasury for construction and other purposes. The rates charged for Boulder Canyon power also include certain amounts for transfer to the Lower Colorado River Basin Development Fund.

**Object Classification (in millions of dollars)**

Identification code 14-5656-0-2-301	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	13	13	13
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	14	14	14
12.1 Civilian personnel benefits .....	3	4	4
25.2 Other services .....	31	51	46
26.0 Supplies and materials .....	1	1	1
41.0 Grants, subsidies, and contributions .....	1	1	1
43.0 Interest and dividends .....	12	12	12
99.0 Direct obligations .....	62	83	78
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	63	84	79

**Personnel Summary**

Identification code 14-5656-0-2-301	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	201	202	202

**SAN GABRIEL BASIN RESTORATION FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 14-5483-0-2-301	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.41 Earnings on investments .....	1		
Appropriations:			
05.00 San Gabriel basin restoration fund .....	-1		
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 14-5483-0-2-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	30		
10.00 Total new obligations (object class 25.2) .....	30		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	23	5	
22.00 New budget authority (gross) .....	13	-5	
23.90 Total budgetary resources available for obligation .....	36		
23.95 Total new obligations .....	-30		
24.40 Unobligated balance carried forward, end of year .....	5		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation (special fund):			
40.20 Appropriation, permanent (special fund) .....	1		
40.20 Appropriation (special fund) .....		-5	
42.00 Transferred from Water & Related Resources .....	12		
43.00 Appropriation (total discretionary) .....	13	-5	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		22	
73.10 Total new obligations .....	30		
73.20 Total outlays (gross) .....	-8	-22	

74.40	Obligated balance, end of year .....	22		
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	7	-5	
86.93	Outlays from discretionary balances .....	1	27	
87.00	Total outlays (gross) .....	8	22	
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	13	-5	
90.00	Outlays .....	8	22	

The amounts in this fund will be used to design, construct, operate and maintain water quality projects to remediate contamination of groundwater in the San Gabriel and Central Basins of Southern California, contingent on receipt of local cost share. Administration of the fund was transferred from the Secretary of the Army to the Secretary of the Interior by Public Law 107-66.

**Public enterprise funds:**

**LOWER COLORADO RIVER BASIN DEVELOPMENT FUND**

**Program and Financing (in millions of dollars)**

Identification code 14-4079-0-3-301	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
09.01	Facility operation .....	91	178	95
09.02	Water & energy management & development .....	33	68	37
09.03	Land management & development .....		2	1
10.00	Total new obligations .....	124	248	133
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	73	120	5
22.00	New budget authority (gross) .....	172	134	134
22.40	Capital transfer to general fund .....	-1	-1	-1
23.90	Total budgetary resources available for obligation .....	244	253	138
23.95	Total new obligations .....	-124	-248	-133
24.40	Unobligated balance carried forward, end of year .....	120	5	5
<b>New budget authority (gross), detail:</b>				
<b>Discretionary:</b>				
42.00	Transferred from Water & related resources .....	33	34	34
<b>Mandatory:</b>				
69.00	Offsetting collections (cash) .....	137	100	100
69.10	Change in uncollected customer payments from Federal sources (unexpired) .....	2		
69.90	Spending authority from offsetting collections (total mandatory) .....	139	100	100
70.00	Total new budget authority (gross) .....	172	134	134
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	5	4	55
73.10	Total new obligations .....	124	248	133
73.20	Total outlays (gross) .....	-124	-197	-133
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
74.40	Obligated balance, end of year .....	4	55	55
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	26	20	20
86.93	Outlays from discretionary balances .....	7	7	14
86.97	Outlays from new mandatory authority .....	19	53	53
86.98	Outlays from mandatory balances .....	72	117	46
87.00	Total outlays (gross) .....	124	197	133
<b>Offsets:</b>				
<b>Against gross budget authority and outlays:</b>				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-137	-100	-100
<b>Against gross budget authority only:</b>				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	33	34	34

90.00	Outlays .....	-13	97	33
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Ongoing construction costs of the Central Arizona project are financed through appropriations transferred to this fund. Revenues from the operation of project facilities are available without further appropriation for operation and maintenance expenses, for capital repayment to the general fund, and for the non-Federal share of salinity control projects. The rates charged for Boulder Canyon power include certain amounts for transfer to this fund.

**Object Classification (in millions of dollars)**

Identification code 14-4079-0-3-301	2002 actual	2003 est.	2004 est.	
<b>Reimbursable obligations:</b>				
11.1	Personnel compensation: Full-time permanent .....	2	2	2
12.1	Civilian personnel benefits .....	1	1	1
25.2	Other services .....	118	242	127
32.0	Land and structures .....	2	2	2
99.0	Reimbursable obligations .....	123	247	132
99.5	Below reporting threshold .....	1	1	1
99.9	Total new obligations .....	124	248	133

**Personnel Summary**

Identification code 14-4079-0-3-301	2002 actual	2003 est.	2004 est.	
<b>Reimbursable:</b>				
<b>Total compensable workyears:</b>				
2001	Civilian full-time equivalent employment .....	23	27	27

**UPPER COLORADO RIVER BASIN FUND**

**Program and Financing (in millions of dollars)**

Identification code 14-4081-0-3-301	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
<b>Reimbursable programs:</b>				
09.01	Facility operation .....	16	25	23
09.02	Facility maintenance & rehabilitation .....	9	11	11
09.03	Reimbursable program .....	23	36	72
09.04	Fish & wildlife management & development .....	19	20	19
09.05	Land management & development .....	3	3	4
09.06	Payment to Ute Indian Tribe .....	2	2	2
09.07	Interest on investment .....	4	4	4
10.00	Total new obligations .....	76	101	135
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	14	16	10
22.00	New budget authority (gross) .....	78	97	137
22.10	Resources available from recoveries of prior year obligations .....	4		
22.40	Capital transfer to general fund .....	-3	-2	-2
23.90	Total budgetary resources available for obligation .....	93	111	145
23.95	Total new obligations .....	-76	-101	-135
24.40	Unobligated balance carried forward, end of year .....	16	10	10
<b>New budget authority (gross), detail:</b>				
<b>Discretionary:</b>				
42.00	Transferred from Water & related resources .....	16	31	57
<b>Mandatory:</b>				
69.00	Offsetting collections (cash) .....	62	66	80
70.00	Total new budget authority (gross) .....	78	97	137
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	117	116	126
73.10	Total new obligations .....	76	101	135
73.20	Total outlays (gross) .....	-74	-91	-120
73.45	Recoveries of prior year obligations .....	-4		
74.40	Obligated balance, end of year .....	116	126	141
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	5	19	34
86.93	Outlays from discretionary balances .....	5	11	12

**Public enterprise funds—Continued**

**UPPER COLORADO RIVER BASIN FUND—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 14-4081-0-3-301	2002 actual	2003 est.	2004 est.
86.97 Outlays from new mandatory authority .....	26	27	35
86.98 Outlays from mandatory balances .....	38	34	39
87.00 Total outlays (gross) .....	74	91	120
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-62	-66	-80
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	16	31	57
90.00 Outlays .....	12	25	40

Ongoing construction costs of the Colorado River Storage project are financed through appropriations transferred to this account. Revenues from the operation of project facilities are available without further appropriation for operation and maintenance expenses and for capital repayment to the general fund.

**Object Classification (in millions of dollars)**

Identification code 14-4081-0-3-301	2002 actual	2003 est.	2004 est.
<b>Reimbursable obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	11	11	11
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	12	12	12
12.1 Civilian personnel benefits .....	3	3	3
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	34	59	93
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	1	1	1
32.0 Land and structures .....	8	8	8
41.0 Grants, subsidies, and contributions .....	10	10	10
43.0 Interest and dividends .....	4	4	4
99.0 Reimbursable obligations .....	75	100	134
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	76	101	135

**Personnel Summary**

Identification code 14-4081-0-3-301	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	163	163	163

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

From unobligated balances under this heading, \$4,525,000 are hereby cancelled.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-4524-0-4-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Information resources management .....	6	5	5
09.03 Administrative expenses .....	214	231	224
09.04 Technical expenses .....	90	96	93
10.00 Total new obligations .....	310	332	322

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	27	32	21
22.00 New budget authority (gross) .....	312	321	322
22.10 Resources available from recoveries of prior year obligations .....	3		
23.90 Total budgetary resources available for obligation	342	353	343
23.95 Total new obligations .....	-310	-332	-322
24.40 Unobligated balance carried forward, end of year .....	32	21	21

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....			-5
<b>Spending authority from offsetting collections:</b>			
68.00 (cash) .....	311	321	327
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	312	321	327
70.00 Total new budget authority (gross) .....	312	321	322

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	14	14	64
73.10 Total new obligations .....	310	332	322
73.20 Total outlays (gross) .....	-306	-282	-321
73.45 Recoveries of prior year obligations .....	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	14	64	65

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	297	257	257
86.93 Outlays from discretionary balances .....	9	25	64
87.00 Total outlays (gross) .....	306	282	321

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-311	-321	-327
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		

**Net budget authority and outlays:**

89.00 Budget authority .....			-5
90.00 Outlays .....	-5	-39	-6

This revolving fund enables the Bureau of Reclamation to recover the costs of the administrative and technical services, and facilities used by its programs and by others, and accumulates funds to finance capital equipment purchases. The proposal for FY 2004 assumes \$5 million in cost savings for information technology.

**Object Classification (in millions of dollars)**

Identification code 14-4524-0-4-301	2002 actual	2003 est.	2004 est.
<b>Reimbursable obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	146	147	149
11.3 Other than full-time permanent .....	4	4	4
11.5 Other personnel compensation .....	4	4	4
11.9 Total personnel compensation .....	154	155	157
12.1 Civilian personnel benefits .....	32	32	32
21.0 Travel and transportation of persons .....	4	4	4
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	19	19	19
23.3 Communications, utilities, and miscellaneous charges .....	5	5	5
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	75	96	84
26.0 Supplies and materials .....	6	6	6
31.0 Equipment .....	12	12	12
99.0 Reimbursable obligations .....	309	331	321
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	310	332	322

**Personnel Summary**

Identification code 14-4524-0-4-301	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	1,794	1,745	1,737

**Credit accounts:**

**BUREAU OF RECLAMATION LOAN PROGRAM ACCOUNT**

For administrative expenses necessary to carry out the program for direct loans and/or grants, \$200,000, to remain available until expended, of which the amount that can be financed by the Reclamation Fund shall be derived from that fund.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 14-0685-0-1-301	2002 actual	2003 est.	2004 est.
0101 Bureau of Reclamation loans, downward reestimates of subsidies .....	11	16	

**Program and Financing (in millions of dollars)**

Identification code 14-0685-0-1-301	2002 actual	2003 est.	2004 est.
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**Obligations by program activity:**

00.01 Water and energy management and development (direct loans) .....	8	1	
10.00 Total new obligations (object class 41.0) .....	8	1	

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	1	1	
22.00 New budget authority (gross) .....	7		
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	9	1	
23.95 Total new obligations .....	-8	-1	
24.40 Unobligated balance carried forward, end of year .....	1		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	7		

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	7	10	
73.10 Total new obligations .....	8	1	
73.20 Total outlays (gross) .....	-4	-11	
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	10		

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	4		
86.93 Outlays from discretionary balances .....		11	
87.00 Total outlays (gross) .....	4	11	

**Net budget authority and outlays:**

89.00 Budget authority .....	7		
90.00 Outlays .....	4	11	

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 14-0685-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Reclamation Loan Program .....	26		
115901 Total direct loan levels .....	26		
<b>Direct loan subsidy (in percent):</b>			
132001 Reclamation Loan Program .....	26.92	0.00	
132901 Weighted average subsidy rate .....	26.92	0.00	

<b>Direct loan subsidy budget authority:</b>			
133001 Reclamation Loan Program .....	7		
133901 Total subsidy budget authority .....	7		
<b>Direct loan subsidy outlays:</b>			
134001 Reclamation Loan Program .....	4	11	
134901 Total subsidy outlays .....	4	11	
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 Reclamation Loan Program .....	-11	-16	
137901 Total downward reestimate budget authority .....	-11	-16	
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 Reclamation Loan Program .....	-11	-16	
138901 Total downward reestimate subsidy outlays .....	-11	-16	

Under the Small Reclamation Projects Act, loans and grants can be made to non-Federal organizations for construction of small water resource projects.

As required by the Federal Credit Reform Act of 1990, the loan program account records the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

No funds are requested for the Bureau of Reclamation Loan Program for direct loans. Funding is included for Loan Program Administration for fiscal year 2004.

**Personnel Summary**

Identification code 14-0685-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	5		2

**BUREAU OF RECLAMATION DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 14-4547-0-3-301	2002 actual	2003 est.	2004 est.
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**Obligations by program activity:**

00.01 Direct loans .....	6		
08.02 Downward reestimate of subsidy .....	9	14	
08.04 Interest on downward reestimates .....	2	2	
08.91 Direct Program by Activities—Subtotal (1 level) .....	11	16	
10.00 Total new obligations .....	17	16	

**Budgetary resources available for obligation:**

22.00 New financing authority (gross) .....	18	16	
23.95 Total new obligations .....	-17	-16	

**New financing authority (gross), detail:**

<b>Mandatory:</b>			
67.10 Authority to borrow .....	12	16	
69.00 Offsetting collections (cash) .....	7	6	8
69.47 Portion applied to repay debt .....	-1	-6	-8
69.90 Spending authority from offsetting collections (total mandatory) .....	6		
70.00 Total new financing authority (gross) .....	18	16	

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	16	9	
73.10 Total new obligations .....	17	16	
73.20 Total financing disbursements (gross) .....	-24	-25	
74.40 Obligated balance, end of year .....	9		
87.00 Total financing disbursements (gross) .....	24	25	

**Offsets:**

<b>Against gross financing authority and financing disbursements:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-4		

**Credit accounts—Continued**

**BUREAU OF RECLAMATION DIRECT LOAN FINANCING ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 14-4547-0-3-301	2002 actual	2003 est.	2004 est.
88.25 Interest on uninvested funds	-1		
Non-Federal sources:			
88.40 Repayments of principal	-2	-3	-4
88.40 Interest received on loans		-3	-4
88.90 Total, offsetting collections (cash)	-7	-6	-8
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority	11	10	-8
90.00 Financing disbursements	18	19	-8

**Status of Direct Loans (in millions of dollars)**

Identification code 14-4547-0-3-301	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	26		
1150 Total direct loan obligations	26		
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	160	183	205
1231 Disbursements: Direct loan disbursements	24	25	
1251 Repayments: Repayments and prepayments	-1	-3	-4
1290 Outstanding, end of year	183	205	201

As required by the Federal Credit Reform Act of 1990, the direct loan financing account is a non-budgetary account for recording all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 14-4547-0-3-301	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Investments in US securities:				
1106 Federal assets: Receivables, net	7	8	1	
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	160	183	205	201
1405 Allowance for subsidy cost (-)	-89	-93	-93	-93
1499 Net present value of assets related to direct loans	71	90	112	108
1999 Total assets	78	98	113	108
<b>LIABILITIES:</b>				
Federal liabilities:				
2103 Debt	71	90	112	108
2105 Other liabilities	7	8	1	
2999 Total liabilities	78	98	113	108
<b>NET POSITION:</b>				
3100 Appropriated capital				
3999 Total net position				
4999 Total liabilities and net position	78	98	113	108

**BUREAU OF RECLAMATION LOAN LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 14-0667-0-1-301	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash)		2	3
69.47 Portion applied to repay debt		-2	-3

69.90 Spending authority from offsetting collections (total mandatory)			
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**Change in obligated balances:**

73.20 Total outlays (gross)			
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**Offsets:**

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources		-2	-3

**Net budget authority and outlays:**

89.00 Budget authority		-2	-3
90.00 Outlays		-2	-3

**Status of Direct Loans (in millions of dollars)**

Identification code 14-0667-0-1-301	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	50	48	46
1251 Repayments: Repayments and prepayments	-2	-2	-3
1290 Outstanding, end of year	48	46	43

As required by the Federal Credit Reform Act of 1990, the loan liquidating account records all cash flows to and from the Government resulting from direct loans obligated prior to 1992. All loans obligated in 1992 or thereafter are recorded in loan program account No. 14-0685-0-1-301 and loan program financing account No. 14-4547-0-3-301.

**Statement of Operations (in millions of dollars)**

Identification code 14-0667-0-1-301	2001 actual	2002 actual	2003 est.	2004 est.
0111 Revenue			2	3
0112 Expense			-2	-3
0115 Net income or loss (-)				
0195 Total income or loss (-)				

**Balance Sheet (in millions of dollars)**

Identification code 14-0667-0-1-301	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross				
1601	50	48	46	43
1999 Total assets	50	48	46	43
<b>LIABILITIES:</b>				
Federal liabilities: Resources payable to Treasury				
2104	50	48	46	43
2999 Total liabilities	50	48	46	43
<b>NET POSITION:</b>				
3999 Total net position				
4999 Total liabilities and net position	50	48	46	43

**Trust Funds**

**RECLAMATION TRUST FUNDS**

**Unavailable Collections (in millions of dollars)**

Identification code 14-8070-0-7-301	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Deposits	24	4	10
Appropriations:			
05.00 Reclamation trust funds	-24	-4	-10
07.99 Balance, end of year			

**Program and Financing** (in millions of dollars)

Identification code 14-8070-0-7-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Facility maintenance and rehabilitation .....	6	29	2
00.02 Water and energy management and development .....	4	21	1
00.03 Land management and development .....		1	7
10.00 Total new obligations .....	10	51	10
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	51	47	
22.00 New budget authority (gross) .....	6	4	10
23.90 Total budgetary resources available for obligation .....	57	51	10
23.95 Total new obligations .....	-10	-51	-10
24.40 Unobligated balance carried forward, end of year .....	47		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	24	4	10
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-18		
70.00 Total new budget authority (gross) .....	6	4	10
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		14	1
73.10 Total new obligations .....	10	51	10
73.20 Total outlays (gross) .....	-15	-64	-9
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	18		
74.40 Obligated balance, end of year .....	14	1	2
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1	3	8
86.98 Outlays from mandatory balances .....	14	61	1
87.00 Total outlays (gross) .....	15	64	9
<b>Offsets:</b>			
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	18		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	24	4	10
90.00 Outlays .....	15	64	9

The Bureau of Reclamation performs work on various projects and activities with funding provided by non-Federal entities under 43 U.S.C. 395 and 396.

**Object Classification** (in millions of dollars)

Identification code 14-8070-0-7-301	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.2 Other services .....	4	46	5
31.0 Equipment .....	1	1	1
32.0 Land and structures .....	1	1	1
42.0 Insurance claims and indemnities .....	2	2	2
99.0 Direct obligations .....	8	50	9
99.0 Reimbursable obligations .....	1		
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	10	51	10

**Personnel Summary**

Identification code 14-8070-0-7-301	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	9	2	2

**ADMINISTRATIVE PROVISIONS**

Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed 14 passenger motor vehicles, of which 12 are for replacement only.

**CENTRAL UTAH PROJECT**

**Federal Funds**

**General and special funds:**

**CENTRAL UTAH PROJECT COMPLETION ACCOUNT**

For carrying out activities authorized by the Central Utah Project Completion Act, \$36,463,000, to remain available until expended, of which \$9,423,000 shall be deposited into the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission.

In addition, for necessary expenses incurred in carrying out related responsibilities of the Secretary of the Interior, \$1,728,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 14-0787-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Central Utah project construction .....	24	23	27
00.04 Program administration .....	2	2	2
10.00 Total new obligations .....	26	25	29
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	1
22.00 New budget authority (gross) .....	25	25	29
23.90 Total budgetary resources available for obligation .....	26	26	30
23.95 Total new obligations .....	-26	-25	-29
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	36	36	38
41.00 Transferred to other accounts .....	-11	-11	-9
43.00 Appropriation (total discretionary) .....	25	25	29
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	1	2
73.10 Total new obligations .....	26	25	29
73.20 Total outlays (gross) .....	-26	-25	-29
74.40 Obligated balance, end of year .....	1	2	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	24	24	28
86.93 Outlays from discretionary balances .....	2	1	1
87.00 Total outlays (gross) .....	26	25	29
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	25	25	29
90.00 Outlays .....	26	25	29

Titles II through VI of Public Law 102-575 authorize the completion of the Central Utah project and related activities, including the mitigation, conservation, and enhancement of fish and wildlife and recreational resources. Funds are requested in this account for the Central Utah Water Conservancy District, for transfer to the Utah Reclamation Mitigation and Conservation Commission, and to carry out related responsibilities of the Secretary.

**Object Classification** (in millions of dollars)

Identification code 14-0787-0-1-301	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services .....	25	24	28
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	26	25	29

**General and special funds—Continued****CENTRAL UTAH PROJECT COMPLETION ACCOUNT—Continued****Personnel Summary**

Identification code 14-0787-0-1-301	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	5	5	5

**UTAH RECLAMATION MITIGATION AND CONSERVATION ACCOUNT****Unavailable Collections (in millions of dollars)**

Identification code 14-5174-0-2-301	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	125	132	136
Receipts:			
02.40 Interest on principal .....	5	4	6
02.42 Contributions from project beneficiaries (WAPA) .....	6		
02.99 Total receipts and collections .....	11	4	6
04.00 Total: Balances and collections .....	136	136	142
Appropriations:			
05.00 Utah Reclamation Mitigation and Conservation Account (discretionary) .....	-4		
07.99 Balance, end of year .....	132	136	142

**Program and Financing (in millions of dollars)**

Identification code 14-5174-0-2-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Utah Reclamation Mitigation and Conservation .....	12	15	12
10.00 Total new obligations .....	12	15	12
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	8	7
22.00 New budget authority (gross) .....	15	11	9
22.10 Resources available from recoveries of prior year obligations .....		3	1
23.90 Total budgetary resources available for obligation .....	20	22	17
23.95 Total new obligations .....	-12	-15	-12
24.40 Unobligated balance carried forward, end of year .....	8	7	5
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) .....	4		
42.00 Transferred from other accounts .....	11	11	9
43.00 Appropriation (total discretionary) .....	15	11	9
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	18	15	14
73.10 Total new obligations .....	12	15	12
73.20 Total outlays (gross) .....	-14	-13	-11
73.45 Recoveries of prior year obligations .....		-3	-1
74.40 Obligated balance, end of year .....	15	14	14
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	3	3
86.93 Outlays from discretionary balances .....	10	10	8
87.00 Total outlays (gross) .....	14	13	11
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	15	11	9
90.00 Outlays .....	15	13	11
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	124	131	141
92.02 Total investments, end of year: Federal securities:			
Par value .....	131	141	141

This account was established under Title IV of Public Law 102-575 to reflect contributions from the State of Utah, the

Federal Government, and project beneficiaries; annual appropriations for the Utah Reclamation Mitigation and Conservation Commission; and other receipts. The requirement for contributions from the State, the Secretary, and the Conservancy District ended in 2001. Funds deposited in the account as principal may not be expended for any purpose. The Commission may expend other funds in the account for the mitigation, conservation, and enhancement of fish and wildlife and recreational resources.

**Object Classification (in millions of dollars)**

Identification code 14-5174-0-2-301	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.2 Other services .....	11	14	11
99.9 Total new obligations .....	12	15	12

**Personnel Summary**

Identification code 14-5174-0-2-301	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	13	13	13

## UNITED STATES GEOLOGICAL SURVEY

**Federal Funds****General and special funds:**

## SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the United States Geological Survey to perform surveys, investigations, and research covering topography, geology, hydrology, biology, and the mineral and water resources of the United States, its territories and possessions, and other areas as authorized by 43 U.S.C. 31, 1332, and 1340; classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; and to conduct inquiries into the economic conditions affecting mining and materials processing industries (30 U.S.C. 3, 21a, and 1603; 50 U.S.C. 98g(1)) and related purposes as authorized by law, and to publish and disseminate data; \$895,505,000, of which \$64,536,000 shall be available only for cooperation with States or municipalities for water resources investigations; of which \$15,417,000 shall remain available until expended for conducting inquiries into the economic conditions affecting mining and materials processing industries; of which \$8,000,000 shall remain available until expended for satellite operations; of which \$23,190,000 shall be available until September 30, 2005 for the operation and maintenance of facilities and deferred maintenance; of which \$168,875,000 shall be available until September 30, 2005 for the biological research activity and the operation of the Cooperative Research Units; and of which \$4,000,000 shall remain available until expended for interagency research, planning, monitoring, and assessment, for Everglades restoration: Provided, That none of these funds provided for the biological research activity shall be used to conduct new surveys on private property, unless specifically authorized in writing by the property owner: Provided further, That of the amount provided herein, \$19,976,000 is for conservation spending category activities: Provided further, That no part of this appropriation shall be used to pay more than one-half the cost of topographic mapping or water resources data collection and investigations carried on in cooperation with States and municipalities.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 14-0804-0-1-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Mapping, remote sensing, and geographic investigations program .....	133	129	119
00.02 Geologic hazards, resources, and processes .....	232	225	222
00.03 Water resources investigations .....	207	179	201
00.04 Biological research .....	166	163	169
00.05 Science support .....	85	89	92
00.06 Facilities .....	88	95	93
09.01 Reimbursable program .....	389	358	346
10.00 Total new obligations .....	1,300	1,238	1,242
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	37	33	20
22.00 New budget authority (gross) .....	1,302	1,225	1,242
23.90 Total budgetary resources available for obligation .....	1,339	1,258	1,262
23.95 Total new obligations .....	-1,300	-1,238	-1,242
23.98 Unobligated balance expiring or withdrawn .....	-5		
24.40 Unobligated balance carried forward, end of year .....	33	20	19
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	887	851	874
40.00 Appropriation (Conservation, State and Other Conservation (CSC)) .....	25	14	20
40.00 Appropriation (Homeland Security) .....	2	2	2
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
42.00 Transferred from other accounts .....	1		
43.00 Appropriation (total discretionary) .....	914	867	896
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	250	358	346
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	138		
68.90 Spending authority from offsetting collections (total discretionary) .....	388	358	346
70.00 Total new budget authority (gross) .....	1,302	1,225	1,242
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	119	112	163
73.10 Total new obligations .....	1,300	1,238	1,242
73.20 Total outlays (gross) .....	-1,295	-1,187	-1,239
73.40 Adjustments in expired accounts (net) .....	-14		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-138		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	138		
74.40 Obligated balance, end of year .....	112	163	166
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,060	1,078	1,093
86.93 Outlays from discretionary balances .....	235	109	146
87.00 Total outlays (gross) .....	1,295	1,187	1,239
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-349	-327	-316
88.40 Non-Federal sources .....	-34	-31	-30
88.90 Total, offsetting collections (cash) .....	-383	-358	-346
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-138		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	133		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	914	867	896
90.00 Outlays .....	912	829	893
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	38	39	43
99.01 Outlays .....	38	39	43

The U.S. Geological Survey provides research and scientific information to support the mission of the Department of the Interior and the science needs of the land and resource management bureaus of the Department. The U.S. Geological Survey also works in collaboration with other Federal, State, and Tribal cooperators to conduct research and provide scientific data and information concerning natural hazards and environmental issues and pertaining to the water, land, and mineral and biological resources of the Nation.

The budget for the U.S. Geological Survey continues to emphasize mission responsibilities to provide sound and impartial science in support of the land and resource management bureaus of the Department of the Interior and its thousands of other partners and customers. This budget focuses resources on those programs that apply integrated science to support natural resource management and more directly address the science needs of Interior Bureaus.

The budget for USGS includes \$4 million for the Everglades restoration-related Cooperative Ecosystem Science Initiative (CESI), which USGS has previously received for reimbursable work conducted on behalf of the National Park Service. With the direct funding, USGS will continue to support interagency research, planning, monitoring, and assessment activities in support of Everglades restoration.

*Mapping, remote sensing, and geographic investigations program.*—The mapping, remote sensing, and geographic investigations program is currently transitioning from primarily data collection and dissemination towards focusing on improving geospatial data access, integration, and applications to support development of the National Spatial Data Infrastructure (NSDI). The USGS is the lead Federal agency for civil mapping. Research is conducted in the mapping sciences, geography, and related disciplines in support of data integration and applications. Activities related to the NSDI support interagency and intergovernmental partnerships for establishing a national geospatial data clearinghouse, developing data standards, coordinating regional data production and sharing, and developing a data framework (data set) for the Nation.

*Geologic hazards, resources, and processes.*—The national program of onshore and offshore geologic research and investigations produces: (1) information on natural hazards of geologic origin such as earthquakes, volcanic eruptions, landslides, and coastal erosion; (2) geologic information for use in the management of public lands and in national policy determinations; (3) information on the chemistry and physics of the Earth, its past climate, and the geologic processes by which it was formed and is being modified; (4) geologic, geophysical, and geochemical maps and analyses to address environmental, energy and mineral resource, and hazards concerns; (5) hazards, energy and mineral resource, and environmental assessments; and (6) improved methods and instrumentation for detecting and monitoring hazards, disseminating hazards information, and conducting assessments.

*Water resources investigations.*—The USGS water programs produce data, analyses, assessments and methodologies to support Federal, State, Tribal, and local government decisions on water planning, water management, water quality, flood forecasting and warning, and enhancement of the quality of the environment. The U.S. Geological Survey's water resources programs have a rich history of working cooperatively with other Federal agencies, States, and other entities to leverage Federal resources to meet their mutual water information needs.

*Biological research.*—The national program of biological research: (1) conducts biological resources inventory and monitoring; (2) provides scientific information for the management of biological resources; and (3) predicts the consequences of environmental change and the effects of alternative management actions on plants, animals, and their habitats. The program conducts the high priority biological research needed

**General and special funds—Continued**

**SURVEYS, INVESTIGATIONS, AND RESEARCH—Continued**

by the Department of the Interior's land management bureaus and operates the Cooperative Research Unit program which provides research and information to resource managers, and trains natural resource professionals in partnership with university and State scientists.

*Science support.*—Science support provides for Bureauwide management; executive direction and coordination; administrative, human resources, and information resources management services, and financial and personnel systems support provided by DOI's National Business Center.

*Facilities.*—This activity finances: (1) USGS rental payments; (2) operation and maintenance for properties; and (3) deferred maintenance and capital improvement.

*Reimbursable program.*—Reimbursements from non-Federal sources are from States, Tribes, and municipalities for: cooperative efforts and proceeds from sale to the public of copies of photographs and records; proceeds from sale of personal property; reimbursements from permittees and licensees of the Federal Energy Regulatory Commission; and reimbursements from foreign countries and international organizations for technical assistance. Reimbursements from other Federal agencies are for mission related work performed at the request of the financing agency.

**Object Classification (in millions of dollars)**

Identification code 14-0804-0-1-306	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	346	368	378
11.3 Other than full-time permanent .....	32	34	35
11.5 Other personnel compensation .....	10	11	11
11.9 Total personnel compensation .....	388	413	424
12.1 Civilian personnel benefits .....	104	111	113
13.0 Benefits for former personnel .....	2	2	2
21.0 Travel and transportation of persons .....	25	24	23
22.0 Transportation of things .....	6	5	5
23.1 Rental payments to GSA .....	71	75	78
23.2 Rental payments to others .....	5	5	5
23.3 Communications, utilities, and miscellaneous charges .....	21	21	20
24.0 Printing and reproduction .....	3	2	2
25.1 Advisory and assistance services .....	1	1	1
25.2 Other services .....	125	77	84
25.3 Other purchases of goods and services from Government accounts .....	16	13	13
25.4 Operation and maintenance of facilities .....	2	1	1
25.5 Research and development contracts .....	1	1	1
25.7 Operation and maintenance of equipment .....	10	10	9
26.0 Supplies and materials .....	25	22	20
31.0 Equipment .....	37	33	31
41.0 Grants, subsidies, and contributions .....	69	64	64
99.0 Direct obligations .....	911	880	896
99.0 Reimbursable obligations .....	389	358	346
99.9 Total new obligations .....	1,300	1,238	1,242

**Personnel Summary**

Identification code 14-0804-0-1-306	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	6,531	6,736	6,756
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	2,854	2,432	2,432

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 14-4556-0-4-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Working Capital Fund .....	39	44	44
10.00 Total new obligations .....	39	44	44
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	65	69	63
22.00 New budget authority (gross) .....	42	38	39
23.90 Total budgetary resources available for obligation	107	107	102
23.95 Total new obligations .....	-39	-44	-44
24.40 Unobligated balance carried forward, end of year .....	69	63	58
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	47	38	39
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-5		
69.90 Spending authority from offsetting collections (total mandatory) .....	42	38	39
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	4	-3
73.10 Total new obligations .....	39	44	44
73.20 Total outlays (gross) .....	-43	-51	-47
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	5		
74.40 Obligated balance, end of year .....	4	-3	-6
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	26	17	18
86.98 Outlays from mandatory balances .....	17	34	29
87.00 Total outlays (gross) .....	43	51	47
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources	-47	-38	-39
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	5		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-4	13	8

The Working Capital Fund allows for: efficient financial management of the USGS telecommunications investments; acquisition, replacement, and enhancement of scientific equipment; facilities and laboratory operations, modernization and equipment replacement; drilling and training services; and publications. Other USGS activities might also be appropriately managed through such a fund, subject to future determinations by the Department of the Interior.

**Statement of Operations (in millions of dollars)**

Identification code 14-4556-0-4-306	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	41	41	41	41
0102 Expense .....	-48	-42	-42	-42
0105 Net income or loss (-) .....	-7	-1	-1	-1
0109 Comprehensive income .....	-7	-1	-1	-1

**Balance Sheet (in millions of dollars)**

Identification code 14-4556-0-4-306	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
<b>Federal assets:</b>				
1101 Fund balances with Treasury .....	67	71	71	71
<b>Investments in US securities:</b>				
1106 Receivables, net .....	4			

1803	Other Federal assets: Property, plant and equipment, net .....	6	3	3	3
1999	Total assets .....	77	74	74	74
<b>LIABILITIES:</b>					
2101	Federal liabilities: Accounts payable .....	65	70	70	70
2201	Non-Federal liabilities: Accounts payable .....	5	3	3	3
2999	Total liabilities .....	70	73	73	73
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....	7	1	1	1
3999	Total net position .....	7	1	1	1
4999	Total liabilities and net position .....	77	74	74	74

**Object Classification** (in millions of dollars)

Identification code 14-4556-0-4-306	2002 actual	2003 est.	2004 est.	
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	10	10	11
11.3	Other than full-time permanent .....	1	1	1
11.5	Other personnel compensation .....	1	1	1
11.9	Total personnel compensation .....	12	12	13
12.1	Civilian personnel benefits .....	3	3	3
21.0	Travel and transportation of persons .....	1	1	1
23.3	Communications, utilities, and miscellaneous charges .....		1	
24.0	Printing and reproduction .....	1	1	1
25.2	Other services .....	9	12	13
25.3	Other purchases of goods and services from Government accounts .....	2	1	1
25.7	Operation and maintenance of equipment .....	1	1	1
26.0	Supplies and materials .....	3	3	3
31.0	Equipment .....	7	9	8
99.0	Reimbursable obligations .....	39	44	44
99.9	Total new obligations .....	39	44	44

**Personnel Summary**

Identification code 14-4556-0-4-306	2002 actual	2003 est.	2004 est.	
<b>Reimbursable:</b>				
Total compensable workyears:				
2001	Civilian full-time equivalent employment .....	226	229	229

**Trust Funds**

**CONTRIBUTED FUNDS**

**Unavailable Collections** (in millions of dollars)

Identification code 14-8562-0-7-306	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....			
<b>Receipts:</b>				
02.20	Contributed funds, Geological Survey .....	1	1	1
<b>Appropriations:</b>				
05.00	Contributed funds, Geological Survey .....	-1	-1	-1
07.99	Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 14-8562-0-7-306	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
09.01	Donations and Contributed Funds .....	1	1	1
10.00	Total new obligations (object class 99.5) .....	1	1	1
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	1	1	1
22.00	New budget authority (gross) .....	1	1	1
23.90	Total budgetary resources available for obligation .....	2	2	2
23.95	Total new obligations .....	-1	-1	-1
24.40	Unobligated balance carried forward, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.26	Appropriation (trust fund) .....	1	1	1

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1	1	1
73.10	Total new obligations .....	1	1	1
73.20	Total outlays (gross) .....	-1	-1	-1
74.40	Obligated balance, end of year .....	1	1	1

<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....		1	1
86.98	Outlays from mandatory balances .....	1		
87.00	Total outlays (gross) .....	1	1	1

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	1	1	1
90.00	Outlays .....	1	1	1

Funds in this account are provided by States, local governments, and private organizations (pursuant to 43 U.S.C. 36c). This appropriation (a permanent, indefinite, special fund) makes these funds available to the USGS to perform the work desired by the contributor and the USGS. Research and development; data collection and analysis; and services are undertaken when such activities are of mutual interest and benefit and assist the USGS in accomplishing its mandated purposes.

**ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS**

Note.—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriation as follows:  
Department of the Interior: Bureau of Land Management: "Central hazardous materials fund".  
Department of the Interior: Departmental Offices: "Natural resource damage assessment and restoration fund".  
Department of State: "American sections, international commissions".

**ADMINISTRATIVE PROVISIONS**

*The amount appropriated for the United States Geological Survey shall be available for the purchase of not to exceed 53 passenger motor vehicles, of which 48 are for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for gauging stations and observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Survey duly appointed to represent the United States in the negotiation and administration of interstate compacts: Provided, That activities funded by appropriations herein made may be accomplished through the use of contracts, grants, or cooperative agreements as defined in 31 U.S.C. 6302 et seq.*

**BUREAU OF MINES**

**Federal Funds**

**General and special funds:**

**MINES AND MINERALS**

**Program and Financing** (in millions of dollars)

Identification code 14-0959-0-1-306	2002 actual	2003 est.	2004 est.	
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	1	1	
24.40	Unobligated balance carried forward, end of year .....	1		
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	2	1	
73.20	Total outlays (gross) .....	-1		
74.40	Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	1		

General and special funds—Continued

MINES AND MINERALS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 14-0959-0-1-306	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1		

In 1996, Congress terminated the United States Bureau of Mines under Public Law 104-99.

FISH AND WILDLIFE AND PARKS

UNITED STATES FISH AND WILDLIFE SERVICE

Federal Funds

General and special funds:

RESOURCE MANAGEMENT

For necessary expenses of the United States Fish and Wildlife Service as authorized by law, and for scientific and economic studies, maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge, general administration, and for the performance of other authorized functions related to such resources by direct expenditure, contracts, grants, cooperative agreements and reimbursable agreements with private entities, \$941,526,000, to remain available until September 30, 2005, of which \$70,248,000 is to be derived from the Land and Water Conservation Fund: Provided, That \$134,600,000 is for conservation spending category activities; and \$2,000,000 is for high priority projects, which shall be carried out by the Youth Conservation Corps: Provided further, That not to exceed \$12,286,000 shall be used for implementing subsections (a), (b), (c), and (e) of section 4 of the Endangered Species Act, as amended, for species that are indigenous to the United States (except for processing petitions, developing and issuing proposed and final regulations, and taking any other steps to implement actions described in subsection (c)(2)(A), (c)(2)(B)(i), or (c)(2)(B)(ii)), of which not to exceed \$8,900,000 shall be used for any activity regarding the designation of critical habitat, pursuant to subsection (a)(3), excluding litigation support, for species already listed pursuant to subsection (a)(1) as of the date of enactment this Act: Provided further, That of the amount available for law enforcement, up to \$400,000, to remain available until expended, may at the discretion of the Secretary be used for payment for information, rewards, or evidence concerning violations of laws administered by the Service, and miscellaneous and emergency expenses of enforcement activity, authorized or approved by the Secretary and to be accounted for solely on her certificate: Provided further, That of the amount provided for environmental contaminants, up to \$1,000,000 may remain available until expended for contaminant sample analyses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 14-1611-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Ecological services .....	224	216	219
00.02 National Wildlife Refuge System .....	326	385	402
00.03 Migratory Bird Management and Law Enforcement .....	80	84	86
00.05 Fisheries .....	107	100	104
00.06 General Administration .....	133	142	129
01.00 Subtotal, direct program .....	870	927	940
09.00 Reimbursable program .....	116	118	120
10.00 Total new obligations .....	986	1,045	1,060
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	47	48	22
22.00 New budget authority (gross) .....	969	1,020	1,058
22.10 Resources available from recoveries of prior year obligations .....	19		

23.90 Total budgetary resources available for obligation	1,035	1,068	1,080
23.95 Total new obligations .....	-986	-1,045	-1,060
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	48	22	20

New budget authority (gross), detail:

<b>Discretionary:</b>			
<b>Appropriation:</b>			
40.00 Appropriation .....	848	901	869
40.00 Appropriation (YCC) .....	2	2	2
40.00 Appropriation (Homeland Security) .....	1	1	1
40.20 Appropriation (special fund) [LWCF] .....			70
40.76 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	850	904	942
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	107	104	104
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	12	12	12
68.90 Spending authority from offsetting collections (total discretionary) .....	119	116	116
70.00 Total new budget authority (gross) .....	969	1,020	1,058

Change in obligated balances:

72.40 Obligated balance, start of year .....	246	263	239
73.10 Total new obligations .....	986	1,045	1,060
73.20 Total outlays (gross) .....	-938	-1,058	-1,090
73.45 Recoveries of prior year obligations .....	-19		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-12	-12	-12
74.40 Obligated balance, end of year .....	263	239	198

Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	826	839	871
86.93 Outlays from discretionary balances .....	112	219	219
87.00 Total outlays (gross) .....	938	1,058	1,090

Offsets:

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-85	-78	-78
88.40 Non-Federal sources .....	-12	-14	-14
88.45 Offsetting governmental collections (from non-Federal sources) .....	-10	-12	-12
88.90 Total, offsetting collections (cash) .....	-107	-104	-104
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-12	-12	-12

Net budget authority and outlays:

89.00 Budget authority .....	850	904	942
90.00 Outlays .....	831	954	986

Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....	33	34	40
99.01 Outlays .....	33	34	40

**Ecological services.**—The Service conserves, protects, and enhances fish, wildlife, plants, and their habitat by working with private landowners, states, and other federal agencies. These partnership activities help make the listing of species under the Endangered Species Act unnecessary and protect and recover those species that are listed. Financial assistance is provided to private landowners to restore or improve habitat for endangered species. Technical assistance helps prevent or minimize adverse environmental effects of development projects. Contaminants are investigated, monitored, and assessed for effects on trust resources.

**National Wildlife Refuge System.**—The Service maintains the National Wildlife Refuge System consisting of 540 units, with waterfowl production areas in 201 counties and 50 co-ordination areas, totaling about 95 million acres. A total of \$109 million is proposed for refuge maintenance as part of the Service's effort to address a backlog in deferred maintenance projects.

**Migratory Bird Management and Law Enforcement.**—The Service directs and coordinates national migratory bird pro-

grams to protect and enhance populations and habitat of more than 800 species of birds. Grants and partnerships are key to these programs, such as Joint Ventures implementing the North American Waterfowl Management Plan. The Service Law Enforcement program investigates wildlife crimes, regulates wildlife trade, helps Americans understand and obey wildlife protections laws, and works in partnership with international, state, and tribal counterparts to conserve wildlife resources. In 2004, the Service will add 9 new wildlife inspectors to the current force of 95 to inspect wildlife shipments entering or leaving United States ports-of-entry.

**Fisheries.**—The Fisheries Program consists of 69 national hatcheries, 9 Fish Health Centers, 7 Fish Technology Centers, 64 Fishery Resource Offices, and a Historic National Fish Hatchery. Working with partners, the Fisheries Program recovers, restores and maintains fish and other aquatic resources at self-sustaining levels; provides technical assistance to States, Tribes and others; and supports Federal mitigation programs for the benefit of the American Public.

**General operations.**—Provides policy guidance, program coordination, and administrative services to all fish and wildlife programs. The funds also support the Service's international activities, the National Conservation Training Center, and projects through the National Fish and Wildlife Foundation to restore and enhance fish and wildlife populations.

Funding for refuge, hatchery and law enforcement maintenance emphasizes the Service's commitment to the long-term stewardship of federal lands and facilities.

This account includes \$62 million for Federal Infrastructure Improvement and \$70 million for the Cooperative Conservation initiative which are part of the Conservation Spending Category.

**PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
Number of species listed a decade or more improved or stable	320	320	320
Number of species delisted due to recovery (annual)	1	4	4
Number of species at risk for which listing is made unnecessary due to conservation agreements (annual)	3	4	4
Number of acres restored:			
On Service lands (annual)	79,987	102,437	199,780
Off Service lands (annual)	351,212	311,348	651,887
Number of acres protected in National Wildlife Refuge System	95,382,237	95,575,010	95,745,000

**Object Classification (in millions of dollars)**

Identification code 14-1611-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent	321	332	344
11.3 Other than full-time permanent	20	21	22
11.5 Other personnel compensation	15	15	15
11.9 Total personnel compensation	356	368	381
12.1 Civilian personnel benefits	109	112	115
21.0 Travel and transportation of persons	28	29	26
22.0 Transportation of things	8	9	8
23.1 Rental payments to GSA	33	34	34
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	18	22	18
24.0 Printing and reproduction	4	4	4
25.1 Advisory and assistance services	1	2	3
25.2 Other services	108	120	110
25.3 Other purchases of goods and services from Government accounts	26	31	33
25.4 Operation and maintenance of facilities	5	5	6
25.7 Operation and maintenance of equipment	19	22	26
26.0 Supplies and materials	40	43	48
31.0 Equipment	61	64	64
32.0 Land and structures	23	24	24
41.0 Grants, subsidies, and contributions	29	36	38
42.0 Insurance claims and indemnities	1	1	1
99.0 Direct obligations	870	927	940
99.0 Reimbursable obligations	116	118	120
99.9 Total new obligations	986	1,045	1,060

**Personnel Summary**

Identification code 14-1611-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	6,797	6,889	6,973
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment	800	767	716
<b>Allocation account:</b>			
3001 Total compensable workyears: Civilian full-time equivalent employment	654	654	654

**CONSTRUCTION**

*For construction, improvement, acquisition, or removal of buildings and other facilities required in the conservation, management, investigation, protection, and utilization of fishery and wildlife resources, and the acquisition of lands and interests therein; \$35,393,000, to remain available until expended.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-1612-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
Construction and rehabilitation:			
00.01 Refuges	59	53	40
00.02 Hatcheries	7	7	4
00.03 Law Enforcement	1	1	1
00.04 Dam safety	1	3	2
00.05 Bridge safety	4	3	2
00.06 Nationwide engineering services	14	11	9
01.00 Total, Direct program	86	78	58
09.01 Reimbursable program	9	2	2
10.00 Total new obligations	95	80	60
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	138	92	49
22.00 New budget authority (gross)	52	37	37
22.10 Resources available from recoveries of prior year obligations	2		
22.21 Unobligated balance transferred to other accounts	-5		
23.90 Total budgetary resources available for obligation	187	129	86
23.95 Total new obligations	-95	-80	-60
24.40 Unobligated balance carried forward, end of year	92	49	27
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	56	35	35
41.00 Transferred to other accounts	-12		
43.00 Appropriation (total discretionary)	44	35	35
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	8	2	2
70.00 Total new budget authority (gross)	52	37	37
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	65	73	93
73.10 Total new obligations	95	80	60
73.20 Total outlays (gross)	-86	-60	-65
73.45 Recoveries of prior year obligations	-2		
74.40 Obligated balance, end of year	73	93	88
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	13	9	9
86.93 Outlays from discretionary balances	73	51	56
87.00 Total outlays (gross)	86	60	65
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-5	-2	-2

General and special funds—Continued

CONSTRUCTION—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 14-1612-0-1-302	2002 actual	2003 est.	2004 est.
88.40 Non-Federal sources .....	-3		
88.90 Total, offsetting collections (cash) .....	-8	-2	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	44	35	35
90.00 Outlays .....	76	58	63
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

Construction projects focus on facility construction and rehabilitation, environmental compliance, pollution abatement, hazardous materials cleanup, and seismic safety for facilities on service lands. Repair and inspection of Service dams and bridges is also included. These projects are needed to accomplish the management objectives and purposes of these lands and structures.

Object Classification (in millions of dollars)

Identification code 14-1612-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	9	12	12
11.3 Other than full-time permanent .....	2	2	2
11.9 Total personnel compensation .....	11	14	14
12.1 Civilian personnel benefits .....	2	3	3
21.0 Travel and transportation of persons .....	1	1	1
25.1 Advisory and assistance services .....	1	1	1
25.2 Other services .....	14	7	7
25.3 Other purchases of goods and services from Government accounts .....	4	3	3
25.7 Operation and maintenance of equipment .....	15	4	4
26.0 Supplies and materials .....	3	3	3
31.0 Equipment .....	3	5	4
32.0 Land and structures .....	31	36	18
41.0 Grants, subsidies, and contributions .....	1	1	
99.0 Direct obligations .....	86	78	58
99.0 Reimbursable obligations .....	8	1	1
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	95	80	60

Personnel Summary

Identification code 14-1612-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	156	195	195
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	2	2	2

MULTINATIONAL SPECIES CONSERVATION FUND

For expenses necessary to carry out the African Elephant Conservation Act, the Asian Elephant Conservation Act of 1997, the Rhinoceros and Tiger Conservation Act of 1994, the Great Ape Conservation Act of 2000, and the Neotropical Migratory Bird Conservation Act, \$7,000,000, to remain available until expended. (16 U.S.C. 1538, 4201-03, 4211-13, 4221-25, 4241-45, 4261-66, 5301-06, 6101-09, 6301; Public Law 105-96.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 14-1652-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 African Elephant .....	2	1	1
00.02 Asian Elephant .....	1	1	1
00.03 Rhinoceros and Tiger .....	1	1	1
00.04 Great Ape Conservation .....	2	1	1
00.05 Neotropical Migratory Bird Conservation .....		1	1
10.00 Total new obligations (object class 41.0) .....	6	5	5
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	3	1
22.00 New budget authority (gross) .....	7	5	7
23.90 Total budgetary resources available for obligation .....	9	8	8
23.95 Total new obligations .....	-6	-5	-5
24.40 Unobligated balance carried forward, end of year .....	3	1	1

<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	7	5	7

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	5	6
73.10 Total new obligations .....	6	5	5
73.20 Total outlays (gross) .....	-4	-6	-7
74.40 Obligated balance, end of year .....	5	6	6

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	4	5
86.93 Outlays from discretionary balances .....	1	2	2
87.00 Total outlays (gross) .....	4	6	7

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	7	5	7
90.00 Outlays .....	4	6	7

*African elephant conservation program.*—Provides technical and financial assistance to protect African elephants and their habitats, including elephant population management, public education, and anti-poaching activities.

*Rhinoceros and tiger conservation program.*—Provides conservation grants to protect rhinoceros and tiger populations and their habitats within African and Asian countries.

*Asian elephant conservation program.*—Provides financial assistance for Asian elephant conservation projects to protect elephant populations and their habitats within 13 range countries.

*Great ape conservation program.*—Provides assistance for conservation and protection of chimpanzee, gorilla, orangutan, bonobo, and gibbon populations.

*Neotropical Migratory Bird Conservation Program.*—Provides conservation grants to conserve migratory bird populations in the United States, Latin America, and the Caribbean.

Personnel Summary

Identification code 14-1652-0-1-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	4	3	5

COMMERCIAL SALMON FISHERY CAPACITY REDUCTION

Program and Financing (in millions of dollars)

Identification code 14-1658-0-1-302	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5		
73.20 Total outlays (gross) .....	-5		

<b>Outlays (gross), detail:</b>		
86.93	Outlays from discretionary balances .....	5 .....

<b>Net budget authority and outlays:</b>		
89.00	Budget authority .....	
90.00	Outlays .....	5 .....

As part of the 1999 Pacific Salmon Treaty Agreement between the U.S. and Canada, the U.S. agreed to reduce the harvest of Fraser River salmon by the non-Indian fishing fleet. Pursuant to this agreement, the Congress provided the U.S. Fish and Wildlife Service with \$5.0 million in 2000 under this account. The funds were appropriated for a grant to the State of Washington to (1) meet the intent of the Pacific Salmon Treaty; (2) reduce the overall fleet capacity while maintaining a sustainable and economically viable fishery; and (3) provide economic relief to Washington salmon fishers.

STATE AND TRIBAL WILDLIFE GRANTS

(INCLUDING RECISSION OF FUNDS)

*For wildlife conservation grants to States and to the District of Columbia, Puerto Rico, Guam, the United States Virgin Islands, the Northern Mariana Islands, American Samoa, and federally recognized Indian tribes under the provisions of the Fish and Wildlife Act of 1956 and the Fish and Wildlife Coordination Act, for the development and implementation of programs for the benefit of wildlife and their habitat, including species that are not hunted or fished, \$59,983,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, and to be for conservation spending category activities: Provided, That of the amount provided herein, \$5,000,000 is for a competitive grant program for Indian tribes not subject to the remaining provisions of this appropriation: Provided further, That the Secretary shall, after deducting said \$5,000,000 and administrative expenses, apportion the amount provided herein in the following manner: (A) to the District of Columbia and to the Commonwealth of Puerto Rico, each a sum equal to not more than one-half of 1 percent thereof; and (B) to Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, each a sum equal to not more than one-fourth of 1 percent thereof: Provided further, That the Secretary shall apportion the remaining amount in the following manner: (A) one-third of which is based on the ratio to which the land area of such State bears to the total land area of all such States; and (B) two-thirds of which is based on the ratio to which the population of such State bears to the total population of all such States: Provided further, That the amounts apportioned under this paragraph shall be adjusted equitably so that no State shall be apportioned a sum which is less than 1 percent of the amount available for apportionment under this paragraph for any fiscal year or more than 5 percent of such amount: Provided further, That the Federal share of planning grants shall not exceed 75 percent of the total costs of such projects and the Federal share of implementation grants shall not exceed 50 percent of the total costs of such projects: Provided further, That the non-Federal share of such projects may not be derived from Federal grant programs: Provided further, That no State, territory, or other jurisdiction shall receive a grant unless it has developed, or committed to develop by October 1, 2005, a comprehensive wildlife conservation plan, consistent with criteria established by the Secretary of the Interior, that considers the broad range of the State, territory, or other jurisdiction's wildlife and associated habitats, with appropriate priority placed on those species with the greatest conservation need and taking into consideration the relative level of funding available for the conservation of those species: Provided further, That any amount apportioned in 2004 to any State, territory, or other jurisdiction that remains unobligated as of September 30, 2005, shall be reapportioned, together with funds appropriated in 2006, in the manner provided herein.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 14-1694-0-1-302	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	State wildlife grants .....	16	76	90
00.02	Administration .....		1	1
00.03	Tribal Wildlife Grants .....		2	2
10.00	Total new obligations (object class 41.0) .....	16	79	93
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	50	94	75
22.00	New budget authority (gross) .....	60	60	60
23.90	Total budgetary resources available for obligation .....	110	154	135
23.95	Total new obligations .....	-16	-79	-93
24.40	Unobligated balance carried forward, end of year .....	94	75	42
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.20	Appropriation (State Wildlife Grants) LWCF .....	85	60	60
40.36	Unobligated balance rescinded LWCF .....	-25		
43.00	Appropriation (total discretionary) .....	60	60	60
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....		13	36
73.10	Total new obligations .....	16	79	93
73.20	Total outlays (gross) .....	-3	-56	-60
74.40	Obligated balance, end of year .....	13	36	69
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....		20	20
86.93	Outlays from discretionary balances .....	3	36	40
87.00	Total outlays (gross) .....	3	56	60
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	60	60	60
90.00	Outlays .....	3	56	60

Consistent with the Administration's focus on working with partners to address imperiled species and other priority wildlife conservation needs, the State and Tribal Wildlife grant program provides funds to states, the District of Columbia, tribes, and territories to develop and implement wildlife management and habitat restoration programs. Allocation of funds to the states is determined by a formula of one-third based on land area and two-thirds based on population and require a cost-share. Grants to the tribes will be awarded competitively.

Personnel Summary

Identification code 14-1694-0-1-302	2002 actual	2003 est.	2004 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	1	5	5

LAND ACQUISITION

*For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, \$40,737,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, and to be for conservation spending category activities: Provided, That notwithstanding 16 U.S.C. 4601-9, of the amounts provided under this heading, \$5,000,000 is appropriated for payment to the Quinault Indian Nation pursuant to the terms of the North Boundary Settlement Agreement dated July 14, 2000, providing for the acquisition of perpetual conservation easements from the Nation: Provided further, That none of the funds appropriated for specific land acquisition projects can be used to pay for any administrative overhead, planning or other management costs.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

**General and special funds—Continued**

**LAND ACQUISITION—Continued**

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-5020-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Acquisition management .....	18	10	10
00.02 Emergencies and hardships .....	1	2	2
00.03 Exchanges .....	1	1	1
00.04 Inholdings .....	2	2	2
00.05 Federal refugees .....	83	64	41
01.00 total, direct program .....	105	79	56
09.00 Reimbursable program .....	3	6	1
10.00 Total new obligations .....	108	85	57
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	78	55	45
22.00 New budget authority (gross) .....	98	76	41
22.21 Unobligated balance transferred to other accounts .....	-14		
23.90 Total budgetary resources available for obligation .....	162	131	86
23.95 Total new obligations .....	-108	-85	-57
24.40 Unobligated balance carried forward, end of year .....	55	45	29
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) .....	99	70	41
41.00 Transferred to other accounts .....	-5		
43.00 Appropriation (total discretionary) .....	94	70	41
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	6	6	
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
68.90 Spending authority from offsetting collections (total discretionary) .....	4	6	
70.00 Total new budget authority (gross) .....	98	76	41
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	38	52	43
73.10 Total new obligations .....	108	85	57
73.20 Total outlays (gross) .....	-95	-94	-63
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
74.40 Obligated balance, end of year .....	52	43	37
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	46	35	18
86.93 Outlays from discretionary balances .....	49	59	45
87.00 Total outlays (gross) .....	95	94	63
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-6	-6	
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	94	70	41
90.00 Outlays .....	89	88	63
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

Federal Land Acquisition funds are used to protect areas that have native fish and/or wildlife values and provide natural resource benefits over a broad geographical area, and for acquisition management activities.

**PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
Number of acres acquired .....	233,961	192,773	170,000

**Object Classification (in millions of dollars)**

Identification code 14-5020-0-2-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	11	8	8
12.1 Civilian personnel benefits .....	3	2	2
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	4	4	4
25.3 Other purchases of goods and services from Government accounts .....	2	2	2
32.0 Land and structures .....	83	62	38
99.0 Direct obligations .....	104	79	55
99.0 Reimbursable obligations .....	3	5	1
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	108	85	57

**Personnel Summary**

Identification code 14-5020-0-2-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	156	111	111

**LANDOWNER INCENTIVE PROGRAM**

*For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for private conservation efforts to be carried out on private lands, \$40,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, and to be for conservation spending category activities: Provided, That the amount provided herein is for a Landowner Incentive Program established by the Secretary that provides matching, competitively awarded grants to States, the District of Columbia, Tribes, Puerto Rico, Guam, the United States Virgin Islands, the Northern Mariana Islands, and American Samoa, to establish, or supplement existing, landowner incentive programs that provide technical and financial assistance, including habitat protection and restoration, to private landowners for the protection and management of habitat to benefit federally listed, proposed, or candidate or other at-risk species on private lands.*

Note—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-5496-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
05.01 Landowner Grants .....		55	60
10.00 Total new obligations (object class 41.0) .....		55	60
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		40	35
22.00 New budget authority (gross) .....	40	50	40
23.90 Total budgetary resources available for obligation .....	40	90	75
23.95 Total new obligations .....		-55	-60
24.40 Unobligated balance carried forward, end of year .....	40	35	15
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) LWCF .....	40	50	40
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			29
73.10 Total new obligations .....		55	60
73.20 Total outlays (gross) .....		-26	-57
74.40 Obligated balance, end of year .....		29	32
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		15	12
86.93 Outlays from discretionary balances .....		11	45
87.00 Total outlays (gross) .....		26	57

<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	40	50
90.00	Outlays .....	26	47

Consistent with the Administration's focus on working with partners to address federally listed, proposed, candidate or other imperiled species, the Landowner Incentive Program provides cost-shared, competitive grants to states, the District of Columbia, territories, and tribes to create, supplement or expand upon new or ongoing landowner incentive programs. These programs provide technical and financial assistance to private landowners all across the country to help them protect and manage imperiled species and their habitat, while continuing to engage in traditional land use or working conservation practices.

**Personnel Summary**

Identification code 14-5496-0-2-302			
Direct:			
1001	Total compensable workyears: Civilian full-time equivalent employment .....	7	7

**STEWARDSHIP GRANTS**

*For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for private conservation efforts to be carried out on private lands, \$10,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, and to be for conservation spending category activities: Provided, That the amount provided herein is for the Secretary to establish a Private Stewardship Grants Program to provide grants and other assistance to individuals and groups engaged in private conservation efforts that benefit federally listed, proposed, or candidate species, or other at-risk species.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-5495-0-2-302			
<b>Obligations by program activity:</b>			
05.01	stewardship grants .....	10	12
10.00	Total new obligations (object class 41.0) .....	10	12
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	10	10
22.00	New budget authority (gross) .....	10	10
23.90	Total budgetary resources available for obligation .....	10	20
23.95	Total new obligations .....	-10	-12
24.40	Unobligated balance carried forward, end of year .....	10	8
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20	Appropriation (special fund—LWCF) .....	10	10
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....		3
73.10	Total new obligations .....	10	12
73.20	Total outlays (gross) .....	-7	-12
74.40	Obligated balance, end of year .....	3	3
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	3	3
86.93	Outlays from discretionary balances .....	4	9
87.00	Total outlays (gross) .....	7	12
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	10	10
90.00	Outlays .....	7	12

Consistent with the Administration's emphasis on working with partners to address federally listed, proposed, candidate or other imperiled species, the Stewardship Grants program assists individuals and groups engaged in local, private conservation projects.

**Personnel Summary**

Identification code 14-5495-0-2-302			
Direct:			
1001	Total compensable workyears: Civilian full-time equivalent employment .....	4	4

**WILDLIFE CONSERVATION AND APPRECIATION FUND**

**Program and Financing (in millions of dollars)**

Identification code 14-5150-0-2-302			
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	2	1
73.20	Total outlays (gross) .....	-1	-1
74.40	Obligated balance, end of year .....	1	
<b>Outlays (gross), detail:</b>			
86.93	Outlays from discretionary balances .....	1	1
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....	1	1

The Partnerships for Wildlife Act (16 U.S.C. 3741), authorizes wildlife conservation and appreciation projects to conserve fish and wildlife species and to provide opportunities for the public to enjoy these species through nonconsumptive activities. Grants to States are directed toward nonconsumptive activities and the conservation of species not taken for recreation, fur, or food; not listed as endangered or threatened under the Endangered Species Act of 1973; and not defined as marine mammals under the Marine Mammal Protection Act of 1972.

**MIGRATORY BIRD CONSERVATION ACCOUNT**

**Unavailable Collections (in millions of dollars)**

Identification code 14-5137-0-2-303			
01.99	Balance, start of year .....		
Receipts:			
02.00	Migratory bird hunting stamps .....	24	26
02.01	Custom duties on arms and ammunition .....	17	17
02.99	Total receipts and collections .....	41	43
Appropriations:			
05.00	Migratory bird conservation account .....	-41	-43
07.99	Balance, end of year .....		

**Program and Financing (in millions of dollars)**

Identification code 14-5137-0-2-303			
<b>Obligations by program activity:</b>			
00.01	Printing and sale of duck stamps .....	1	1
00.03	Acquisition of refuges and other areas .....	45	42
10.00	Total new obligations .....	46	43
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	9	5
22.00	New budget authority (gross) .....	41	43
22.10	Resources available from recoveries of prior year obligations .....	1	
23.90	Total budgetary resources available for obligation .....	51	48

General and special funds—Continued

MIGRATORY BIRD CONSERVATION ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 14-5137-0-2-303	2002 actual	2003 est.	2004 est.
23.95 Total new obligations .....	-46	-43	-43
24.40 Unobligated balance carried forward, end of year .....	5	5	5
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	41	43	43
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	19	14	15
73.10 Total new obligations .....	46	43	43
73.20 Total outlays (gross) .....	-50	-43	-43
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	14	15	15
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	29	30	30
86.98 Outlays from mandatory balances .....	21	13	13
87.00 Total outlays (gross) .....	50	43	43
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	41	43	43
90.00 Outlays .....	50	43	43

The following funds are available for the costs of locating and acquiring migratory bird refuges and waterfowl production areas: receipts in excess of Postal Service expenses from the sale of migratory bird hunting and conservation stamps; 70 percent of entrance fee collections on national wildlife refuges, excepting national wildlife refuges participating in the Recreational Fee Demonstration Program that may retain additional fee collections for operational and maintenance improvements; and import duties on arms and ammunition.

Object Classification (in millions of dollars)

Identification code 14-5137-0-2-303	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	6	5	5
12.1 Civilian personnel benefits .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	1	1	1
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
32.0 Land and structures .....	35	33	33
99.0 Direct obligations .....	45	42	42
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	46	43	43

Personnel Summary

Identification code 14-5137-0-2-303	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	85	75	75

NORTH AMERICAN WETLANDS CONSERVATION FUND

For expenses necessary to carry out the provisions of the North American Wetlands Conservation Act, Public Law 101-233, as amended, \$49,560,000, to be derived from the Land and Water Conservation Fund, to remain available until expended and to be for conservation spending category activities.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Unavailable Collections (in millions of dollars)

Identification code 14-5241-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Fines, penalties, and forfeitures from Migratory Bird Treaty Act .....	1	1	1
Appropriations:			
05.00 North American wetlands conservation fund .....	-1	-1	-1
07.99 Balance, end of year .....			

Program and Financing (in millions of dollars)

Identification code 14-5241-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Wetlands conservation projects—Title I .....	13		
00.02 Administration—Title I .....	2		
00.03 Wetlands conservation projects—Title I LWCF .....		67	50
00.04 Administration—Title I LWCF .....		2	2
00.05 Wetlands conservation projects—Title VIII LWCF .....	3		
00.06 Administration—Title VIII LWCF .....		1	
10.00 Total new obligations .....	18	70	52
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	34	9
22.00 New budget authority (gross) .....	45	45	51
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	52	79	60
23.95 Total new obligations .....	-18	-70	-52
24.40 Unobligated balance carried forward, end of year .....	34	9	8

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	44		
40.20 Appropriation (special fund, definite) LWCF .....		44	50
43.00 Appropriation (total discretionary) .....	44	44	50
Mandatory:			
60.20 Appropriation (special fund) .....	1	1	1
70.00 Total new budget authority (gross) .....	45	45	51

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	58	40	65
73.10 Total new obligations .....	18	70	52
73.20 Total outlays (gross) .....	-35	-45	-49
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	40	65	68

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	31	31	35
86.93 Outlays from discretionary balances .....	4	13	13
86.97 Outlays from new mandatory authority .....		1	1
87.00 Total outlays (gross) .....	35	45	49

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	45	45	51
90.00 Outlays .....	35	45	49

Funds deposited into this account include direct appropriations and fines, penalties, and forfeitures collected under the authority of the Migratory Bird Treaty Act (16 U.S.C. 707) and interest on obligations held in the Federal Aid in Wildlife Restoration Fund. The North American Wetlands Conservation Fund supports wetlands conservation projects approved by the Migratory Bird Conservation Commission. A portion of receipts to the Sport Fish Restoration Account is also available for coastal wetlands conservation projects.

These projects help fulfill the habitat protection, restoration and enhancement goals of the North American Waterfowl Management Plan and the Tripartite Agreement among Mexico, Canada and the United States. These projects may involve partnerships with public agencies and private entities, with non-Federal matching contributions, for the long-term conservation of habitat for migratory birds and other fish

and wildlife, including species that are listed, or are candidates to be listed, under the Endangered Species Act (16 U.S.C. 1531).

Wetlands conservation projects include the obtaining of a real property interest in lands or waters, including water rights; the restoration, management or enhancement of habitat; and training and development for conservation management in Mexico. Funding may be provided for assistance for wetlands conservation projects in Canada or Mexico.

**Object Classification** (in millions of dollars)

Identification code 14-5241-0-2-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
32.0 Land and structures .....	1	1	1
41.0 Grants, subsidies, and contributions .....	15	67	49
99.0 Direct obligations .....	17	69	51
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	18	70	52

**Personnel Summary**

Identification code 14-5241-0-2-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	12	11	11

**COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND**

For expenses necessary to carry out section 6 of the Endangered Species Act of 1973 (16 U.S.C. 1531-1543), as amended, \$86,614,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, and to be for conservation spending category activities.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 14-5143-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	182	122	157
<b>Receipts:</b>			
02.40 Payment from the general fund .....	36	35	36
04.00 Total: Balances and collections .....	218	157	193
<b>Appropriations:</b>			
05.00 Cooperative endangered species conservation fund .....	-96		
07.99 Balance, end of year .....	122	157	193

**Program and Financing** (in millions of dollars)

Identification code 14-5143-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants to States .....	9	47	47
00.02 Grants to States/Land acquisition/HCPs .....	34	71	71
00.03 Grant Administration .....	1	3	3
00.05 Payment to special fund unavailable receipt account .....	36	35	36
10.00 Total new obligations .....	80	156	157

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	62	115	83
22.00 New budget authority (gross) .....	132	124	123
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	195	239	206
23.95 Total new obligations .....	-80	-156	-157
24.40 Unobligated balance carried forward, end of year .....	115	83	47

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
Appropriation (special fund):			
40.20 Appropriation (Cooperative and Endangered Species special fund) .....	96		
40.20 Appropriation (LWCF special fund) .....		89	87
43.00 Appropriation (total discretionary) .....	96	89	87
<b>Mandatory:</b>			
60.00 Appropriation .....	36	35	36
70.00 Total new budget authority (gross) .....	132	124	123

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	58	65	87
73.10 Total new obligations .....	80	156	157
73.20 Total outlays (gross) .....	-71	-134	-128
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	65	87	116

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	10	9	9
86.93 Outlays from discretionary balances .....	25	90	83
86.97 Outlays from new mandatory authority .....	36	35	36
87.00 Total outlays (gross) .....	71	134	128

**Net budget authority and outlays:**

89.00 Budget authority .....	132	124	123
90.00 Outlays .....	71	134	128

The Cooperative Endangered Species Conservation Fund provides grants to States and U.S. territories for conservation, recovery, and monitoring projects for species that are listed, or species that are candidates for listing, as threatened or endangered. Grants are also awarded to States for land acquisition in support of Habitat Conservation Plans and species recovery efforts in partnership with local governments and other interested parties to protect species while allowing development to continue. The Fund is partially financed by permanent appropriations from the General Fund of the U.S. Treasury in an amount equal to five percent of receipts deposited to the Federal aid in wildlife and sport fish restoration accounts and amounts equal to Lacey Act receipts over \$500,000. The actual amount available for grants is subject to annual appropriations.

**Object Classification** (in millions of dollars)

Identification code 14-5143-0-2-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
41.0 Grants, subsidies, and contributions .....	42	119	119
94.0 Financial transfers .....	36	35	36
99.0 Direct obligations .....	79	155	156
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	80	156	157

**Personnel Summary**

Identification code 14-5143-0-2-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	17	6	6

**NATIONAL WILDLIFE REFUGE FUND**

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), \$14,414,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General and special funds—Continued

NATIONAL WILDLIFE REFUGE FUND—Continued

Unavailable Collections (in millions of dollars)

Identification code 14-5091-0-2-806	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 National wildlife refuge fund .....	6	6	6
Appropriations:			
05.00 National wildlife refuge fund .....	-6	-6	-6
07.99 Balance, end of year .....			

Program and Financing (in millions of dollars)

Identification code 14-5091-0-2-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Expenses for sales .....	3	3	3
00.03 Payments to counties .....	18	18	18
10.00 Total new obligations .....	21	21	21

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	3	3	3
22.00 New budget authority (gross) .....	20	20	20
23.90 Total budgetary resources available for obligation	23	23	23
23.95 Total new obligations .....	-21	-21	-21
24.40 Unobligated balance carried forward, end of year .....	3	3	3

New budget authority (gross), detail:

<b>Discretionary:</b>			
40.00 Appropriation .....	14	14	14
<b>Mandatory:</b>			
60.20 Appropriation (special fund) .....	6	6	6
70.00 Total new budget authority (gross) .....	20	20	20

Change in obligated balances:

73.10 Total new obligations .....	21	21	21
73.20 Total outlays (gross) .....	-20	-20	-20

Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	14	14	14
86.97 Outlays from new mandatory authority .....	2	2	2
86.98 Outlays from mandatory balances .....	4	4	4
87.00 Total outlays (gross) .....	20	20	20

Net budget authority and outlays:

89.00 Budget authority .....	20	20	20
90.00 Outlays .....	20	20	20

The Refuge Revenue Sharing Act (16 U.S.C. 715s) authorizes revenues through the sale of products from Service lands, less expenses for producing revenue and activities related to revenue sharing. The Fish and Wildlife Service makes payments to counties in which Service lands are located. If the net revenues are insufficient to make full payments according to the formula contained in the Act, direct appropriations are authorized to make up the difference.

Object Classification (in millions of dollars)

Identification code 14-5091-0-2-806	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	2	2	2
12.1 Civilian personnel benefits .....	1	1	1
41.0 Grants, subsidies, and contributions .....	18	17	17
99.0 Direct obligations .....	20	20	20
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	21	21	21

Personnel Summary

Identification code 14-5091-0-2-806	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	30	30	30

RECREATIONAL FEE DEMONSTRATION PROGRAM

Unavailable Collections (in millions of dollars)

Identification code 14-5252-0-2-303	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Recreational fee demonstration program, FWS .....	4	4	4
Appropriations:			
05.00 Recreational fee demonstration program .....	-4	-4	-4
07.99 Balance, end of year .....			

Program and Financing (in millions of dollars)

Identification code 14-5252-0-2-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	4	4
10.00 Total new obligations .....	3	4	4

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	4	4	4
22.00 New budget authority (gross) .....	4	4	4
23.90 Total budgetary resources available for obligation	8	8	8
23.95 Total new obligations .....	-3	-4	-4
24.40 Unobligated balance carried forward, end of year .....	4	4	4

New budget authority (gross), detail:

<b>Mandatory:</b>			
60.20 Appropriation (special fund) .....	4	4	4

Change in obligated balances:

72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	3	4	4
73.20 Total outlays (gross) .....	-3	-4	-4
74.40 Obligated balance, end of year .....	1	1	1

Outlays (gross), detail:

86.97 Outlays from new mandatory authority .....	3	3	3
86.98 Outlays from mandatory balances .....	1	1	1
87.00 Total outlays (gross) .....	3	4	4

Net budget authority and outlays:

89.00 Budget authority .....	4	4	4
90.00 Outlays .....	3	4	4

In 1997, the U.S. Fish and Wildlife Service initiated the recreational fee demonstration program at selected refuges and other public sites. Entrance fees and other user receipts collected at sites are deposited into the Recreational fee demonstration program account.

The fee program demonstrates the feasibility of user-generated cost recovery for the operation and maintenance of recreation areas or sites and habitat enhancement projects on Federal lands. Fees are used primarily at the site to improve visitor access, enhance public safety and security, address backlogged maintenance needs, and meet other operational needs. The temporary authority for this program expires at the end of fiscal year 2004. To ensure that fee revenue remains available for refuge improvements after 2004, the Administration will propose legislation providing permanent fee authority.

**Object Classification** (in millions of dollars)

Identification code 14-5252-0-2-303	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.3 Personnel compensation: Other than full-time permanent .....	1	1	1
24.0 Printing and reproduction .....	1	1	1
26.0 Supplies and materials .....	1	1	1
99.0 Direct obligations .....	2	3	3
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	3	4	4

**Personnel Summary**

Identification code 14-5252-0-2-303	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	32	31	31

**FEDERAL AID IN WILDLIFE RESTORATION**

**Unavailable Collections** (in millions of dollars)

Identification code 14-5029-0-2-303	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	198	224	225
<b>Receipts:</b>			
02.00 Excise taxes .....	224	225	228
02.40 Earnings on investments .....	15	13	13
02.99 Total receipts and collections .....	239	238	241
04.00 Total: Balances and collections .....	437	462	466
<b>Appropriations:</b>			
05.00 Federal aid in wildlife restoration .....	-213	-237	-238
07.99 Balance, end of year .....	224	225	228

**Program and Financing** (in millions of dollars)

Identification code 14-5029-0-2-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants from Commerce Appropriation .....	24	10	3
00.02 Hunter education & safety program .....	7	8	8
00.03 Multi-state conservation grant program .....	3	3	3
00.04 Administration .....	9	8	8
00.05 Wildlife restoration grants .....	199	209	217
00.06 NAWCF (interest used for grants) .....	12	13	13
10.00 Total new obligations .....	254	251	252

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	108	81	80
22.00 New budget authority (gross) .....	213	237	238
22.10 Resources available from recoveries of prior year obligations .....	14	13	13
23.90 Total budgetary resources available for obligation	335	331	331
23.95 Total new obligations .....	-254	-251	-252
24.40 Unobligated balance carried forward, end of year .....	81	80	79

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
Appropriation (special fund):			
60.20 Appropriation (special fund) .....	15	13	13
60.20 Appropriation (special fund) .....	198	224	225
62.50 Appropriation (total mandatory) .....	213	237	238

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	182	195	203
73.10 Total new obligations .....	254	251	252
73.20 Total outlays (gross) .....	-227	-230	-229
73.45 Recoveries of prior year obligations .....	-14	-13	-13
74.40 Obligated balance, end of year .....	195	203	213

**Outlays (gross), detail:**

86.93 Outlays from discretionary balances .....	10	19	19
86.97 Outlays from new mandatory authority .....	32	36	36

86.98 Outlays from mandatory balances .....	185	175	174
87.00 Total outlays (gross) .....	227	230	229

**Net budget authority and outlays:**

89.00 Budget authority .....	213	237	238
90.00 Outlays .....	227	230	229

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value .....	479	495	507
92.02 Total investments, end of year: Federal securities:			
Par value .....	495	507	519

The Federal Aid in Wildlife Restoration Act, popularly known as the Pittman-Robertson Wildlife Restoration Act, created a program to fund the selection, restoration, rehabilitation and improvement of wildlife habitat, and wildlife management research. Under the program, States, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands are allocated funds from the 11 percent excise tax on sporting arms and ammunition, the 10 percent excise tax on handguns, and the 12.4 percent tax on certain archery equipment. States are reimbursed up to 75 percent of the cost of approved wildlife and hunter education projects.

The Wildlife and Sport Fish Restoration Programs Improvement Act of 2000 (P.L. 106-408) amends the Pittman-Robertson Wildlife Restoration Act and authorizes a multi-State conservation grant program and a firearm and bow hunter education and safety program which provides grants to the States.

**Object Classification** (in millions of dollars)

Identification code 14-5029-0-2-303	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	4	4	4
12.1 Civilian personnel benefits .....	1	1	1
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services .....	1	1	2
25.5 Research and development contracts .....	1	1	2
31.0 Equipment .....	2	2	3
32.0 Land and structures .....	1	1	1
<b>Grants, subsidies, and contributions:</b>			
41.0 Grants, subsidies, and contributions .....			
41.0 Grants, subsidies, and contributions .....	242	239	237
99.9 Total new obligations .....	254	251	252

**Personnel Summary**

Identification code 14-5029-0-2-303	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	58	59	59

**MISCELLANEOUS PERMANENT APPROPRIATIONS**

**Unavailable Collections** (in millions of dollars)

Identification code 14-9927-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.20 Rents and charges for quarters .....	2	3	3
<b>Appropriations:</b>			
05.00 Miscellaneous permanent appropriations, U.S. Fish and Wildlife Service .....	-2	-3	-3
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 14-9927-0-2-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operation & maintenance of quarters .....	4	4	4

General and special funds—Continued

MISCELLANEOUS PERMANENT APPROPRIATIONS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 14-9927-0-2-302	2002 actual	2003 est.	2004 est.
10.00 Total new obligations .....	4	4	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	3	2
22.00 New budget authority (gross) .....	2	3	3
23.90 Total budgetary resources available for obligation	6	6	5
23.95 Total new obligations .....	-4	-4	-4
24.40 Unobligated balance carried forward, end of year .....	3	2	1
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	2	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	2
73.10 Total new obligations .....	4	4	4
73.20 Total outlays (gross) .....	-3	-3	-3
74.40 Obligated balance, end of year .....	1	2	2
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1	1	1
86.98 Outlays from mandatory balances .....	2	2	2
87.00 Total outlays (gross) .....	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2	3	3
90.00 Outlays .....	3	3	3

*Operation and maintenance of quarters.*—Revenue from rental of government quarters is deposited in this account for use in the operation and maintenance of such quarters for the Fish and Wildlife Service, pursuant to Public Law 98-473, Section 320.

*Proceeds from sales, water resources development projects.*—Receipts collected from the sale of timber and crops from refuges leased or licensed from the Department of the Army may be used to pay the costs of production of the timber and crops and for managing wildlife habitat.

*Lahontan Valley and Pyramid Lake Fish and Wildlife Fund.*—Under the Truckee-Carson Pyramid Lake Settlement Act of 1990, the Lahontan Valley and Pyramid Lake Fish and Wildlife Fund receives revenues from non-federal parties to support the restoration and enhancement of wetlands in the Lahontan Valley and to restore and protect Pyramid Lake fisheries. Payments made in excess of operation and maintenance costs of the Stampede Reservoir are available without further appropriations. Donations made for express purposes, state cost-sharing funds, and unexpended interest from the Pyramid Lake Paiute Fisheries Fund are available without further appropriation. The Secretary is also authorized to deposit proceeds from the sale of certain lands, interests in lands, and water rights into the Pyramid Lake Fish and Wildlife Fund.

Object Classification (in millions of dollars)

Identification code 14-9927-0-2-302	2002 actual	2003 est.	2004 est.
Direct obligations:			
25.4 Operation and maintenance of facilities .....	1	2	2
26.0 Supplies and materials .....	1	1	1
32.0 Land and structures .....	1		
99.0 Direct obligations .....	3	3	3
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	4	4	4

Personnel Summary

Identification code 14-9927-0-2-302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	5	5	5

Trust Funds

SPORT FISH RESTORATION

Program and Financing (in millions of dollars)

Identification code 14-8151-0-7-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Payments to States for sport fish restoration .....	298	304	311
00.03 North American Wetlands Conservation Grants .....	17	17	17
00.04 Coastal Wetlands Conservation Grants .....	11	11	11
00.05 Clean Vessel Act- Pumpout Stations Grants .....	7	7	7
00.06 Administration .....	9	9	9
00.07 National Communication & Outreach .....	8	8	8
00.08 Non-trailerable Recreational Vessel Access .....	9	8	8
00.09 Multi-State Conservation Grants .....	3	3	3
00.10 Marine Fisheries Commissions & Boating Council .....	1	1	1
10.00 Total new obligations .....	363	368	375
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	117	138	130
22.00 New budget authority (gross) .....	357	330	337
22.10 Resources available from recoveries of prior year obligations .....	28	30	30
23.90 Total budgetary resources available for obligation	502	498	497
23.95 Total new obligations .....	-363	-368	-375
24.40 Unobligated balance carried forward, end of year .....	138	130	122
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (Aquatic Resources Trust Fund) .....	483	452	459
61.00 Transferred to other accounts .....	-126	-122	-122
62.50 Appropriation (total mandatory) .....	357	330	337
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	295	340	348
73.10 Total new obligations .....	363	368	375
73.20 Total outlays (gross) .....	-291	-330	-333
73.45 Recoveries of prior year obligations .....	-28	-30	-30
74.40 Obligated balance, end of year .....	340	348	360
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	107	99	101
86.98 Outlays from mandatory balances .....	184	231	232
87.00 Total outlays (gross) .....	291	330	333
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	357	330	337
90.00 Outlays .....	291	330	333

The Federal Aid in Sport Fish Restoration Act, commonly referred to as the Dingell-Johnson Sport Fish Restoration Act (as modified by the Wallop-Breaux amendment) created a fishery resources, conservation, and restoration program funded by an excise tax on fishing and sporting equipment.

Since 1992 the Sport Fish Restoration Fund has supported coastal wetlands grants pursuant to the Coastal Wetlands Planning, Protection and Restoration Act (P.L. 101-646). Additional revenue from small engine fuel taxes was provided under the Surface Transportation Extension Act of 1997.

The Coastal Wetlands Planning, Protection and Restoration Act requires an amount equal to 18 percent of the total deposits into the Sport Fish Restoration Fund, or amounts collected in small engine fuels excise taxes as provided by 26 U.S.C. 9504(b), whichever is greater, to be distributed as follows: 70 percent shall be available to the Corps of Engineers for priority project and conservation planning activities; 15 per-

cent shall be available to the Fish and Wildlife Service for coastal wetlands conservation grants; and 15 percent to the Fish and Wildlife Service for wetlands conservation projects under Section 8 of the North American Wetlands Conservation Act (P.L. 101-233).

The Clean Vessel Act authorizes the Secretary of the Interior to make grants to States, in specified amounts, to carry out projects for the construction, renovation, operation, and maintenance of pumpout stations and waste reception facilities. The Sport Fish Restoration Act, as amended, provides for the transfer of funds from the Sport fish restoration account of the Aquatic Resources Trust Fund for use by the Secretary of the Interior to carry out the purposes of this Act and for use by the Secretary of Transportation for State recreational boating safety programs (46 USC 13106(a)(1)). The Sportfishing and Boating Safety Act authorizes the Secretary of the Interior to develop national and state outreach plans to promote safe fishing and boating opportunities and the conservation of aquatic resources, as well as to make grants to states for developing and maintaining facilities for certain recreational vessels.

Assistance is provided to States, Puerto Rico, Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the District of Columbia for up to 75 percent of the cost of approved projects including: research into fisheries problems, surveys and inventories of fish populations, and acquisition and improvement of fish habitat and provision of access for public use.

The Wildlife and Sport Fish Restoration Programs Improvement Act of 2000 (P.L. 106-408) amends the Dingell-Johnson Sport Fish Restoration Act and authorizes a multi-State conservation grant program and provide funding for several fisheries commissions and the Sport Fishing and Boating Partnership Council.

**Object Classification** (in millions of dollars)

Identification code 14-8151-0-7-303	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	5	3	3
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	2	2	2
25.3 Other purchases of goods and services from Government accounts .....	2	2	2
31.0 Equipment .....	1	1	1
41.0 Grants, subsidies, and contributions .....	351	359	366
99.0 Direct obligations .....	362	368	375
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	363	368	375

**Personnel Summary**

Identification code 14-8151-0-7-303	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	81	59	59

**CONTRIBUTED FUNDS**

**Unavailable Collections** (in millions of dollars)

Identification code 14-8216-0-7-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.20 Deposits, contributed funds, U.S. Fish and Wildlife Service .....	3	4	4
<b>Appropriations:</b>			
05.00 Contributed funds, U.S. Fish and Wildlife Service .....	-3	-4	-4
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 14-8216-0-7-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	4	4	4
10.00 Total new obligations .....	4	4	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	3	3
22.00 New budget authority (gross) .....	3	4	4
23.90 Total budgetary resources available for obligation .....	8	7	7
23.95 Total new obligations .....	-4	-4	-4
24.40 Unobligated balance carried forward, end of year .....	3	3	3
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	3	4	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	2	2
73.10 Total new obligations .....	4	4	4
73.20 Total outlays (gross) .....	-3	-3	-4
74.40 Obligated balance, end of year .....	2	2	2
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1	1	1
86.98 Outlays from mandatory balances .....	2	2	3
87.00 Total outlays (gross) .....	3	3	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	4	4
90.00 Outlays .....	3	3	4

Donated funds support activities such as endangered species projects and refuge operations and maintenance.

**Object Classification** (in millions of dollars)

Identification code 14-8216-0-7-302	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.2 Other services .....	1	1	1
32.0 Land and structures .....	1	1	1
41.0 Grants, subsidies, and contributions .....	1	1	1
99.0 Direct obligations .....	3	3	3
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	4	4	4

**Personnel Summary**

Identification code 14-8216-0-7-302	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	18	15	15

**ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS**

- The Department of the Interior: Bureau of Land Management, "Central Hazardous Materials Fund".
- The Department of Agriculture: Forest Service: "Forest Pest Management".
- The General Services Administration: "Real Property Relocation".
- The Department of Labor, Employment and Training Administration: "Training and Employment Services".
- The Department of Transportation: Federal Highway Administration: "Federal-Aid Highways."
- The Department of the Interior: Departmental Offices: "Natural Resource Damage Assessment Fund."
- The Department of the Interior: Bureau of Land Management: "Wildland Fire Management."

**ADMINISTRATIVE PROVISIONS**

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 157 passenger motor vehicles, of which 142 are for replacement only (in-

**General and special funds—Continued**

**ADMINISTRATIVE PROVISIONS—Continued**

cluding 33 for police-type use); repair of damage to public roads within and adjacent to reservation areas caused by operations of the Service; options for the purchase of land at not to exceed \$1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the Service and to which the United States has title, and which are used pursuant to law in connection with management and investigation of fish and wildlife resources: Provided, That notwithstanding 44 U.S.C. 501, the Service may, under cooperative cost sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly produced publications for which the cooperators share at least one-half the cost of printing either in cash or services and the Service determines the cooperator is capable of meeting accepted quality standards: Provided further, That the Service may accept donated aircraft as replacements for existing aircraft: Provided further, That notwithstanding any other provision of law, the Secretary of the Interior shall notify the House and Senate Committees on Appropriations at least 30 days prior to the obligation of any of the funds appropriated in this Act for the purchase of lands or interests in lands to be used in the establishment of any new unit of the National Wildlife Refuge System.

**NATIONAL PARK SERVICE**

**Federal Funds**

**General and special funds:**

**OPERATION OF THE NATIONAL PARK SYSTEM**

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, \$1,631,882,000, of which \$21,980,000 is to be derived from the Land and Water Conservation Fund: Provided, That \$6,887,000, to remain available until expended, is for planning and interagency coordination in support of Everglades restoration; \$98,480,000, to remain available until September 30, 2005, is for maintenance repair or rehabilitation projects for constructed assets, operation of the National Park Service automated facility management software system, and comprehensive facility condition assessments; and \$23,980,000 is for conservation spending category activities, including \$2,000,000 for the Youth Conservation Corps for high priority projects: Provided further, That the only funds in this account which may be made available to support United States Park Police are those funds approved for emergency law and order incidents pursuant to established National Park Service procedures, those funds needed to maintain and repair United States Park Police administrative facilities, and those funds necessary to reimburse the United States Park Police account for the unbudgeted overtime and travel costs associated with special events for an amount not to exceed \$10,000 per event subject to the review and concurrence of the Washington headquarters office.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-1036-0-1-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Park management .....	1,366	1,476	1,517
00.02 External administrative costs .....	102	108	115
09.01 Reimbursable program .....	18	15	15
10.00 Total new obligations .....	1,486	1,599	1,647
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	16	33	32
22.00 New budget authority (gross) .....	1,504	1,600	1,647
22.10 Resources available from recoveries of prior year obligations .....	4		

23.90 Total budgetary resources available for obligation	1,524	1,633	1,679
23.95 Total new obligations .....	-1,486	-1,599	-1,647
23.98 Unobligated balance expiring or withdrawn .....	-5		
24.40 Unobligated balance carried forward, end of year .....	33	32	32

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	1,487	1,585	1,610
40.20 Appropriation (LWCF) .....			22
40.76 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	1,486	1,585	1,632
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	18	15	15
70.00 Total new budget authority (gross) .....	1,504	1,600	1,647

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	312	319	358
73.10 Total new obligations .....	1,486	1,599	1,647
73.20 Total outlays (gross) .....	-1,470	-1,560	-1,647
73.40 Adjustments in expired accounts (net) .....	-6		
73.45 Recoveries of prior year obligations .....	-4		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	1		
74.40 Obligated balance, end of year .....	319	358	357

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1,133	1,204	1,239
86.93 Outlays from discretionary balances .....	337	356	408
87.00 Total outlays (gross) .....	1,470	1,560	1,647

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-18	-15	-15

**Net budget authority and outlays:**

89.00 Budget authority .....	1,486	1,585	1,632
90.00 Outlays .....	1,451	1,545	1,632

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	58	60	60
99.01 Outlays .....	58	60	60

The National Park System contains 387 areas and 84.5 million acres of land in 49 States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, Samoa, and the Northern Marianas. These areas have been established to protect and preserve the cultural and natural heritage of the United States and its territories. Park visits total over 280 million annually. This annual appropriation funds the operation of individual units of the National Park System as well as planning and administrative support for the entire system. Within this appropriation, repair and rehabilitation funds are available for two years, to provide the flexibility needed to carry out this project program, in which typical projects include, but are not limited to, facility, campground, and trail rehabilitation; roadway overlay and/or reconditioning; bridge repair; wastewater and water line replacement; and the rewiring of buildings. The repair and rehabilitation program includes funding for development and implementation of the automated facility management software system and to conduct comprehensive facility condition assessments.

**PERFORMANCE MEASURES<sup>1,2</sup>**

	Satisfaction of respondents to National Park Service Survey		
	1999 act.	2000 act.	2001 act.
Recreational visitation (1,000) .....	284,107	286,967	285,213
Overall Quality of Services: .....			
Very good .....	63%	64%	66%
Good .....	32%	31%	25%
Average .....	5%	5%	6%
Poor .....	1%	1%	1%
Very poor .....	0%	1%	0%
Assistance from Park Employees: .....			
Very good .....	76%	77%	78%
Good .....	19%	19%	18%
Average .....	4%	3%	3%

Poor	1%	1%	0%
Very poor	0%	0%	0%
Visitor Centers:			
Very good	64%	65%	67%
Good	28%	27%	26%
Average	7%	6%	6%
Poor	1%	1%	1%
Very poor	0%	0%	0%
Restrooms:			
Very good	46%	50%	51%
Good	33%	33%	32%
Average	14%	13%	13%
Poor	3%	3%	3%
Very poor	1%	1%	1%
Ranger Programs:			
Very good	67%	68%	69%
Good	25%	25%	24%
Average	6%	6%	6%
Poor	1%	1%	1%
Very poor	1%	0%	0%
Exhibits:			
Very good	57%	58%	60%
Good	32%	32%	31%
Average	9%	7%	8%
Poor	1%	1%	1%
Very poor	0%	0%	0%
Park brochures/maps:			
Very good	64%	65%	66%
Good	29%	28%	27%
Average	6%	6%	6%
Poor	1%	1%	1%
Very poor	0%	0%	0%
Commercial Services:			
Very good	36%	38%	38%
Good	35%	34%	36%
Average	21%	21%	20%
Poor	5%	5%	5%
Very poor	2%	2%	1%

<sup>1</sup> Numbers may not add to 100% due to rounding.

<sup>2</sup> Number of parks that completed the survey: 305 in 2000; 303 in 2001; 329 in 2002

"N/A" means not available.

**Object Classification (in millions of dollars)**

Identification code 14-1036-0-1-303	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent	632	642	656
11.3 Other than full-time permanent	78	79	81
11.5 Other personnel compensation	33	33	33
11.9 Total personnel compensation	743	754	770
12.1 Civilian personnel benefits	186	202	209
13.0 Benefits for former personnel	25	27	27
21.0 Travel and transportation of persons	35	30	30
22.0 Transportation of things	19	20	20
23.1 Rental payments to GSA	43	44	46
23.2 Rental payments to others	2	2	2
23.3 Communications, utilities, and miscellaneous charges	48	48	48
24.0 Printing and reproduction	4	3	3
25.1 Advisory and assistance services	2	2	2
25.2 Other services	207	251	264
25.3 Other purchases of goods and services from Government accounts	3	3	3
25.4 Operation and maintenance of facilities	11	30	39
25.5 Research and development contracts	4	5	5
25.7 Operation and maintenance of equipment	6	8	8
26.0 Supplies and materials	92	99	101
31.0 Equipment	25	26	29
32.0 Land and structures	12	12	12
41.0 Grants, subsidies, and contributions		17	13
99.0 Direct obligations	1,467	1,583	1,631
99.0 Reimbursable obligations	18	15	15
25.2 Allocation Account: Other services	1	1	1
99.9 Total new obligations	1,486	1,599	1,647

**Personnel Summary**

Identification code 14-1036-0-1-303	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	15,865	15,575	15,567

Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment	130	130	130
Allocation account:			
Total compensable workyears:			
3001 Civilian full-time equivalent employment	993	1,041	1,041

**UNITED STATES PARK POLICE**

*For expenses necessary to carry out the programs of the United States Park Police, \$78,859,000.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-1049-0-1-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operations	86	85	79
10.00 Total new obligations	86	85	79
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2	7	
22.00 New budget authority (gross)	91	78	79
23.90 Total budgetary resources available for obligation	93	85	79
23.95 Total new obligations	-86	-85	-79
24.40 Unobligated balance carried forward, end of year	7		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	91	78	79
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	9	12	16
73.10 Total new obligations	86	85	79
73.20 Total outlays (gross)	-82	-81	-82
74.40 Obligated balance, end of year	12	16	14
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	71	59	60
86.93 Outlays from discretionary balances	11	22	22
87.00 Total outlays (gross)	82	81	82
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	91	78	79
90.00 Outlays	82	81	82
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority	3	3	3
99.01 Outlays	3	3	3

The United States Park Police is an urban oriented law enforcement organization within the National Park Service. It performs a full range of law enforcement functions at NPS sites throughout the Washington, D.C., metropolitan area, Statue of Liberty National Monument and Gateway National Recreation Area in New York and New Jersey, and Golden Gate National Recreation Area in California. Its law enforcement authority extends to all National Park Service areas and certain other Federal and State lands. Functions include visitor and facility protection, emergency services, criminal investigations, special security and protection duties, enforcement of drug and vice laws, and traffic and crowd control.

**Object Classification (in millions of dollars)**

Identification code 14-1049-0-1-303	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent	38	46	49
11.5 Other personnel compensation	14	14	7
11.9 Total personnel compensation	52	60	56
12.1 Civilian personnel benefits	14	12	12

**General and special funds—Continued**

**UNITED STATES PARK POLICE—Continued**

**Object Classification (in millions of dollars)—Continued**

Identification code 14-1049-0-1-303	2002 actual	2003 est.	2004 est.
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	12	6	6
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials .....	2	3	1
31.0 Equipment .....	3	1	1
99.9 Total new obligations .....	86	85	79

**Personnel Summary**

Identification code 14-1049-0-1-303	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	707	794	794

**NATIONAL RECREATION AND PRESERVATION**

*For expenses necessary to carry out recreation programs, natural programs, cultural programs, heritage partnership programs, environmental compliance and review, international park affairs, statutory or contractual aid for other activities, and grant administration, not otherwise provided for, \$47,936,000.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-1042-0-1-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Recreation programs .....	1	1	1
00.02 Natural programs .....	11	11	12
00.03 Cultural programs .....	22	20	19
00.05 Grant administration .....	2	2	2
00.06 International park affairs .....	2	2	2
00.07 Statutory or contractual aid .....	16	4	4
00.08 Heritage partnership programs .....	11	8	8
09.01 Reimbursable program .....	1	1	1
10.00 Total new obligations .....	66	49	49

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	1	1	.....
22.00 New budget authority (gross) .....	67	48	49
23.90 Total budgetary resources available for obligation .....	68	49	49
23.95 Total new obligations .....	-66	-49	-49
23.98 Unobligated balance expiring or withdrawn .....	-1	.....	.....
24.40 Unobligated balance carried forward, end of year .....	1	.....	.....

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	66	47	48
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	67	48	49

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	34	38	35
73.10 Total new obligations .....	66	49	49
73.20 Total outlays (gross) .....	-62	-52	-49
74.40 Obligated balance, end of year .....	38	35	35

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	42	32	32
86.93 Outlays from discretionary balances .....	20	20	17
87.00 Total outlays (gross) .....	62	52	49

**Offsets:**

88.45 Against gross budget authority and outlays:			
Offsetting collections (cash) from: Offsetting governmental collections (from non-Federal sources) .....	-1	-1	-1

**Net budget authority and outlays:**

89.00 Budget authority .....	66	47	48
90.00 Outlays .....	61	51	48

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

These programs include: maintenance of the National Register of Historic Places; certifications for investment tax credits, management planning of Federally-owned historic properties, and Government-wide archeological programs; documentation of historic properties; the National Center for Preservation Technology and Training; grants under the Native American Graves Protection and Repatriation Act; Nationwide outdoor recreation planning and assistance; transfer of surplus Federal real property; identification and designation of natural landmarks; environmental reviews; heritage partnership programs; the administration of grants; international park affairs; and statutory or contractual aid for other activities.

**Object Classification (in millions of dollars)**

Identification code 14-1042-0-1-303	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	16	17	17
11.3 Other than full-time permanent .....	2	2	2
11.9 Total personnel compensation .....	18	19	19
12.1 Civilian personnel benefits .....	5	4	4
21.0 Travel and transportation of persons .....	2	2	2
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	15	10	10
26.0 Supplies and materials .....	1	2	2
41.0 Grants, subsidies, and contributions .....	23	10	10
99.0 Direct obligations .....	65	48	48
99.0 Reimbursable obligations .....	1	1	1
99.9 Total new obligations .....	66	49	49

**Personnel Summary**

Identification code 14-1042-0-1-303	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	299	277	290
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	9	9	9

**URBAN PARK AND RECREATION FUND**

*For expenses necessary to carry out the provisions of the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2501 et seq.), \$305,000, to remain available until expended, for conservation spending category activities.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-1031-0-1-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants .....	28	24	7
00.02 Grants Administration .....	1	.....	.....
10.00 Total new obligations .....	29	24	7

<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	30	31	7
22.00	New budget authority (gross)	30		
23.90	Total budgetary resources available for obligation	60	31	7
23.95	Total new obligations	-29	-24	-7
24.40	Unobligated balance carried forward, end of year	31	7	
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	30		
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year		28	27
73.10	Total new obligations	29	24	7
73.20	Total outlays (gross)	-1	-25	-26
74.40	Obligated balance, end of year	28	27	8
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances	1	25	26
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	30		
90.00	Outlays	1	25	26

22.00	New budget authority (gross)	493	413	417
22.10	Resources available from recoveries of prior year obligations	27	20	20
22.21	Unobligated balance transferred to other accounts	-95		
22.22	Unobligated balance transferred from other accounts	4		
23.90	Total budgetary resources available for obligation	883	805	809
23.95	Total new obligations	-511	-433	-477
24.40	Unobligated balance carried forward, end of year	372	372	334
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	387	320	327
42.00	Transferred from other accounts	1	3	
43.00	Appropriation (total discretionary)	388	323	327
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	95	81	81
68.10	Change in uncollected customer payments from Federal sources (unexpired)	10	9	9
68.90	Spending authority from offsetting collections (total discretionary)	105	90	90
70.00	Total new budget authority (gross)	493	413	417
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	231	295	232
73.10	Total new obligations	511	433	477
73.20	Total outlays (gross)	-409	-465	-463
73.45	Recoveries of prior year obligations	-27	-20	-20
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-10	-9	-9
74.40	Obligated balance, end of year	295	232	217
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	140	139	140
86.93	Outlays from discretionary balances	269	326	323
87.00	Total outlays (gross)	409	465	463
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-51	-43	-43
88.40	Non-Federal sources	-44	-38	-38
88.90	Total, offsetting collections (cash)	-95	-81	-81
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-10	-9	-9
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	388	323	327
90.00	Outlays	314	384	382
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	1	2	2
99.01	Outlays	1	2	2

The Urban Park and Recreation Fund provides matching grants to cities for the renovation of urban park and recreation facilities, targeting low-income inner-city neighborhoods. The FY 2004 Budgets propose no funds for the grant portion of this program; however, 2004 Budget proposes continued, limited funding for administering previously awarded grants.

**Object Classification (in millions of dollars)**

Identification code 14-1031-0-1-303	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent	1		
41.0 Grants, subsidies, and contributions	28	24	7
99.9 Total new obligations	29	24	7

**Personnel Summary**

Identification code 14-1031-0-1-303	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	10	4	4

**CONSTRUCTION AND MAJOR MAINTENANCE**

For construction, improvements, repair or replacement of physical facilities, including the modifications authorized by section 104 of the Everglades National Park Protection and Expansion Act of 1989, \$327,257,000, to remain available until expended, of which \$125,619,000, is for conservation spending category activities; and of which \$15,000,000, to be transferred to the Federal Highway Administration, is for redevelopment of Pennsylvania Avenue adjacent to Lafayette Park.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-1039-0-1-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Line item construction and maintenance	295	246	272
00.02 Special programs	43	42	50
00.03 Construction planning and pre-design services	32	26	27
00.05 Construction program management and operations	18	20	27
00.06 General management planning	19	16	18
09.01 Reimbursable program	104	83	83
10.00 Total new obligations	511	433	477
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	454	372	372

**Status of Direct Loans (in millions of dollars)**

Identification code 14-1039-0-1-303	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	5	5	4
1251 Repayments: Repayments and prepayments		-1	
1290 Outstanding, end of year	5	4	4

**Line Item Construction.**—This activity provides for the construction, rehabilitation, and replacement of those facilities needed to accomplish the management objectives approved for each park. Projects are categorized as facility improvement, utility systems rehabilitation, historic preservation, and natural resource preservation.

**Special Programs.**—Under this activity several former activity and subactivity components are combined. These include Emergency and Unscheduled Projects, the Seismic Safety of National Park System Buildings Program, Employee Housing, Dam Safety, and Equipment Replacement.

**Construction Planning.**—This activity includes the project planning function in which funds are used to prepare working

General and special funds—Continued

CONSTRUCTION AND MAJOR MAINTENANCE—Continued

drawings, specification documents, and contracts needed to construct or rehabilitate National Park Service facilities.

*Pre-Design and Supplementary Services.*—Under this activity, provisions are made to undertake workloads in conformance with improvement recommendations of NAPA. Functions include conditions surveys and special reports to acquire archaeological, historical, environmental and engineering design information which represents requisite preliminary stages of the design process.

*Construction Program Management and Operations.*—This activity complies with NAPA recommendations to base fund construction program management through offices in Washington, D.C. and Denver. In 2003, this effort is proposed to be enhanced through additional funding to competitively source construction program management capability for the NPS regional offices.

*General Management Plans.*—Under this activity, funding is used to prepare General Management Plans and keep them up-to-date to guide National Park Service actions for the protection, use, development, and management of each park unit; and to conduct studies of alternatives for the protection of areas that may have potential for addition to the National Park System.

Object Classification (in millions of dollars)

Identification code 14-1039-0-1-303	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	17	17	17
11.3 Other than full-time permanent .....	6	6	6
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	24	24	24
12.1 Civilian personnel benefits .....	5	5	5
21.0 Travel and transportation of persons .....	3	3	3
23.3 Communications, utilities, and miscellaneous charges .....	1	1	2
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	1	2	4
25.2 Other services .....	244	215	251
25.3 Other purchases of goods and services from Government accounts .....	9	7	7
25.4 Operation and maintenance of facilities .....	2	2	2
26.0 Supplies and materials .....	15	14	14
31.0 Equipment .....	22	17	20
32.0 Land and structures .....	10	8	9
41.0 Grants, subsidies, and contributions .....	38	23	24
99.0 Direct obligations .....	375	322	366
99.0 Reimbursable obligations .....	104	83	83
<b>Allocation Account:</b>			
11.1 Personnel compensation: Full-time permanent .....	2	2	2
25.2 Other services .....	1	1	1
25.3 Other purchases of goods and services from Government accounts .....	2	2	2
32.0 Land and structures .....	27	23	23
99.0 Allocation account .....	32	28	28
99.9 Total new obligations .....	511	433	477

Personnel Summary

Identification code 14-1039-0-1-303	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	409	396	396
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	421	408	408

LAND ACQUISITION AND STATE ASSISTANCE

*For expenses necessary to carry out the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of lands or waters, or interest therein, in accordance with the statutory authority applicable to the National Park Service, \$238,634,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, to be for conservation spending category activities; of which \$160,011,000 is for the State assistance program, of which not to exceed \$4,011,000 is for the administration of this program: Provided, That none of the funds provided for the State Assistance program may be used to establish a contingency fund.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 14-5035-0-2-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Land acquisition .....	97	122	115
00.02 Land acquisition administration .....	12	13	13
00.04 State grant administration .....	4	4	5
00.05 Grants to States .....	103	169	168
09.01 Reimbursable program .....	1		
10.00 Total new obligations .....	217	308	301
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	228	244	232
22.00 New budget authority (gross) .....	274	286	239
22.10 Resources available from recoveries of prior year obligations .....	24	10	10
22.21 Unobligated balance transferred to other accounts .....	-65		
23.90 Total budgetary resources available for obligation .....	461	540	481
23.95 Total new obligations .....	-217	-308	-301
24.40 Unobligated balance carried forward, end of year .....	244	232	180
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.20 Appropriation (LWCF) .....	274	286	239
49.35 Contract authority rescinded .....	-30	-30	-30
<b>Mandatory:</b>			
66.10 Contract authority .....	30	30	30
<b>Spending authority from offsetting collections:</b>			
<b>Discretionary:</b>			
68.00 Offsetting collections (cash) .....	9		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-9		
68.90 Spending authority from offsetting collections (total discretionary) .....			
70.00 Total new budget authority (gross) .....	274	286	239
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	133	168	273
73.10 Total new obligations .....	217	308	301
73.20 Total outlays (gross) .....	-167	-193	-183
73.45 Recoveries of prior year obligations .....	-24	-10	-10
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	9		
74.40 Obligated balance, end of year .....	168	273	381
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	50	40	35
86.93 Outlays from discretionary balances .....	117	153	148
87.00 Total outlays (gross) .....	167	193	183
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-9		
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	9		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	274	286	239
90.00 Outlays .....	158	193	183

Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00	Budget authority .....	1	1
99.01	Outlays .....	1	1

This appropriation funds the Federal Land Acquisition Program, which provides funds to acquire certain lands, or interests in lands, for inclusion in the National Park System to preserve nationally important natural and historic resources. Funds are also provided for land acquisition critical to Everglades restoration.

The State Assistance Program provides grants for a wide array of State recreation projects as well as for acquiring lands and interests in lands for outdoor recreation purposes.

Funds are also included for the National Park Service to manage and coordinate the Land Acquisition Program, and administer grants to States both new and those awarded in prior years.

**PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
Land acquired (acres) .....	18,493	56,172	3,144
Land acquired (tracts) .....	734	155	20

**Object Classification** (in millions of dollars)

Identification code 14-5035-0-2-303	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent .....	9	9
11.3	Other than full-time permanent .....	1	1
11.9	Total personnel compensation .....	10	10
12.1	Civilian personnel benefits .....	2	3
21.0	Travel and transportation of persons .....	1	1
22.0	Transportation of things .....	1	1
25.2	Other services .....	11	12
31.0	Equipment .....	1	1
32.0	Land and structures .....	69	127
41.0	Grants, subsidies, and contributions .....	122	153
42.0	Insurance claims and indemnities .....	1	1
99.0	Direct obligations .....	216	308
99.0	Reimbursable obligations .....	1	1
99.9	Total new obligations .....	217	308

**Personnel Summary**

Identification code 14-5035-0-2-303	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001	Civilian full-time equivalent employment .....	161	168

**LAND AND WATER CONSERVATION FUND**

The contract authority provided for fiscal year 2004 by 16 U.S.C. 4601-10a is hereby rescinded.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 14-5005-0-2-303	2002 actual	2003 est.	2004 est.
01.99	Balance, start of year .....	12,856	13,078
Receipts:			
02.00	Motorboat fuels tax .....	1	1
02.20	Rent receipts, Outer Continental Shelf lands .....	47	419
02.21	Royalty receipts, Outer Continental Shelf lands .....	850	478
02.23	Surplus property sales .....	2	2
02.81	Fish and Wildlife Service, Land acquisition, offsetting collections .....	6	6
02.82	National Park Service, Land acquisition and State assistance, offsetting collections .....	9	9
02.99	Total receipts and collections .....	915	906

	2002 actual	2003 est.	2004 est.
04.00	Total: Balances and collections .....	13,771	13,984
Appropriations:			
05.00	Fish and Wildlife Service, State and Tribal wildlife grants .....	-60	-60
05.02	Bureau of Land Management, Land acquisition .....	-50	-45
05.03	Fish and Wildlife Service, Land acquisition, Offsetting collections .....	-6	-6
05.04	Fish and Wildlife Service, Land acquisition .....	-99	-70
05.05	Interior, Priority Federal land acquisitions and exchanges .....	-3	-3
05.06	National Park Service, Land acquisition and State assistance, Offsetting collections .....	-9	-9
05.07	National Park Service, Land acquisition and State assistance .....	-274	-286
05.18	Fish and Wildlife Service, North American wetlands conservation fund, from LWCF .....	-44	-50
05.22	Fish and Wildlife Service, Resource management .....	-10	-10
05.25	Fish and Wildlife Service, Stewardship grants .....	-10	-10
05.27	Fish and Wildlife Service, Cooperative endangered species conservation fund .....	-89	-87
05.28	Fish and Wildlife Service, Landowner incentive program .....	-40	-50
05.29	Nation Park Service, Operation of the national park system .....	-22	-22
05.32	Bureau of Land Management, Management or land and resources .....	-21	-21
05.33	Forest Service, State and private forestry .....	-194	-194
05.34	Forest Service, Land acquisition .....	-150	-131
05.99	Total appropriations .....	-698	-794
06.10	Unobligated balance returned to receipts .....	5	5
07.99	Balance, end of year .....	13,078	13,190

The Land and Water Conservation Fund (LWCF) includes revenue pursuant to the Land and Water Conservation Fund Act to support land acquisition, State outdoor recreation and conservation grants, other conservation programs and related administrative expenses.

**RECREATION FEE PERMANENT APPROPRIATIONS**

**Unavailable Collections** (in millions of dollars)

Identification code 14-9928-0-2-303	2002 actual	2003 est.	2004 est.
01.99	Balance, start of year .....		
Receipts:			
02.21	Recreational fee demonstration program .....	127	126
02.22	Transportation systems fund .....	5	5
02.23	National park passport program .....	15	16
02.24	Deposits for educational expenses, children of employees, Yellowstone Nati .....	1	1
02.99	Total receipts and collections .....	148	148
Appropriations:			
05.00	Recreation fee permanent appropriations .....	-148	-148
07.99	Balance, end of year .....		

**Program and Financing** (in millions of dollars)

Identification code 14-9928-0-2-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Recreational fee demonstration program and deed-restricted & non-demo parks .....	108	126
00.02	Transportation systems fund .....	5	5
00.03	National park passport program .....	9	16
00.04	Educational expenses, children of employees, Yellowstone National Park .....	1	1
10.00	Total new obligations .....	123	148
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	266	298
22.00	New budget authority (gross) .....	148	148
22.10	Resources available from recoveries of prior year obligations .....	7	2
23.90	Total budgetary resources available for obligation .....	421	448
23.95	Total new obligations .....	-123	-148
24.40	Unobligated balance carried forward, end of year .....	298	301

**General and special funds—Continued**

**RECREATION FEE PERMANENT APPROPRIATIONS—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 14-9928-0-2-303	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	148	148	149
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	54	50	24
73.10 Total new obligations .....	123	148	148
73.20 Total outlays (gross) .....	-120	-172	-168
73.45 Recoveries of prior year obligations .....	-7	-2	-2
74.40 Obligated balance, end of year .....	50	24	2
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	24	24	25
86.98 Outlays from mandatory balances .....	96	148	143
87.00 Total outlays (gross) .....	120	172	168
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	148	148	149
90.00 Outlays .....	120	172	168
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	5	5	6
99.01 Outlays .....	5	5	6

*Recreational fee demonstration program.*—The National Park Service and other land management agencies have initiated a demonstration fee program that allows parks and other units to collect new or increased admission and user fees and spend the revenue for park improvements. This temporary authority, provided in section 315 of section 101(c) of Public Law 104-134 as amended or supplemented by section 319 of section 101(d) of Public Law 104-208, section 5001 of Public Law 105-18, sections 107, 320 and 321 of Public Law 105-83, section 327 of section 101(e) of Public Law 105-277, section 336 of Public Law 106-291 and section 312 of Public Law 107-63 expires at the end of fiscal year 2004. To ensure that fee revenue remains available for park improvements after 2004, the Administration will propose legislation providing permanent fee authority.

*Non-demonstration parks fee program.*—Under section 310 of Public Law 106-176, the National Park Service may retain recreation fees collected at NPS sites that are not part of the Recreational Fee Demonstration program or that fall within the deed-restricted parks fee program. Revenues are used in the same manner and for the same purposes as provided under the fee demonstration program, and this authority expires upon the termination of that program. No fee-collecting parks (except deed-restricted) are expected to remain outside of the Recreational Fee Demonstration Program as a result of legislation removing limits on the number of parks in the Program.

*National park passport program.*—Proceeds from the sale of national park passports for admission to all park units are to be used for the national passport program and the National Park System in accordance with section 603 of Public Law 105-391. By law, up to 15 percent of proceeds may be used to administer and promote the national park passport program and the National Park System, and net proceeds are to be used for high priority visitor service or resource management projects throughout the National Park System.

*Deed-restricted parks fee program.*—Park units where admission fees may not be collected by reason of deed restrictions retain any other recreation fees collected and use them for certain park operation purposes in accordance with Public Law 105-327. This law applies to Great Smoky Mountains National Park, Lincoln Home National Historic Site and Abraham Lincoln Birthplace National Historic Site.

*Transportation systems fund.*—Fees charged for public use of transportation services at parks are retained and used by each collecting park for costs associated with the transportation systems in accordance with section 501 of Public Law 105-391.

*Educational expenses, children of employees, Yellowstone National Park.*—Revenues received from the collection of short-term recreation fees to the park are used to provide education facilities to pupils who are dependents of persons engaged in the administration, operation, and maintenance of Yellowstone National Park (16 U.S.C. 40a).

*Payment for tax losses on land acquired for Grand Teton National Park.*—Revenues received from fees collected from visitors are used to compensate the State of Wyoming for tax losses on Grand Teton National Park lands (16 U.S.C. 406d-3).

**Object Classification (in millions of dollars)**

Identification code 14-9928-0-2-303	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	14	15	15
11.3 Other than full-time permanent .....	22	22	22
11.5 Other personnel compensation .....	3	3	3
11.9 Total personnel compensation .....	39	40	40
12.1 Civilian personnel benefits .....	5	5	5
21.0 Travel and transportation of persons .....	1	1	1
22.0 Transportation of things .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	2	1	1
25.2 Other services .....	54	79	79
25.4 Operation and maintenance of facilities .....	1	1	1
25.5 Research and development contracts .....	1	1	1
26.0 Supplies and materials .....	11	11	11
31.0 Equipment .....	2	2	2
32.0 Land and structures .....	5	5	5
99.0 Direct obligations .....	122	147	147
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	123	148	148

**Personnel Summary**

Identification code 14-9928-0-2-303	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,223	1,261	1,261

**HISTORIC PRESERVATION FUND**

*For expenses necessary to carry out the Historic Preservation Act of 1966, as amended (16 U.S.C. 470), and the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104-333), \$67,000,000, to be derived from the Historic Preservation Fund, to remain available until September 30, 2005, and to be for conservation spending category activities: Provided, That of the total amount provided, \$30,000,000 shall be for Save America's Treasures for priority preservation projects of nationally significant sites, structures, and artifacts: Provided further, That any individual Save America's Treasures grant shall be matched by non-Federal funds: Provided further, That individual projects shall only be eligible for one grant, and all projects to be funded shall be approved by the Secretary of the Interior in consultation with the President's Committee on the Arts and Humanities prior to the commitment of grant funds: Provided further, That Save America's Treasures funds allocated for Federal projects shall be available by transfer to appropriate accounts of individual agencies, after approval of such projects by the Secretary of the Interior, in consultation with the President's Committee on the Arts and Humanities: Provided further, That none of the funds provided for Save America's Treasures may be used for administrative expenses, and staffing for the program shall be available from the existing staffing levels in the National Park Service.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 14-5140-0-2-303	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	2,223	2,300	2,383
Receipts:			
02.20 Rent receipts, Outer Continental Shelf lands .....	150	150	150
04.00 Total: Balances and collections .....	2,373	2,450	2,533
Appropriations:			
05.01 Historic preservation fund .....	-74	-67	-67
06.10 Unobligated balance returned to receipts .....	1		
07.99 Balance, end of year .....	2,300	2,383	2,466

**Program and Financing (in millions of dollars)**

Identification code 14-5140-0-2-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants-in-aid .....	44	38	38
00.03 Millennium initiative grants .....	32	31	31
00.04 National Trust .....	2		
10.00 Total new obligations (object class 41.0) .....	78	69	69
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	25	22	20
22.00 New budget authority (gross) .....	74	67	67
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	101	89	87
23.95 Total new obligations .....	-78	-69	-69
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	22	20	18

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
<b>Appropriation (special fund):</b>			
40.20 Appropriation (special fund, definite) LWCF .....			
40.20 Appropriation (special fund, definite) HPF .....	74	67	67
43.00 Appropriation (total discretionary) .....	74	67	67

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	103	108	73
73.10 Total new obligations .....	78	69	69
73.20 Total outlays (gross) .....	-71	-104	-113
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	108	73	29

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	11	28	28
86.93 Outlays from discretionary balances .....	60	76	85
87.00 Total outlays (gross) .....	71	104	113

**Net budget authority and outlays:**

89.00 Budget authority .....	74	67	67
90.00 Outlays .....	71	104	113

This appropriation finances 60 percent of programmatic matching grants-in-aid to the States and certified local governments, as well as grants to Indian tribes, and continues funds for matching grants for Save America's Treasures in the National Park Service Historic Preservation Fund to provide assistance to preserve America's most threatened historical and cultural heritage for future generations. These treasures include the significant documents, objects, manuscripts, photographs, works of art, journals, still and moving images, sound recording, historic structures and sites that document and illuminate the history and culture of the United States.

**OTHER PERMANENT APPROPRIATIONS**

**Unavailable Collections (in millions of dollars)**

Identification code 14-9924-0-2-303	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Rents and charges for quarters .....	16	18	18
02.21 Park buildings lease and maintenance fund .....			2
02.22 Concessions improvement accounts .....	25	19	16
02.23 User fees for filming and photography on public land .....			3
02.25 Park concessions franchise fees .....	16	20	26
02.99 Total receipts and collections .....	57	57	65
Appropriations:			
05.00 Other permanent appropriations .....	-57	-57	-65
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 14-9924-0-2-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operation and maintenance of quarters .....	14	16	16
00.02 Park buildings lease and maintenance fund .....			2
00.03 Concessions improvement accounts .....	24	19	16
00.04 Filming and photography special use fee program .....			3
00.05 Glacier Bay National Park resource protection .....	1		
00.06 Park concessions franchise fees .....	15	20	26
00.07 Contribution for annuity benefits for USPP .....	22	24	25
10.00 Total new obligations .....	76	79	88
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	108	114	115
22.00 New budget authority (gross) .....	79	81	90
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	188	195	205
23.95 Total new obligations .....	-76	-79	-88
24.40 Unobligated balance carried forward, end of year .....	114	115	117

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.00 Appropriation .....	22	24	25
60.20 Appropriation (special fund) .....	57	57	65
62.50 Appropriation (total mandatory) .....	79	81	90

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	6	13	10
73.10 Total new obligations .....	76	79	88
73.20 Total outlays (gross) .....	-68	-82	-89
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	13	10	9

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	57	70	77
86.98 Outlays from mandatory balances .....	11	12	12
87.00 Total outlays (gross) .....	68	82	89

**Net budget authority and outlays:**

89.00 Budget authority .....	79	81	90
90.00 Outlays .....	68	82	89

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

*Park concessions franchise fees.*—Franchise fees for concessioner activities in the National Park System are deposited in this account and used for certain park operations activities in accordance with section 407 of Public Law 105-391. By law, 20 percent of franchise fees collected are used to support activities throughout the National Park System generally and 80 percent are retained and used by each collecting park unit for visitor services and for purposes of funding high-priority and urgently necessary resource management programs and operations.

General and special funds—Continued

OTHER PERMANENT APPROPRIATIONS—Continued

*Concessions improvement accounts.*—National Park Service agreements with private concessioners providing visitor services within national parks can require concessioners to deposit a portion of gross receipts or a fixed sum of money in a separate bank account. A concessioner may expend funds from such an account at the direction of the park superintendent for facilities that directly support concession visitor services, but would not otherwise be funded through the appropriations process. Concessioners do not accrue possessory interests from improvements funded through these accounts.

*Park buildings lease and maintenance fund.*—Rental payments for leases to use buildings and associated property in the National Park System are deposited in this account and used for infrastructure needs at park units in accordance with section 802 of Public Law 105–391.

*Operation and maintenance of quarters.*—Revenues from the rental of Government-owned quarters to park employees are deposited in this account and used to operate and maintain the quarters.

*National Maritime Heritage Grants Program.*—Of the revenues received from the sale of obsolete vessels in the National Defense Reserve Fleet, 25 percent are used for matching grants to State and local governments and private nonprofit organizations under the National Maritime Heritage Grants Program and for related administrative expenses in accordance with 16 U.S.C. 5401. Program authorization expires at the end of 2006.

*Delaware Water Gap, Route 209 operations.*—Fees collected for use of Route 209 within the Delaware Water Gap National Recreation Area by commercial vehicles are used for management, operation, and maintenance of the route within the park as authorized by Public Law 98–63 (97 Stat. 329), section 117 of Public Law 98–151 (97 Stat. 977) as amended by Public Law 99–88 (99 Stat. 343), and section 702 of Division I of Public Law 104–333 (110 Stat. 4185). The expired authorization was restored in fiscal year 1997 by Public Law 104–333.

*Glacier Bay National Park resource protection.*—Of the revenues received from fees paid by tour boat operators or other permittees for entering Glacier Bay National Park, 60 percent are used for certain activities to protect resources of the Park from harm by permittees in accordance with section 703 of Division I of Public Law 104–333 (110 Stat. 4185).

*Filming and photography special use fees.*—The National Park Service is now authorized to retain fee receipts that are collected from issuing permits to use park lands and facilities for commercial filming, still photography, and similar activities. Amounts collected should provide a fair return to the Government and may be used in accordance with the formula and purposes established for the Recreational Fee Demonstration Program.

*Contributions to U.S. Park Police annuity benefits.*—Necessary costs of benefit payments to annuitants under the pension program for United States Park Police officers hired prior to January 1, 1984, established under Public Law 85–157, are paid from the General Fund of the Treasury to the extent the payments exceed deductions from salaries of active duty employees in the program. Permanent funding for such payments was provided in the Department of the Interior and Related Agencies Appropriations Act, 2002. Before fiscal year 2002, such payments were funded from appropriations made annually to the National Park Service.

Object Classification (in millions of dollars)

Identification code 14–9924–0–2–303	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	5	5	5
11.3 Other than full-time permanent .....	2	2	2
11.9 Total personnel compensation .....	7	7	7
12.1 Civilian personnel benefits .....	1	2	2
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.2 Other services .....	59	61	70
25.4 Operation and maintenance of facilities .....	1	1	1
26.0 Supplies and materials .....	3	3	3
99.0 Direct obligations .....	73	76	85
99.5 Below reporting threshold .....	3	3	3
99.9 Total new obligations .....	76	79	88

Personnel Summary

Identification code 14–9924–0–2–303	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	161	193	193

Trust Funds

CONSTRUCTION (TRUST FUND)

Program and Financing (in millions of dollars)

Identification code 14–8215–0–7–401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Cumberland Gap Tunnel .....	1	4	.....
10.00 Total new obligations (object class 25.2) .....	1	4	.....
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	5	4	.....
23.95 Total new obligations .....	–1	–4	.....
24.40 Unobligated balance carried forward, end of year .....	4	.....	.....
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	1	1
73.10 Total new obligations .....	1	4	.....
73.20 Total outlays (gross) .....	–2	–4	–1
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	2	4	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	2	4	1

Parkway construction project funds have been derived from the Highway Trust Fund through appropriations to liquidate contract authority, which has been provided under section 104(a)(8) of the Federal Aid Highway Act of 1978, title I of Public Law 95–599, as amended, and appropriation language, which has made the contract authority and the appropriations available until expended.

Reconstruction and relocation of Route 25E through the Cumberland Gap National Historical Park, including construction of a tunnel and the approaches thereto, are authorized without fund limitation by Public Law 93–87, section 160.

Improvements to the George Washington Memorial Parkway and the Baltimore Washington Parkway are authorized and funded by the Department of the Interior and Related Agencies Appropriations Acts, 1987, as included in Public Law

95–591, and 1991, Public Law 101–512. No more significant obligations are expected in this account for these two parkway projects.

**Personnel Summary**

Identification code 14–8215–0–7–401	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	4		

**MISCELLANEOUS TRUST FUNDS**

**Unavailable Collections (in millions of dollars)**

Identification code 14–9972–0–7–303	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Donations to National Park Service .....	15	15	15
02.80 Donations to National Law Enforcement Memorial .....		2	
02.99 Total receipts and collections .....	15	17	15
Appropriations:			
05.00 Miscellaneous trust funds .....	–15	–17	–15
05.99 Total appropriations .....	–15	–17	–15
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 14–9972–0–7–303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Donations to National Park Service .....	18	15	15
10.00 Total new obligations .....	18	15	15
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	33	31	31
22.00 New budget authority (gross) .....	15	17	15
23.90 Total budgetary resources available for obligation .....	48	48	46
23.95 Total new obligations .....	–18	–15	–15
24.40 Unobligated balance carried forward, end of year .....	31	31	31
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	15	15	15
69.00 Offsetting collections (cash) National Law Enforcement Memorial .....		2	
70.00 Total new budget authority (gross) .....	15	17	15
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	7	7
73.10 Total new obligations .....	18	15	15
73.20 Total outlays (gross) .....	–16	–15	–15
74.40 Obligated balance, end of year .....	7	7	7
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	16	15	15
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....		–2	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	15	15	15
90.00 Outlays .....	16	13	15
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....			
92.02 Total investments, end of year: Federal securities: Par value .....			

*National Park Service, donations.*—The Secretary of the Interior accepts and uses donated moneys for the purposes of the National Park System (16 U.S.C. 6).

*Preservation, Birthplace of Abraham Lincoln, National Park Service.*—This fund consists of an endowment given by the Lincoln Farm Association, and the interest therefrom is available for preservation of the Abraham Lincoln Birthplace National Historic Site, Kentucky (16 U.S.C. 211, 212).

**Object Classification (in millions of dollars)**

Identification code 14–9972–0–7–303	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	1	1	1
11.3 Other than full-time permanent .....	2	3	3
11.9 Total personnel compensation .....	3	4	4
12.1 Civilian personnel benefits .....	1	1	1
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	7	6	6
26.0 Supplies and materials .....	1	1	1
32.0 Land and structures .....	2	2	2
99.0 Direct obligations .....	15	15	15
99.5 Below reporting threshold .....	3		
99.9 Total new obligations .....	18	15	15

**Personnel Summary**

Identification code 14–9972–0–7–303	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	113	113	113

**ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS**

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:

- Department of Agriculture, Forest Service: “State and Private Forestry”
- Department of Labor, Employment and Training Administration: “Training and Employment Services”
- Department of Transportation, Federal Highway Administration: “Federal-Aid Highways (Liquidation of Contract Authorization) (Highway Trust Fund)” and “Highway Studies, Feasibility, Design, Environmental, Engineering”
- Department of the Interior, Bureau of Land Management: “Central Hazardous Materials Fund” and “Wildland Fire Management”
- Department of the Interior, Office of the Secretary: “Natural Resource Damage Assessment and Restoration Fund”

**ADMINISTRATIVE PROVISIONS**

*Appropriations for the National Park Service shall be available for the purchase of not to exceed 249 passenger motor vehicles, of which 202 shall be for replacement only, including not to exceed 193 for police-type use, 10 buses, and 8 ambulances: Provided, That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913.*

*None of the funds in this Act may be spent by the National Park Service for activities taken in direct response to the United Nations Biodiversity Convention.*

*The National Park Service may distribute to operating units based on the safety record of each unit the costs of programs designed to improve workplace and employee safety, and to encourage employees receiving workers’ compensation benefits pursuant to chapter 81 of title 5, United States Code, to return to appropriate positions for which they are medically able.*

## INDIAN AFFAIRS

## BUREAU OF INDIAN AFFAIRS

## Federal Funds

## General and special funds:

## OPERATION OF INDIAN PROGRAMS

For expenses necessary for the operation of Indian programs, as authorized by law, including the Snyder Act of November 2, 1921 (25 U.S.C. 13), the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450 et seq.), as amended, the Education Amendments of 1978 (25 U.S.C. 2001-2019), and the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.), as amended, \$1,889,735,000 to remain available until September 30, 2005 except as otherwise provided herein, of which not to exceed \$85,924,000 shall be for welfare assistance payments and notwithstanding any other provision of law, including but not limited to the Indian Self-Determination Act of 1975, as amended, not to exceed \$135,315,000 shall be available for payments to tribes and tribal organizations for contract support costs associated with ongoing contracts, grants, compacts, or annual funding agreements entered into with the Bureau prior to or during fiscal year 2004, as authorized by such Act, except that tribes and tribal organizations may use their tribal priority allocations for unmet indirect costs of ongoing contracts, grants, or compacts, or annual funding agreements and for unmet welfare assistance costs; and of which not to exceed \$458,524,000 for school operations costs of Bureau-funded schools and other education programs shall become available on July 1, 2004, and shall remain available until September 30, 2005; and of which not to exceed \$55,378,000 shall remain available until expended for housing improvement, road maintenance, attorney fees, litigation support, the Indian Self-Determination Fund, land records improvement, and the Navajo-Hopi Settlement Program: Provided, That notwithstanding any other provision of law, including but not limited to the Indian Self-Determination Act of 1975, as amended, and 25 U.S.C. 2008, not to exceed \$46,181,000 within and only from such amounts made available for school operations shall be available to tribes and tribal organizations for administrative cost grants associated with ongoing grants entered into with the Bureau prior to or during fiscal year 2003 for the operation of Bureau-funded schools, and up to \$3,000,000 within and only from such amounts made available for school operations shall be available for the transitional costs of initial administrative cost grants to tribes and tribal organizations that enter into grants for the operation on or after July 1, 2004 of Bureau operated schools: Provided further, That any forestry funds allocated to a tribe which remain unobligated as of September 30, 2005, may be transferred during fiscal year 2006 to an Indian forest land assistance account established for the benefit of such tribe within the tribe's trust fund account: Provided further, That any such unobligated balances not so transferred shall expire on September 30, 2006.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 14-2100-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Tribal priority allocations .....	801	795	800
00.02 Other recurring programs .....	669	594	610
00.03 Non-recurring programs .....	67	73	76
00.04 Central office operations .....	69	81	99
00.05 Regional office operations .....	64	76	65
00.06 Special program and pooled overhead .....	253	277	277
09.07 Reimbursable program .....	172	174	174
10.00 Total new obligations .....	2,095	2,070	2,101
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	411	297	250
22.00 New budget authority (gross) .....	1,964	2,003	2,061
22.10 Resources available from recoveries of prior year obligations .....	25	20	20
22.22 Unobligated balance transferred from other accounts .....	2		
23.90 Total budgetary resources available for obligation .....	2,402	2,320	2,331
23.95 Total new obligations .....	-2,095	-2,070	-2,101
23.98 Unobligated balance expiring or withdrawn .....	-9		

24.40 Unobligated balance carried forward, end of year .....	297	250	230
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,800	1,835	1,890
40.36 Unobligated balance rescinded .....	-10		
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	1,789	1,835	1,890
Reappropriation:			
50.00 Reappropriation .....	1		
50.00 Reappropriation .....	9		
53.00 Reappropriation (total discretionary) .....	10		
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	153	168	171
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	12		
68.90 Spending authority from offsetting collections (total discretionary) .....	165	168	171
70.00 Total new budget authority (gross) .....	1,964	2,003	2,061
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	218	270	332
73.10 Total new obligations .....	2,095	2,070	2,101
73.20 Total outlays (gross) .....	-2,016	-1,988	-1,987
73.40 Adjustments in expired accounts (net) .....	-7		
73.45 Recoveries of prior year obligations .....	-25	-20	-20
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-12		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	17		
74.40 Obligated balance, end of year .....	270	332	426
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,372	1,342	1,381
86.93 Outlays from discretionary balances .....	644	646	606
87.00 Total outlays (gross) .....	2,016	1,988	1,987
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-161	-158	-160
88.40 Non-Federal sources .....	-7	-10	-11
88.90 Total, offsetting collections (cash) .....	-168	-168	-171
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-12		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	15		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,799	1,835	1,890
90.00 Outlays .....	1,848	1,820	1,816
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	22		
99.01 Outlays .....	22		

The Operation of Indian Programs appropriation consists of a wide range of services and benefits provided to Indian Tribes, Alaskan Native groups, and individual Native Americans.

**Tribal priority allocations.**—This activity includes the majority of funds used to support ongoing programs at the local Tribal level. Funding priorities for Tribal base programs included in Tribal Priority Allocations are determined by Tribes. Although budget estimates include specific amounts for individual programs, funds may be shifted among programs within the total available for a Tribe or a Bureau of Indian Affairs (BIA) agency or regional office at the time of budget execution.

**Other recurring programs.**—This activity includes ongoing programs for which funds are (1) distributed by formula, such as elementary and secondary school operations and Tribal community colleges; and (2) for resource management activities that carry out specific laws or court-ordered settlements.

**Non-recurring programs.**—This activity includes programs that support Indian reservation and Tribal projects of limited duration, such as noxious weed eradication, cadastral surveys, and forest development.

**Central office operations.**—This activity supports the executive, program, and administrative management costs of central office organizations, most of which are located in Washington, DC.

**Regional office operations.**—The BIA has 12 regional offices located throughout the country. Regional Directors have line authority over agency office superintendents. Most of the agency offices are located on Indian reservations. Virtually all of the staff and related administrative support costs for regional and agency offices are included within this activity. Regional Directors have flexibility in aligning their staff and resources to best meet the program requirements of the Tribes within their region.

**Special programs and pooled overhead.**—Most of the funds in this activity support law enforcement and bureau-wide expenses for items such as unemployment compensation, workers compensation, facilities rentals, telecommunications, and data processing. This activity includes the Bureau's two post-secondary schools, and the Indian police academy, the Indian Arts and Crafts Board, the Indian Integrated Resources Information Program, and non-education facilities operation and maintenance.

**Object Classification** (in millions of dollars)

Identification code 14-2100-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	183	185	187
11.3 Other than full-time permanent .....	106	107	108
11.5 Other personnel compensation .....	19	19	19
11.9 Total personnel compensation .....	308	311	314
12.1 Civilian personnel benefits .....	83	83	84
13.0 Benefits for former personnel .....	3	3	3
21.0 Travel and transportation of persons .....	18	16	16
22.0 Transportation of things .....	15	13	13
23.1 Rental payments to GSA .....	20	20	20
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	24	24	24
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	6	5	5
25.2 Other services .....	809	796	816
25.3 Other purchases of goods and services from Government accounts .....	46	43	46
25.4 Operation and maintenance of facilities .....	2	2	2
25.5 Research and development contracts .....	2	2	2
25.7 Operation and maintenance of equipment .....	3	3	3
25.8 Subsistence and support of persons .....	1	1	1
26.0 Supplies and materials .....	35	30	30
31.0 Equipment .....	24	20	24
32.0 Land and structures .....	1	1	1
41.0 Grants, subsidies, and contributions .....	521	521	521
99.0 Direct obligations .....	1,923	1,896	1,927
99.0 Reimbursable obligations .....	172	174	174
99.9 Total new obligations .....	2,095	2,070	2,101

**Personnel Summary**

Identification code 14-2100-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	6,831	6,831	6,849
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	686	686	686
<b>Allocation account:</b>			
<b>Total compensable workyears:</b>			
3001 Civilian full-time equivalent employment .....	694	694	694

CONSTRUCTION

*For construction, repair, improvement, and maintenance of irrigation and power systems, buildings, utilities, and other facilities, including architectural and engineering services by contract; acquisition of lands, and interests in lands; and preparation of lands for farming, and for the Navajo Indian Irrigation Project pursuant to Public Law 87-483, \$345,154,000, to remain available until expended: Provided, That such amounts as may be available for the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation: Provided further, That not to exceed 6 percent of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover the road program management costs of the Bureau: Provided further, That any funds provided for the Safety of Dams program pursuant to 25 U.S.C. 13 shall be made available on a nonreimbursable basis: Provided further, That for fiscal year 2004, in implementing new construction or facilities improvement and repair project grants in excess of \$100,000 that are provided to tribally controlled grant schools under Public Law 100-297, as amended, the Secretary of the Interior shall use the Administrative and Audit Requirements and Cost Principles for Assistance Programs contained in 43 CFR part 12 as the regulatory requirements: Provided further, That such grants shall not be subject to section 12.61 of 43 CFR; the Secretary and the grantee shall negotiate and determine a schedule of payments for the work to be performed: Provided further, That in considering applications, the Secretary shall consider whether the Indian tribe or tribal organization would be deficient in assuring that the construction projects conform to applicable building standards and codes and Federal, tribal, or State health and safety standards as required by 25 U.S.C. 2005(a), with respect to organizational and financial management capabilities: Provided further, That if the Secretary declines an application, the Secretary shall follow the requirements contained in 25 U.S.C. 2505(f): Provided further, That any disputes between the Secretary and any grantee concerning a grant shall be subject to the disputes provision in 25 U.S.C. 2508(e).*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 14-2301-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Education construction .....	212	335	303
00.02 Public safety and justice construction .....	7	5	5
00.03 Resource management construction .....	53	53	52
00.04 General administration .....	8	9	8
00.05 Tribal Government .....	1		
00.06 Emergency response .....	1		
09.07 Reimbursable program .....	20	50	21
10.00 Total new obligations .....	302	452	389
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	81	149	66
22.00 New budget authority (gross) .....	402	365	367
22.10 Resources available from recoveries of prior year obligations .....	6	4	4
22.21 Unobligated balance transferred to other accounts .....	-37		
23.90 Total budgetary resources available for obligation .....	452	518	437
23.95 Total new obligations .....	-302	-452	-389
24.40 Unobligated balance carried forward, end of year .....	149	66	48
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	357	345	346
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	20	20	21
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	25		
68.90 Spending authority from offsetting collections (total discretionary) .....	45	20	21
70.00 Total new budget authority (gross) .....	402	365	367
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	230	204	321
73.10 Total new obligations .....	302	452	389
73.20 Total outlays (gross) .....	-297	-331	-355

**General and special funds—Continued**

**CONSTRUCTION—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 14-2301-0-1-452	2002 actual	2003 est.	2004 est.
73.45 Recoveries of prior year obligations .....	- 6	- 4	- 4
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	- 25		
74.40 Obligated balance, end of year .....	204	321	351
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	126	99	101
86.93 Outlays from discretionary balances .....	171	232	254
87.00 Total outlays (gross) .....	297	331	355
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	- 9	- 6	- 6
88.40 Non-Federal sources .....	- 11	- 14	- 15
88.90 Total, offsetting collections (cash) .....	- 20	- 20	- 21
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	- 25		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	357	345	346
90.00 Outlays .....	277	311	334
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

*Education construction.*—This activity provides for the planning, design, construction, maintenance and rehabilitation of Bureau-funded school facilities and the repair needs for employee housing.

*Public safety and justice construction.*—This activity provides for the planning, design, improvement, repair, and construction of detention centers for Indian youth and adults.

*Resources management construction.*—This activity provides for the construction, extension, and rehabilitation of irrigation projects, dams, and related power systems on Indian reservations.

*General administration.*—This activity provides for the improvement and repair of the Bureau's non-education facilities, the telecommunications system, the facilities management information system and construction program management.

**Object Classification (in millions of dollars)**

Identification code 14-2301-0-1-452	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	12	13	14
11.3 Other than full-time permanent .....	6	6	6
11.9 Total personnel compensation .....	18	19	20
12.1 Civilian personnel benefits .....	4	4	4
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.1 Advisory and assistance services .....	1	3	1
25.2 Other services .....	27	65	65
25.3 Other purchases of goods and services from Government accounts .....	33	62	55
25.4 Operation and maintenance of facilities .....	14	30	30
25.5 Research and development contracts .....	1	1	1
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials .....	4	10	8
31.0 Equipment .....	4	7	3
32.0 Land and structures .....	80	96	86
41.0 Grants, subsidies, and contributions .....	76	91	81
99.0 Direct obligations .....	265	391	357
99.0 Reimbursable obligations .....	20	50	21

Allocation Account:	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	2	1	1
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	3	2	2
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
32.0 Land and structures .....	8	5	5
41.0 Grants, subsidies, and contributions .....	2	1	1
99.0 Allocation account .....	17	11	11
99.9 Total new obligations .....	302	452	389

**Personnel Summary**

Identification code 14-2301-0-1-452	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	346	346	346
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	48	48	48
<b>Allocation account:</b>			
Total compensable workyears:			
3001 Civilian full-time equivalent employment .....	600	600	600

**INDIAN LAND CONSOLIDATION**

*For consolidation of fractional interests in Indian lands and expenses associated with redetermining and redistributing escheated interests in allotted lands, and for necessary expenses to carry out the Indian Land Consolidation Act of 1983, as amended, by direct expenditure or cooperative agreement, \$20,980,000, to remain available until expended and which may be transferred to the Office of the Special Trustee and Departmental Management.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-2103-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	8	13	23
10.00 Total new obligations .....	8	13	23
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	8	12	5
22.00 New budget authority (gross) .....	11	8	21
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	20	20	26
23.95 Total new obligations .....	- 8	- 13	- 23
24.40 Unobligated balance carried forward, end of year .....	12	5	5
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	11	8	21
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		
73.10 Total new obligations .....	8	13	23
73.20 Total outlays (gross) .....	- 8	- 15	- 19
73.45 Recoveries of prior year obligations .....	- 1		
74.40 Obligated balance, end of year .....			4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	7	8	19
86.93 Outlays from discretionary balances .....	1	7	
87.00 Total outlays (gross) .....	8	15	19
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	11	8	21
90.00 Outlays .....	8	15	19

This appropriation funds a program to consolidate fractional interests in Indian lands. Funds will be used to purchase

small partial interests from willing individual Indian land-owners. Consolidation of these interests is expected to reduce the Government's costs for managing Indian lands and promote economic opportunity on these lands. This program is authorized under the Indian Land Consolidation Act Amendments of 2000 (P.L. 106-462) and other authorities.

Object Classification (in millions of dollars)			
Identification code 14-2103-0-1-452	2002 actual	2003 est.	2004 est.
25.2 Other services .....	1	3	3
32.0 Land and structures .....	7	10	20
99.9 Total new obligations .....	8	13	23

WHITE EARTH SETTLEMENT FUND

Program and Financing (in millions of dollars)

Identification code 14-2204-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	3	3
10.00 Total new obligations (object class 41.0) .....	3	3	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	3	3	3
23.95 Total new obligations .....	-3	-3	-3
<b>New budget authority (gross), detail:</b>			
Mandatory:			
Appropriation (Indefinite):			
60.00 Appropriation .....	3	3	3
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	3	3	3
73.20 Total outlays (gross) .....	-3	-3	-3
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	3	3
90.00 Outlays .....	3	3	3

The White Earth Reservation Land Settlement Act of 1985 (Public Law 99-264) authorizes the payment of funds to eligible allottees or heirs of the White Earth Reservation, MN, as determined by the Secretary of the Interior. The payment of funds shall be treated as the final judgment, award, or compromise settlement under the provisions of title 31, United States Code, section 1304.

INDIAN LAND AND WATER CLAIM SETTLEMENTS AND MISCELLANEOUS PAYMENTS TO INDIANS

For miscellaneous payments to Indian tribes and individuals and for necessary administrative expenses, \$51,375,000, to remain available until expended; of which \$32,636,000 shall be for implementation of enacted Indian land and water claim settlements pursuant to Public Laws 101-618, 107-331, and 102-575, and for implementation of other enacted water rights settlements; of which \$18,739,000 shall be available pursuant to Public Laws 99-264, 100-580, 106-425, and 106-554.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 14-2303-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 White Earth Reservation Claims Settlement Act .....	1	1	1

00.02 Ute Indian Water Rights Settlement .....	25	25	27
00.04 Rocky Boys .....	8	5	
00.05 (Michigan) Great Lakes Fishing Settlement .....	6		
00.09 Shivwits Band .....	5	16	
00.10 Santo Domingo Pueblo .....	2	3	9
00.11 Colorado Ute .....	8	8	8
00.12 Torres-Martinez .....	6		
00.13 Cherokee, Choctaw, and Chickasaw Nations .....			10
00.14 Yurok Tribe .....		3	
00.15 Old Age Assistance Payments .....		1	
00.16 Hoopa-Yurok Settlement .....			1
10.00 Total new obligations .....	61	62	56

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year .....	8	8	4
22.00 New budget authority (gross) .....	61	58	51
23.90 Total budgetary resources available for obligation .....	69	66	55
23.95 Total new obligations .....	-61	-62	-56
24.40 Unobligated balance carried forward, end of year .....	8	4	

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation .....	61	58	51

Change in obligated balances:

72.40 Obligated balance, start of year .....	2		2
73.10 Total new obligations .....	61	62	56
73.20 Total outlays (gross) .....	-62	-58	-52
74.40 Obligated balance, end of year .....		2	6

Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	55	52	46
86.93 Outlays from discretionary balances .....	7	6	6
87.00 Total outlays (gross) .....	62	58	52

Net budget authority and outlays:

89.00 Budget authority .....	61	58	51
90.00 Outlays .....	62	58	52

This account covers expenses associated with the following activities.

*White Earth Reservation Claims Settlement Act (Public Law 99-264).*—Funds are used to investigate and verify questionable transfers of land by which individual Indian allottees, or their heirs, were divested of ownership and to achieve the payment of compensation to said allottees or heirs in accordance with the Act. A major portion of work is contracted under Public Law 93-638, as amended, to the White Earth Reservation Business Committee.

*Hoopa-Yurok Settlement Act (Public Law 100-580).*—The Act provides for the settlement of reservation lands between the Hoopa Valley Tribe and the Yurok Indians in northern California. Funds will be used for the settlement as authorized by law and for administrative expenses related to implementing the settlement.

*Truckee-Carson-Pyramid Lake Water Settlement Act (Public Law 101-618).*—The Act provides for the settlement of claims of the Pyramid Lake Paiute Tribe (NV). Funds will be used to provide payments to the Truckee-Carson Irrigation District for service of water rights acquired.

*Ute Indian Water Rights Settlement (Public Law 102-575).*—Funds are requested for the settlement of the water rights claims of the Ute Indian Tribe (UT). Funds are authorized to be appropriated for Tribal farming operations, stream and reservoir improvements, and recreation enhancement.

*Santo Domingo Pueblo Claims Settlement Act (Public Law 106-425).*—Funds are requested for the settlement of the land claims of the Pueblo of Santo Domingo as authorized.

*Colorado Ute Settlement Act Amendments (Public Law 106-554).*—Funds are requested for the settlement of water rights of the outstanding claims of the Tribes on the Animas and LaPlata Rivers. Funds will be used for payment into the Tribal Resource Fund(s).

*Cherokee, Choctaw, and Chickasaw Nations Claims Settlement Act (Public Law 107-331).*—Funds are requested for

**General and special funds—Continued****INDIAN LAND AND WATER CLAIM SETTLEMENTS AND  
MISCELLANEOUS PAYMENTS TO INDIANS—Continued**

the settlement of claims of the Cherokee, Choctaw, and Chickasaw Nations as authorized.

**Object Classification** (in millions of dollars)

Identification code 14-2303-0-1-452	2002 actual	2003 est.	2004 est.
25.2 Other services .....	7	7	7
41.0 Grants, subsidies, and contributions .....	54	55	49
99.9 Total new obligations .....	61	62	56

**OPERATION AND MAINTENANCE OF QUARTERS****Unavailable Collections** (in millions of dollars)

Identification code 14-5051-0-2-452	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Rents and charges for quarters, Bureau of Indian Affairs, Interior .....	5	5	5
Appropriations:			
05.00 Operation and maintenance of quarters .....	-5	-5	-5
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 14-5051-0-2-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operations and Maintenance .....	5	5	5
10.00 Total new obligations .....	5	5	5
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	3	3
22.00 New budget authority (gross) .....	5	5	5
23.90 Total budgetary resources available for obligation .....	8	8	8
23.95 Total new obligations .....	-5	-5	-5
24.40 Unobligated balance carried forward, end of year .....	3	3	3
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	5	5	5
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	2	2
73.10 Total new obligations .....	5	5	5
73.20 Total outlays (gross) .....	-4	-4	-4
74.40 Obligated balance, end of year .....	2	2	2
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	4	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	5	5
90.00 Outlays .....	4	4	4

Public Law 88-459 (Federal Employees Quarters and Facilities Act of 1964) is the basic authority under which the Secretary utilizes funds from the rental of quarters to defer the costs of operation and maintenance incidental to the employee quarters program. Public Law 98-473 established a special fund, to remain available until expended, for the operation and maintenance of quarters.

**Object Classification** (in millions of dollars)

Identification code 14-5051-0-2-452	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....	3	3	3

99.5 Below reporting threshold .....	2	2	2
99.9 Total new obligations .....	5	5	5

**Personnel Summary**

Identification code 14-5051-0-2-452	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	58	58	58

**MISCELLANEOUS PERMANENT APPROPRIATIONS****Unavailable Collections** (in millions of dollars)

Identification code 14-9925-0-2-452	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Deposits, operation and maintenance, Indian irrigation systems .....	22	22	22
02.21 Alaska resupply program .....	1	1	1
02.22 Power revenues, Indian irrigation projects .....	53	58	59
02.40 Earnings on investments, operation and maintenance, Indian irrigation syst .....	1	1	1
02.42 Earnings on investments, Indian irrigation projects .....	1	1	1
02.99 Total receipts and collections .....	78	83	84
Appropriations:			
05.00 Miscellaneous permanent appropriations .....	-78	-83	-85
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 14-9925-0-2-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Operation and maintenance, Indian irrigation systems .....	24	25	27
00.03 Power systems, Indian irrigation projects .....	54	55	55
00.04 Alaska resupply program .....	1	3	3
10.00 Total new obligations .....	79	83	85
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	57	58	58
22.00 New budget authority (gross) .....	78	83	85
23.90 Total budgetary resources available for obligation .....	135	141	143
23.95 Total new obligations .....	-79	-83	-85
24.40 Unobligated balance carried forward, end of year .....	58	58	58
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	78	83	85
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10	12	12
73.10 Total new obligations .....	79	83	85
73.20 Total outlays (gross) .....	-76	-83	-83
74.40 Obligated balance, end of year .....	12	12	12
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	18	17	17
86.98 Outlays from mandatory balances .....	58	66	66
87.00 Total outlays (gross) .....	76	83	83
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	78	83	85
90.00 Outlays .....	77	83	83
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	64	64	38
92.02 Total investments, end of year: Federal securities: Par value .....	64	38	38
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

*Claims and treaty obligations.*—Payments are made to fulfill treaty obligations with the Senecas of New York (Act of February 19, 1831), the Six Nations of New York (Act of November 11, 1794), and the Pawnees of Oklahoma (the treaty of September 24, 1857).

*Operation and maintenance, Indian irrigation systems.*—Revenues derived from charges for operation and maintenance of Indian irrigation projects are used to defray in part the cost of operating and maintaining these projects (60 Stat. 895).

*Power systems, Indian irrigation projects.*—Revenues collected from the sale of electric power by the Colorado River and Flathead power systems are used to operate and maintain those systems (60 Stat. 895; 65 Stat. 254). This activity also includes Cochiti Wet Field Solution funds that were transferred from the Corps of Engineers to pay for operation and maintenance, repair, and replacement of the ongoing drainage system (P.L. 102–358).

*Alaska resupply program.*—Revenues collected from operation of the Alaska Resupply Program are used to operate and maintain this program (P.L. 77–457, 56 Stat. 95).

**Object Classification** (in millions of dollars)

Identification code 14–9925–0–2–452	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	22	20	21
12.1 Civilian personnel benefits .....	13	6	6
22.0 Transportation of things .....	1	6	6
23.3 Communications, utilities, and miscellaneous charges .....	17	7	7
25.2 Other services .....	22	18	19
25.3 Other purchases of goods and services from Government accounts .....	3	7	7
25.4 Operation and maintenance of facilities .....	1	19	19
99.9 Total new obligations .....	79	83	85

**Personnel Summary**

Identification code 14–9925–0–2–452	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	400	400	400

**Credit accounts:**

**INDIAN DIRECT LOAN PROGRAM ACCOUNT**

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 14–2627–0–1–452	2002 actual	2003 est.	2004 est.
0101 Indian direct loans, downward reestimates of subsidies .....	1		

**Program and Financing** (in millions of dollars)

Identification code 14–2627–0–1–452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Upward reestimate .....		1	
00.06 Interest on reestimate .....		1	
10.00 Total new obligations (object class 41.0) .....		2	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		4	
23.95 Total new obligations .....		–2	
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....		2	
69.00 Offsetting collections (cash) .....		2	
70.00 Total new budget authority (gross) .....		4	
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		2	

73.20 Total outlays (gross) .....		–4	
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		4	
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....		–2	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		2	
90.00 Outlays .....		2	
<b>Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program</b> (in millions of dollars)			
Identification code 14–2627–0–1–452	2002 actual	2003 est.	2004 est.
Direct loan upward reestimate subsidy budget authority:			
135001 Indian direct programs .....		2	
135901 Total upward reestimate budget authority .....		2	
Direct loan upward reestimate subsidy outlays:			
136001 Upward reestimates subsidy outlays .....		2	
136901 Total upward reestimate outlays .....		2	
Direct loan downward reestimate subsidy budget authority:			
137001 Downward reestimates subsidy budget authority .....	–1		
137901 Total downward reestimate budget authority .....	–1		
Direct loan downward reestimate subsidy outlays:			
138001 Downward reestimates subsidy outlays .....	–1		
138901 Total downward reestimate subsidy outlays .....	–1		

**INDIAN DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 14–4416–0–3–452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Interest paid to Treasury .....	2	6	1
08.02 Downward Reestimate .....	1		
10.00 Total new obligations .....	3	6	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	5	
22.00 New financing authority (gross) .....	3	5	3
22.60 Portion applied to repay debt .....	–1	–2	–2
23.90 Total budgetary resources available for obligation .....	9	8	1
23.95 Total new obligations .....	–3	–6	–1
24.40 Unobligated balance carried forward, end of year .....	5		
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	3	5	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			4
73.10 Total new obligations .....	3	6	1
73.20 Total financing disbursements (gross) .....	–3	–2	–2
74.40 Obligated balance, end of year .....		4	3
87.00 Total financing disbursements (gross) .....	3	2	2
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....		–2	
Non-Federal sources:			
88.40 Collections of loans .....	–2	–2	–2
88.40 Revenues, interest on loans .....	–1	–1	–1
88.90 Total, offsetting collections (cash) .....	–3	–5	–3
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			

**Credit accounts—Continued**

**INDIAN DIRECT LOAN FINANCING ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 14-4416-0-3-452	2002 actual	2003 est.	2004 est.
90.00 Financing disbursements .....	1	-3	-1

**Status of Direct Loans (in millions of dollars)**

Identification code 14-4416-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....			
1131 Direct loan obligations exempt from limitation .....			
1150 Total direct loan obligations .....			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	23	20	17
1251 Repayments: Repayments and prepayments .....	-2	-2	-3
1263 Write-offs for default: Direct loans .....	-1	-1	-1
1290 Outstanding, end of year .....	20	17	13

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 14-4416-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	23	20	17	
1402 Interest receivable .....	4	2	2	
1405 Allowance for subsidy cost (-) .....	-12	-3	-3	
1499 Net present value of assets related to direct loans .....	15	19	16	
1999 Total assets .....	15	19	16	
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....	15	19	16	
2999 Total liabilities .....	15	19	16	
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....				
3999 Total net position .....				
4999 Total liabilities and net position .....	15	19	16	

**REVOLVING FUND FOR LOANS LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 14-4409-0-3-452	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	4	
22.40 Capital transfer to general fund .....		-4	
23.90 Total budgetary resources available for obligation .....	4		
24.40 Unobligated balance carried forward, end of year .....	4		

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	4	4	4
69.47 Portion applied to repay debt .....	-4	-4	-4
69.90 Spending authority from offsetting collections (total mandatory) .....			

**Offsets:**

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-4	-4	-4

**Net budget authority and outlays:**

89.00 Budget authority .....	-4	-4	-4
90.00 Outlays .....	-4	-4	-4

**Status of Direct Loans (in millions of dollars)**

Identification code 14-4409-0-3-452	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	35	34	33
1263 Write-offs for default: Direct loans .....	-1	-1	-1
1290 Outstanding, end of year .....	34	33	32

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

**Statement of Operations (in millions of dollars)**

Identification code 14-4409-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	2	3	3	3
0102 Expense .....	-2	-1	-1	-1
0105 Net income or loss (-) .....	2	2	2	2

**Balance Sheet (in millions of dollars)**

Identification code 14-4409-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	35	34	33	32
1602 Interest receivable .....	9	7	7	7
1603 Allowance for estimated uncollectible loans and interest (-) .....	-15	-10	-10	-10
1604 Direct loans and interest receivable, net .....	29	31	30	29
1699 Value of assets related to direct loans .....	29	31	30	29
1999 Total assets .....	29	31	30	29
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....	29	31	30	29
2999 Total liabilities .....	29	31	30	29
<b>NET POSITION:</b>				
3999 Total net position .....				
4999 Total liabilities and net position .....	29	31	30	29

**INDIAN GUARANTEED LOAN PROGRAM ACCOUNT**

For the cost of guaranteed and insured loans, \$5,797,000, as authorized by the Indian Financing Act of 1974, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$94,567,700.

In addition, for administrative expenses to carry out the guaranteed and insured loan programs, \$700,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 14-2628-0-1-452	2002 actual	2003 est.	2004 est.
0101 Indian loan guarantee, downward reestimates of subsidies .....	3	4	.....

**Program and Financing** (in millions of dollars)

Identification code 14-2628-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Guaranteed loan subsidy .....	4	5	5
00.07 Restimates of loan guarantee subsidy .....	1	.....	.....
00.09 Administrative expenses below reporting threshold .....	1	1	1
10.00 Total new obligations .....	6	6	6

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	5	5	6
23.95 Total new obligations .....	-6	-6	-6

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	5	5	6

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	4	5	5
73.10 Total new obligations .....	6	6	6
73.20 Total outlays (gross) .....	-4	-5	-5
74.40 Obligated balance, end of year .....	5	5	5

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1	1	1
86.93 Outlays from discretionary balances .....	3	4	4
87.00 Total outlays (gross) .....	4	5	5

**Net budget authority and outlays:**

89.00 Budget authority .....	5	5	6
90.00 Outlays .....	4	5	5

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 14-2628-0-1-452	2002 actual	2003 est.	2004 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Indian guaranteed loan .....	75	72	84
215901 Total loan guarantee levels .....	75	72	84
<b>Guaranteed loan subsidy (in percent):</b>			
232001 Indian guaranteed loan .....	6.00	6.91	6.13
232901 Weighted average subsidy rate .....	6.00	6.91	6.13
<b>Guaranteed loan subsidy budget authority:</b>			
233001 Indian guaranteed loan .....	4	5	5
233901 Total subsidy budget authority .....	4	5	5
<b>Guaranteed loan subsidy outlays:</b>			
234001 Indian guaranteed loan .....	4	5	5
234901 Total subsidy outlays .....	4	5	5
<b>Guaranteed loan upward reestimate subsidy budget authority:</b>			
235001 Indian guaranteed loan .....	1	.....	.....
235901 Total upward reestimate budget authority .....	1	.....	.....
<b>Guaranteed loan upward reestimate subsidy outlays:</b>			
236001 Indian guaranteed loan .....	1	.....	.....
236901 Total upward reestimate subsidy outlays .....	1	.....	.....
<b>Guaranteed loan downward reestimate subsidy budget authority:</b>			
237001 Indian guaranteed loan .....	-4	-4	.....
237901 Total downward reestimate subsidy budget authority .....	-4	-4	.....
<b>Guaranteed loan downward reestimate subsidy outlays:</b>			
238001 Indian guaranteed loan .....	-4	-4	.....
238901 Total downward reestimate subsidy outlays .....	-4	-4	.....

<b>Administrative expense data:</b>			
351001 Budget authority below reporting threshold .....	4	.....	.....

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with guaranteed and insured loans committed in 1992 and beyond (including modifications of loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. Guaranteed and insured loans are targeted to projects with an emphasis on manufacturing, business services, and tourism (hotels, motels, restaurants) providing increased economic development on Indian reservations.

**Object Classification** (in millions of dollars)

Identification code 14-2628-0-1-452	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	5	5	5
99.5 Below reporting threshold administrative expenses .....	1	1	1
99.9 Total new obligations .....	6	6	6

**Personnel Summary**

Identification code 14-2628-0-1-452	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	4	4	7

**INDIAN GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 14-4415-0-3-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Interest subsidy .....	6	1	1
08.02 Downward Reestimates .....	2	3	.....
08.04 Interest on reestimates .....	1	1	.....
08.91 Direct Program by Activities—Subtotal (1 level) .....	3	4	.....
10.00 Total new obligations .....	9	5	1

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	49	49	62
22.00 New financing authority (gross) .....	9	18	18
23.90 Total budgetary resources available for obligation .....	58	67	80
23.95 Total new obligations .....	-9	-5	-1
24.40 Unobligated balance carried forward, end of year .....	49	62	77

**New financing authority (gross), detail:**

<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	9	18	18

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	.....	.....	3
73.10 Total new obligations .....	9	5	1
73.20 Total financing disbursements (gross) .....	-9	-2	-2
74.40 Obligated balance, end of year .....	.....	3	3
87.00 Total financing disbursements (gross) .....	9	2	2

**Offsets:**

<b>Against gross financing authority and financing disbursements:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Payments from program account .....	-5	-5	-5
88.25 Interest on uninvested funds .....	-3	-5	-5
88.40 Non-Federal sources .....	-1	-8	-8
88.90 Total, offsetting collections (cash) .....	-9	-18	-18

**Net financing authority and financing disbursements:**

89.00 Financing authority .....	.....	.....	.....
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## Credit accounts—Continued

## INDIAN GUARANTEED LOAN FINANCING ACCOUNT—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 14-4415-0-3-452	2002 actual	2003 est.	2004 est.
90.00 Financing disbursements .....	1	-16	-16
<b>Status of Guaranteed Loans (in millions of dollars)</b>			
Identification code 14-4415-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	75	72	84
2150 Total guaranteed loan commitments .....	75	72	84
2199 Guaranteed amount of guaranteed loan commitments .....	60	58	67
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	184	222	261
2231 Disbursements of new guaranteed loans .....	65	65	66
2251 Repayments and prepayments .....	-25	-25	-25
2261 Adjustments: Terminations for default that result in loans receivable .....	-2	-1	-1
2290 Outstanding, end of year .....	222	261	301
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	178	209	241
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	24	25	25
2331 Disbursements for guaranteed loan claims .....	2	1	1
2351 Repayments of loans receivable .....	-1	-1	-1
2361 Write-offs of loans receivable .....			-1
2390 Outstanding, end of year .....	25	25	24

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

## Balance Sheet (in millions of dollars)

Identification code 14-4415-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	49			
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross .....	22	25	25	24
1505 Allowance for subsidy cost (-) .....	-26			
1599 Net present value of assets related to defaulted guaranteed loans .....	-4	25	25	24
1999 Total assets .....	45	25	25	24
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	45	25	25	24
2999 Total liabilities .....	45	25	25	24
<b>NET POSITION:</b>				
3100 Appropriated capital .....				
3999 Total net position .....				
4999 Total liabilities and net position .....	45	25	25	24

## INDIAN LOAN GUARANTY AND INSURANCE FUND LIQUIDATING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 14-4410-0-3-452	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	3	
22.00 New budget authority (gross) .....	3	1	1
22.40 Capital transfer to general fund .....	-2	-5	-2
23.90 Total budgetary resources available for obligation .....	3	-1	-1
24.40 Unobligated balance carried forward, end of year .....	3		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	1		
69.00 Offsetting collections (cash) .....	2	1	1
70.00 Total new budget authority (gross) .....	3	1	1
<b>Change in obligated balances:</b>			
73.20 Total outlays (gross) .....		-1	-1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		1	1
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-2	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1		
90.00 Outlays .....	-2		

## Status of Guaranteed Loans (in millions of dollars)

Identification code 14-4410-0-3-452	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	17	9	3
2251 Repayments and prepayments .....	-8	-6	-3
2290 Outstanding, end of year .....	9	3	
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	7	2	
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	26	22	18
2351 Repayments of loans receivable .....	-4	-4	-3
2361 Write-offs of loans receivable .....			-1
2390 Outstanding, end of year .....	22	18	14

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

## Balance Sheet (in millions of dollars)

Identification code 14-4410-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	2	3	3	3
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1701 Defaulted guaranteed loans, gross ....	26	23	23	23
1702 Interest receivable .....	16	11	11	11

1703	Allowance for estimated uncollectible loans and interest (-) .....	-28	-20	-20	-20
1704	Defaulted guaranteed loans and interest receivable, net .....	14	14	14	14
1799	Value of assets related to loan guarantees .....	14	14	14	14
1901	Other Federal assets: Capitalized Assets .....				
1999	Total assets .....	16	17	17	17
LIABILITIES:					
2104	Federal liabilities: Resources payable to Treasury .....	16	17	17	17
2999	Total liabilities .....	16	17	17	17
NET POSITION:					
3999	Total net position .....				
4999	Total liabilities and net position .....	16	17	17	17

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriation as follows:  
The Department of the Interior: Bureau of Land Management: "Firefighting"  
The Department of Transportation: Federal Highway Administration: "Federal-Aid Highways"

ADMINISTRATIVE PROVISIONS

The Bureau of Indian Affairs may carry out the operation of Indian programs by direct expenditure, contracts, cooperative agreements, compacts and grants, either directly or in cooperation with States and other organizations.

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans, the Indian loan guarantee and insurance fund, and the Indian Guaranteed Loan Program account) shall be available for expenses of exhibits, and purchase of not to exceed 229 passenger motor vehicles, of which not to exceed 187 shall be for replacement only.

Notwithstanding any other provision of law, no funds available to the Bureau of Indian Affairs for central office operations or pooled overhead general administration (except facilities operations and maintenance), shall be available for tribal contracts, grants, compacts, or cooperative agreements with the Bureau of Indian Affairs under the provisions of the Indian Self-Determination Act or the Tribal Self-Governance Act of 1994 (Public Law 103-413).

In the event any tribe returns appropriations made available by this Act to the Bureau of Indian Affairs for distribution to other tribes, this action shall not diminish the Federal Government's trust responsibility to that tribe, or the government-to-government relationship between the United States and that tribe, or that tribe's ability to access future appropriations.

Notwithstanding any other provision of law, no funds available to the Bureau, other than the amounts provided herein for assistance to public schools under 25 U.S.C. 452 et seq., shall be available to support the operation of any elementary or secondary school in the State of Alaska.

Appropriations made available in this or any other Act for schools funded by the Bureau shall be available only to the schools in the Bureau school system as of September 1, 1996. No funds available to the Bureau shall be used to support expanded grades for any school or dormitory beyond the grade structure in place or approved by the Secretary of the Interior at each school in the Bureau school system as of October 1, 1995. Funds made available under this Act may not be used to establish a charter school at a Bureau-funded school (as that term is defined in section 1146 of the Education Amendments of 1978 (25 U.S.C. 2026)), except that a charter school that is in existence on the date of the enactment of this Act and that has operated at a Bureau-funded school before September 1, 1999, may continue to operate during that period, but only if the charter school pays to the Bureau a pro rata share of funds to reimburse the Bureau for the use of the real and personal property (including buses and vans), the funds of the charter school are kept separate and apart from Bureau funds, and the Bureau does not assume any obligation for charter school programs of the State in which the school is located if the charter school loses such funding. Employees of Bureau-funded schools sharing a campus with a charter school and

performing functions related to the charter school's operation and employees of a charter school shall not be treated as Federal employees for purposes of chapter 171 of title 28, United States Code.

DEPARTMENTAL OFFICES

DEPARTMENTAL MANAGEMENT

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses for management of the Department of the Interior, \$97,140,000, of which not to exceed \$8,500 may be for official reception and representation expenses, and of which up to \$1,000,000 shall be available for workers compensation payments and unemployment compensation payments associated with the orderly closure of the United States Bureau of Mines.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 14-0102-0-1-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Departmental direction .....	17	13	13
00.03 Management and coordination .....	25	25	30
00.04 Hearings and appeals .....	8	9	8
00.06 Central services .....	21	31	45
00.07 USBM workers comp./unemployment .....	1	1	1
01.00 Direct program subtotal .....	72	79	97
09.01 Departmental direction .....	9	9	9
09.02 Management and coordination .....	10	10	10
09.03 Central services .....	6	6	6
09.99 Total reimbursable program .....	25	25	25
10.00 Total new obligations .....	97	104	122
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		
22.00 New budget authority (gross) .....	94	104	122
22.22 Unobligated balance transferred from other accounts .....	1		
23.90 Total budgetary resources available for obligation .....	96	104	122
23.95 Total new obligations .....	-97	-104	-122
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	68	78	97
40.00 Appropriation .....	2		
42.00 Transferred from other accounts .....		1	
43.00 Appropriation (total discretionary) .....	70	79	97
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	17	25	25
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	7		
68.90 Spending authority from offsetting collections (total discretionary) .....	24	25	25
70.00 Total new budget authority (gross) .....	94	104	122
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	5	7
73.10 Total new obligations .....	97	104	122
73.20 Total outlays (gross) .....	-92	-104	-123
73.40 Adjustments in expired accounts (net) .....	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-7		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	7		
74.40 Obligated balance, end of year .....	5	7	7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	85	96	114
86.93 Outlays from discretionary balances .....	7	8	9

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 14-0102-0-1-306	2002 actual	2003 est.	2004 est.
87.00 Total outlays (gross) .....	92	104	123
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-24	-25	-25
Against gross budget authority only:			
88.95 Change in uncollected customer payments from			
Federal sources (unexpired) .....	-7		
88.96 Portion of offsetting collections (cash) credited to			
expired accounts .....	7		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	70	79	97
90.00 Outlays .....	68	79	98
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	4	4	4
99.01 Outlays .....	4	4	4

This appropriation provides overall departmental direction and guidance, including such activities and functions as: congressional liaison, communications, and equal opportunity; activities concerning management and coordination; the Department's quasi-judicial and appellate responsibilities; aviation policy; and general administrative support, such as space and postage for the Secretarial offices; and workers and unemployment compensation payments for former Bureau of Mines employees.

**Object Classification (in millions of dollars)**

Identification code 14-0102-0-1-306	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	36	36	37
11.3 Other than full-time permanent .....	3	1	1
11.9 Total personnel compensation .....	39	37	38
12.1 Civilian personnel benefits .....	8	9	10
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	9	9	11
23.3 Communications, utilities, and miscellaneous			
charges .....	1	1	1
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	7	15	29
25.3 Other purchases of goods and services from Gov-			
ernment accounts .....	6	6	6
99.0 Direct obligations .....	72	79	97
99.0 Reimbursable obligations .....	25	25	25
99.9 Total new obligations .....	97	104	122

**Personnel Summary**

Identification code 14-0102-0-1-306	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
<b>Civilian full-time equivalent employment:</b>			
1001 Civilian full-time equivalent employment .....	403	425	423
1001 Civilian full-time equivalent employment .....			
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	84	84	78
<b>Allocation account:</b>			
<b>Total compensable workyears:</b>			
3001 Civilian full-time equivalent employment .....	53	53	49

**PAYMENTS IN LIEU OF TAXES**

For expenses necessary to implement the Act of October 20, 1976, as amended (31 U.S.C. 6901-6907), \$200,000,000, of which not to

exceed \$400,000 shall be for administrative expenses and of which \$50,000,000 is for conservation spending category activities: Provided, That no payment shall be made to otherwise eligible units of local government if the computed amount of the payment is less than \$100.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-1114-0-1-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	210	165	200
10.00 Total new obligations (object class 41.0) .....	210	165	200
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	210	165	200
23.95 Total new obligations .....	-210	-165	-200
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	210	165	200
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4		
73.10 Total new obligations .....	210	165	200
73.20 Total outlays (gross) .....	-214	-165	-200
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	210	165	200
86.93 Outlays from discretionary balances .....	4		
87.00 Total outlays (gross) .....	214	165	200
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	210	165	200
90.00 Outlays .....	213	165	200

Public Law 94-565 (31 U.S.C. 6901-07), as amended, authorizes payments in lieu of taxes to counties and other units of local government for lands within their boundaries that are administered by the Bureau of Land Management, Forest Service, National Park Service, Fish and Wildlife Service, and certain other agencies. The President's Budget proposes transferring this account from the Bureau of Land Management to Departmental Management in recognition of the fact that it is not just BLM lands that are included as the basis of the PILT payment.

**Personnel Summary**

Identification code 14-1114-0-1-806	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	1	1	1

**SPECIAL FOREIGN CURRENCY PROGRAM**

**Program and Financing (in millions of dollars)**

Identification code 14-0105-0-1-306	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

MANAGEMENT OF FEDERAL LANDS FOR SUBSISTENCE USES

Program and Financing (in millions of dollars)

Identification code 14-0124-0-1-302	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	3	2	
73.20 Total outlays (gross)	-1	-2	
74.40 Obligated balance, end of year	2		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	1	2	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	1	2	

In 1999, \$8 million was provided to the Secretary of the Interior to implement and enforce certain Federal regulations in the state of Alaska dealing with subsistence uses of fish and wildlife on navigable rivers in Alaska consistent with the Alaska National Interest Lands Conservation Act (ANILCA). In 2001, funds were provided to the Fish and Wildlife Service, the National Park Service, and the Bureau of Indian Affairs to continue this effort and outlays of obligated balances remain ongoing.

EVERGLADES WATERSHED PROTECTION

Program and Financing (in millions of dollars)

Identification code 14-0140-0-1-303	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	12	6	
73.20 Total outlays (gross)	-5	-6	
74.40 Obligated balance, end of year	6		
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances	5	6	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	5	6	

The Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127) made these funds available to the Secretary to conduct Everglades ecosystem restoration activities until December 31, 1999. These activities include the acquisition of real property, resource protection, and resource maintenance. As of December 31, 1999, all funds had been obligated and outlays of obligated balances remain ongoing.

EVERGLADES RESTORATION ACCOUNT

Program and Financing (in millions of dollars)

Identification code 14-5233-0-2-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity	2	1	1
10.00 Total new obligations (object class 25.2)	2	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	3	2
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	5	3	2
23.95 Total new obligations	-2	-1	-1
24.40 Unobligated balance carried forward, end of year	3	2	1
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	1	2	1

73.10 Total new obligations	2	1	1
73.20 Total outlays (gross)		-1	-1
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	2	1	1

Outlays (gross), detail:

86.98 Outlays from mandatory balances		1	1
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Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays		1	1

The Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127) provides that receipts not exceeding \$100 million, from Federal surplus property sales in the State of Florida, shall be deposited in the Everglades restoration account and shall be available to the Secretary to assist in the restoration of the Everglades.

Authority to receive these funds was rescinded by the Water Resources Development Act of 2000. (P.L. 106-541, December 11, 2000) and outlays of receipts deposited before December 11, 2000, remain ongoing.

PRIORITY FEDERAL LAND ACQUISITIONS AND EXCHANGES

Program and Financing (in millions of dollars)

Identification code 14-5039-0-2-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity-Water Rights and Habitat Acquisition		3	
10.00 Total new obligations (object class 32.0)		3	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)		3	
22.10 Resources available from recoveries of prior year obligations	-1		
23.90 Total budgetary resources available for obligation	-1	3	
23.95 Total new obligations		-3	

New budget authority (gross), detail:

Discretionary:			
40.20 Appropriation (special fund)		3	

Change in obligated balances:

72.40 Obligated balance, start of year	35	22	
73.10 Total new obligations		3	
73.20 Total outlays (gross)	-13	-25	
73.45 Recoveries of prior year obligations	1		
74.10 Change in uncollected customer payments from Federal sources (expired)	-1		
74.40 Obligated balance, end of year	22		

Outlays (gross), detail:

86.90 Outlays from new discretionary authority		3	
86.93 Outlays from discretionary balances	13	22	
87.00 Total outlays (gross)	13	25	

Net budget authority and outlays:

89.00 Budget authority		3	
90.00 Outlays	13	25	

Funds were requested in 2003 for the settlement of the water claims of the Shivwits Band of the Paiute Indian Tribe of Utah. Public Law 106-263 specifies the use of the Land and Water Conservation Fund for implementation of the water rights and habitat acquisition program.

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 14-4523-0-4-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 DM Activities .....	41	20	34
09.02 National Business Center .....	311	317	320
09.03 Aircraft Services .....	131	110	110
09.04 Rebate Funding .....	9	6	6
09.05 Facilities .....	32	33	38
09.09 Reimbursable program subtotal .....	524	486	508
10.00 Total new obligations .....	524	486	508
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	39	32	32
22.00 New budget authority (gross) .....	512	486	508
22.10 Resources available from recoveries of prior year obligations .....	5		
23.90 Total budgetary resources available for obligation .....	556	518	540
23.95 Total new obligations .....	-524	-486	-508
24.40 Unobligated balance carried forward, end of year .....	32	32	32
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	512	486	508
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	54	116	110
73.10 Total new obligations .....	524	486	508
73.20 Total outlays (gross) .....	-457	-492	-531
73.45 Recoveries of prior year obligations .....	-5		
74.40 Obligated balance, end of year .....	116	110	87
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	434	462	483
86.98 Outlays from mandatory balances .....	23	30	48
87.00 Total outlays (gross) .....	457	492	531
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-512	-486	-508
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-55	6	23

This fund finances activities that may be performed more advantageously on a reimbursable basis, including services provided by the National Business Center (NBC). Activities financed through the fund are centrally managed operational services and programs, such as: information technology, security, the Diversity Intern Program, Departmental news and information, and safety and health initiatives. Through the NBC, this fund finances the Department's administrative services systems, including: the Federal Personnel and Payroll System (FPPS), Federal Financial System (FFS), and the Interior Department Electronic Acquisitions System (IDEAS). The NBC also provides accounting, acquisition, aircraft, central reproduction, communications, supplies and health services. The NBC will expand payroll services to other agencies as one of the four government-wide payroll providers selected by OPM.

**Object Classification (in millions of dollars)**

Identification code 14-4523-0-4-306	2002 actual	2003 est.	2004 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	55	62	71
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	59	66	75

12.1 Civilian personnel benefits .....	15	16	18
21.0 Travel and transportation of persons .....	3	3	4
23.1 Rental payments to GSA .....	32	33	38
23.3 Communications, utilities, and miscellaneous charges .....	8	17	17
24.0 Printing and reproduction .....		1	1
25.1 Advisory and assistance services .....	2	4	4
25.2 Other services .....	211	194	198
25.3 Other purchases of goods and services from Government accounts .....	38	6	6
25.4 Operation and maintenance of facilities .....	1	2	2
25.5 Research and development contracts .....	130	130	130
25.7 Operation and maintenance of equipment .....	1	3	3
26.0 Supplies and materials .....	15	5	6
31.0 Equipment .....	8	5	6
99.0 Reimbursable obligations .....	523	485	508
99.5 Below reporting threshold .....	1	1	
99.9 Total new obligations .....	524	486	508

**Personnel Summary**

Identification code 14-4523-0-4-306	2002 actual	2003 est.	2004 est.
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	991	1,036	1,097

**ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS**

Note.—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriation as follows:

- Interior: Bureau of Land Management: "Wildland Fire Management".
- Environmental Protection Agency: "Hazardous Substance Superfund".
- Office of the Special Trustee for American Indians: "Federal Trust Programs".

**ADMINISTRATIVE PROVISIONS**

*There is hereby authorized for acquisition from available resources within the Working Capital Fund, 15 aircraft, 10 of which shall be for replacement and which may be obtained by donation, purchase, or through available excess surplus property: Provided, That existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft: Provided further, That no programs funded with appropriated funds in the "Departmental Management", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund.*

**INSULAR AFFAIRS**

The Secretary of the Interior is charged with the responsibility of promoting the economic and political development of those insular areas which are under U.S. jurisdiction and within the responsibility of the Department of the Interior. The Secretary originates and implements Federal policy for the U.S. territories; guides and coordinates certain operating programs and construction projects; provides information services and technical assistance; coordinates certain Federal programs and services provided to the freely associated states, and participates in foreign policy and defense matters concerning the U.S. territories and the freely associated states.

**Federal Funds**

**General and special funds:**

**ASSISTANCE TO TERRITORIES**

*For expenses necessary for assistance to territories under the jurisdiction of the Department of the Interior, \$71,343,000, of which: (1) \$65,022,000 shall be available until expended for technical assistance, including maintenance assistance, disaster assistance, insular management controls, coral reef initiative activities, and brown tree snake control and research; grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for construction and support of governmental functions; grants to the Government of the Virgin Islands as author-*

ized by law; grants to the Government of Guam, as authorized by law; and grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94-241; 90 Stat. 272); and (2) \$6,321,000 shall be available for salaries and expenses of the Office of Insular Affairs: Provided, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or used by such governments, may be audited by the General Accounting Office, at its discretion, in accordance with chapter 35 of title 31, United States Code: Provided further, That Northern Mariana Islands Covenant grant funding shall be provided according to those terms of the Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands approved by Public Law 104-134: Provided further, That of the amounts provided for technical assistance, sufficient funding shall be made available for a grant to the Close Up Foundation: Provided further, That the funds for the program of operations and maintenance improvement are appropriated to institutionalize routine operations and maintenance improvement of capital infrastructure, with territorial participation and cost sharing to be determined by the Secretary based on the grantee's commitment to timely maintenance of its capital assets: Provided further, That any appropriation for disaster assistance under this heading in this Act or previous appropriations Acts may be used as non-Federal matching funds for the purpose of hazard mitigation grants provided pursuant to section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 14-0412-0-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct:			
00.01 American Samoa Operations grants .....	23	23	23
Territorial Assistance:			
00.02 Office of insular affairs .....	5	5	6
00.03 Technical assistance .....	15	8	8
00.10 Brown tree snake control .....	3	2	2
00.11 Insular management controls .....	1	1	1
00.12 Maintenance assistance fund .....	3	2	2
00.13 Coral reef initiative .....	1	1	1
00.91 Direct subtotal, discretionary .....	51	42	43
01.01 Covenant grants, mandatory .....	28	28	28
01.92 Direct subtotal .....	79	70	71
03.00 Direct subtotal .....	79	70	71
10.00 Total new obligations .....	79	70	71
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	15	16	16
22.00 New budget authority (gross) .....	77	70	71
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation	93	86	87
23.95 Total new obligations .....	-79	-70	-71
24.40 Unobligated balance carried forward, end of year .....	16	16	16
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	51	42	43
41.00 Transferred to other accounts .....	-2		
43.00 Appropriation (total discretionary) .....	49	42	43
Mandatory:			
60.00 Appropriation .....	28	28	28
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	1		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
68.90 Spending authority from offsetting collections (total discretionary) .....			
70.00 Total new budget authority (gross) .....	77	70	71

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	135	129	121
73.10 Total new obligations .....	79	70	71
73.20 Total outlays (gross) .....	-84	-78	-79
73.45 Recoveries of prior year obligations .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
74.40 Obligated balance, end of year .....	129	121	113
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	36	27	28
86.93 Outlays from discretionary balances .....	20	23	23
86.98 Outlays from mandatory balances .....	28	28	28
87.00 Total outlays (gross) .....	84	78	79
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	77	70	71
90.00 Outlays .....	82	78	79

This appropriation provides support for basic government operations for those territories requiring such support, capital infrastructure improvements, special program and economic development assistance, and technical assistance.

Pursuant to section 118 of P.L. 104-134, the \$27.7 million mandatory covenant grant funding may be allocated to high priority needs in the U.S. territories and freely associated states.

The following are key performance measures for the Office of Insular Affairs and the Assistance to Territories account:

**PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
Number of audit qualifications to annual financial statements	32	29	26
Ratio of private sector jobs to total employment	.64	.63	.62

**Object Classification** (in millions of dollars)

Identification code 14-0412-0-1-808	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	2	3	3
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	3	3	3
Grants, subsidies, and contributions:			
41.0 Subsidy—Amer. Samoa loan .....			
41.0 Grants, subsidies, and contributions .....	71	63	64
99.0 Direct obligations .....	77	70	71
99.0 Reimbursable obligations .....	1		
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	79	70	71

**Personnel Summary**

Identification code 14-0412-0-1-808	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	30	36	40

**TRUST TERRITORY OF THE PACIFIC ISLANDS**

**Program and Financing** (in millions of dollars)

Identification code 14-0414-0-1-808	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	
24.40 Unobligated balance carried forward, end of year .....	1		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	15	14	12

## General and special funds—Continued

## TRUST TERRITORY OF THE PACIFIC ISLANDS—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 14-0414-0-1-808	2002 actual	2003 est.	2004 est.
73.20 Total outlays (gross) .....	-2	-2	-2
74.40 Obligated balance, end of year .....	14	12	10
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	2	2	2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	2	2	2

Until October 1, 1994, the United States exercised jurisdiction over the Trust Territory of the Pacific Islands according to the terms of the 1947 Trusteeship Agreement between the United States and the Security Council of the United Nations. These responsibilities were carried out by the Department of the Interior.

The Department of the Interior is seeking no additional appropriations for the Trust Territory of the Pacific Islands. Compacts of Free Association have been implemented with the Federated States of Micronesia, the Republic of the Marshall Islands, and, as of October 1, 1994, the Republic of Palau. Assistance to the Republic of Palau is now contained in the "Compact of Free Association" account.

Remaining funds in the "Trust Territory of the Pacific Islands" account will be used to meet final transition responsibilities of the United States. Outlays from numerous on-going infrastructure construction projects in the Republic of Palau and the other two entities will continue as provided by the Compacts of Free Association and appropriation laws, and will be reported as Trust Territory expenditures until such time as the activities cease.

## COMPACT OF FREE ASSOCIATION

*For economic assistance and necessary expenses for the Federated States of Micronesia and the Republic of the Marshall Islands as provided in sections 221(a)(3), 221(b), and 233 of the Compact of Free Association, and for economic assistance and necessary expenses for the Republic of Palau as provided in sections 221 (a)(2), 221(b), and 233 of the Compact of Free Association, \$16,125,000, to remain available until expended, as authorized by Public Law 99-239 and Public Law 99-658.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 14-0415-0-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Discretionary programs:			
00.01 Federal services assistance .....	11	8	3
00.02 Enewetak support .....	2	1	1
00.91 Subtotal, discretionary .....	13	9	4
Mandatory:			
01.01 Program grant assistance, mandatory .....	14	12	12
01.92 Subtotal .....	27	21	16
Permanent Indefinite:			
02.01 Assistance to the Marshall Islands .....	43	43	44
02.02 Assistance to the Federated States of Micronesia .....	91	91	92
02.03 Assistance to the Republic of Palau .....	12	12	12
02.91 Subtotal, permanent indefinite .....	146	146	148
10.00 Total new obligations .....	173	167	164

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	19	15	15
22.00 New budget authority (gross) .....	169	167	164
23.90 Total budgetary resources available for obligation .....	188	182	179
23.95 Total new obligations .....	-173	-167	-164
24.40 Unobligated balance carried forward, end of year .....	15	15	15

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	9	9	4
Mandatory:			
60.00 Appropriation .....	160	158	160
70.00 Total new budget authority (gross) .....	169	167	164

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	88	64	40
73.10 Total new obligations .....	173	167	164
73.20 Total outlays (gross) .....	-197	-191	-192
74.40 Obligated balance, end of year .....	64	40	12

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	8	8	3
86.93 Outlays from discretionary balances .....	8	1	1
86.97 Outlays from new mandatory authority .....	160	158	160
86.98 Outlays from mandatory balances .....	21	24	28
87.00 Total outlays (gross) .....	197	191	192

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	169	167	164
90.00 Outlays .....	197	191	192

## Summary of Budget Authority and Outlays

(in millions of dollars)			
Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	169	167	164
Outlays .....	197	191	192
Legislative proposal, subject to PAYGO:			
Budget Authority .....			19
Outlays .....			19
Total:			
Budget Authority .....	169	167	183
Outlays .....	197	191	211

The peoples of the Marshall Islands and the Federated States of Micronesia approved Compacts of Free Association negotiated by the United States and their governments. The Compact of Free Association Act of 1985 (Public Law 99-239) constituted the necessary authorizing legislation to make annual payments to the Republic of the Marshall Islands and the Federated States of Micronesia. Payments began in 1987 and will continue through fiscal year 2003 when the original economic assistance package expires. Negotiations underway are expected to produce a new assistance agreement that will be implemented in fiscal year 2004. The Administration will transmit legislation that will modify these provisions of the Compact of Free Association Acts.

The Compact of Free Association with the Republic of Palau was implemented under the terms of Public Law 99-658 on October 1, 1994. This compact will provide annual benefits to the Republic totalling an estimated \$600 million over the fifteen-year period that began at the implementation date.

## Object Classification (in millions of dollars)

Identification code 14-0415-0-1-808	2002 actual	2003 est.	2004 est.
25.2 Other services .....	9	4	4
41.0 Grants, subsidies, and contributions .....	164	163	160
99.9 Total new obligations .....	173	167	164

COMPACT OF FREE ASSOCIATION  
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 14-0415-4-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Mandatory:			
Mandatory:			
01.01 Program Grant Assistance (FSM/RMI)			-10
01.92 Subtotal			-10
Permanent Indefinite:			
02.01 Assistance to the Marshall Islands			13
02.03 Single Audits			1
02.04 Impact Aid			15
02.91 Direct Program by Activities—Subtotal (1 level)			29
10.00 Total new obligations (object class 41.0)			19
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			19
23.95 Total new obligations			-19
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation			19
<b>Change in obligated balances:</b>			
73.10 Total new obligations			19
73.20 Total outlays (gross)			-19
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority			19
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			19
90.00 Outlays			19

In accordance with the Compact of Free Association Act of 1985, the Administration will propose legislation to renew financial assistance for the Republic of the Marshall Islands and the Federated States of Micronesia for an additional twenty years. The proposal will also address impact aid for the State of Hawaii and U.S. Pacific island territories affected by immigration provisions in the Compact. The new assistance will emphasize greater accountability by the freely associated states with audit funding provided by the United States.

PAYMENTS TO THE UNITED STATES TERRITORIES, FISCAL ASSISTANCE  
Program and Financing (in millions of dollars)

Identification code 14-0418-0-1-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Advance payments to Guam of estimated U.S. income tax collections	55	52	52
00.02 Advance payments to the Virgin Islands of estimated U.S. excise tax collections	79	70	70
09.01 Virgin Islands Loan	1		
10.00 Total new obligations	135	122	122
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	137	122	122
22.60 Portion applied to repay debt	-2		
23.90 Total budgetary resources available for obligation	135	122	122
23.95 Total new obligations	-135	-122	-122
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation	134	122	122
69.00 Offsetting collections (cash)	3		
70.00 Total new budget authority (gross)	137	122	122

<b>Change in obligated balances:</b>			
73.10 Total new obligations	135	122	122
73.20 Total outlays (gross)	-137	-122	-122

<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	137	122	122

<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-3		

<b>Net budget authority and outlays:</b>			
89.00 Budget authority	134	122	122
90.00 Outlays	132	122	122

Status of Direct Loans (in millions of dollars)

Identification code 14-0418-0-1-806	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	13	11	10
1251 Repayments: Repayments and prepayments	-2	-1	-2
1263 Write-offs for default: Direct loans			-1
1290 Outstanding, end of year	11	10	7

Public Law 95-348 requires that certain revenues collected by the U.S. Treasury involving Guam and the Virgin Islands (income taxes withheld and excise taxes) be paid prior to the start of the fiscal year of collection. The 2003 request is for the 2004 advanced payment.

Object Classification (in millions of dollars)

Identification code 14-0418-0-1-806	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions	134	122	122
99.0 Reimbursable obligations: Reimbursable obligations	1		
99.9 Total new obligations	135	122	122

Credit accounts:

ASSISTANCE TO AMERICAN SAMOA DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 14-4163-0-3-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct:			
00.02 Interest paid to Treasury (6.139 percent on \$19 million)	1	1	1
10.00 Total new obligations	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross)	2		
22.60 Portion applied to repay debt	-3		
23.90 Total budgetary resources available for obligation	-1		
23.95 Total new obligations	-1	-1	-1
23.97 Deficiency	2		
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2		
Mandatory:			
69.00 Offsetting collections (cash)		2	2
69.47 Portion applied to repay debt		-2	-2
69.90 Spending authority from offsetting collections (total mandatory)			
70.00 Total new financing authority (gross)	2		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	5	3	1

**Credit accounts—Continued**

**ASSISTANCE TO AMERICAN SAMOA DIRECT LOAN FINANCING  
ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 14-4163-0-3-806	2002 actual	2003 est.	2004 est.
73.10 Total new obligations .....	1	1	1
73.20 Total financing disbursements (gross) .....	-3	-1	-1
74.40 Obligated balance, end of year .....	3	1	1
87.00 Total financing disbursements (gross) .....	3	1	1
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds .....	-1		
Non-Federal sources:			
88.40 Non-Federal sources—interest payments fr. Am. Samoa .....	-1	-1	-1
88.40 Non-Federal sources .....		-1	-1
88.90 Total, offsetting collections (cash) .....	-2	-2	-2
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....		-2	-2
90.00 Financing disbursements .....	1	-1	-1

**Status of Direct Loans (in millions of dollars)**

Identification code 14-4163-0-3-806	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....			
1150 Total direct loan obligations .....			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	12	14	14
1231 Disbursements: Direct loan disbursements .....	3	1	1
1251 Repayments: Repayments and prepayments—principal .....	-1	-1	-1
1263 Write-offs for default: Direct loans .....			-1
1290 Outstanding, end of year .....	14	14	13

In 2000, the American Samoa Government (ASG) was authorized to borrow \$18.6 million from the U.S. Treasury in order to reduce significant past due debts to vendors. Repayment of the loan is secured and accomplished with funds, as they become due and payable to ASG from the Escrow Account established under the terms and conditions of the Tobacco Master Settlement Agreement. ASG must agree to significant financial reforms as a prerequisite to receiving the loan proceeds.

**OFFICE OF THE SOLICITOR  
Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses of the Office of the Solicitor, \$50,374,000.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-0107-0-1-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	47	48	50
09.00 Reimbursable program .....	4	6	6
10.00 Total new obligations .....	51	54	56
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	49	54	56

22.22 Unobligated balance transferred from other accounts .....	1		
23.90 Total budgetary resources available for obligation .....	50	54	56
23.95 Total new obligations .....	-51	-54	-56

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	45	48	50
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	4	6	6
70.00 Total new budget authority (gross) .....	49	54	56

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	3	2	2
73.10 Total new obligations .....	51	54	56
73.20 Total outlays (gross) .....	-48	-52	-56
73.40 Adjustments in expired accounts (net) .....	-4		
74.40 Obligated balance, end of year .....	2	2	2

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	46	51	53
86.93 Outlays from discretionary balances .....	2	1	3
87.00 Total outlays (gross) .....	48	52	56

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-4	-6	-6

**Net budget authority and outlays:**

89.00 Budget authority .....	45	48	50
90.00 Outlays .....	45	46	50

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

The Office of the Solicitor provides legal advice and counsel to the Secretary, the Secretariat, and all constituent bureaus and offices of the Department of the Interior. All attorneys employed in the Department for the purposes of providing legal services are under the supervision of the Solicitor, except the Justices of American Samoa and the attorneys in the Office of Congressional and Legislative Affairs, Office of Inspector General, and the Office of Hearings and Appeals. The Office is comprised of the headquarters staff, located in Washington, DC, and 18 regional and field offices.

**Object Classification (in millions of dollars)**

Identification code 14-0107-0-1-306	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	29	30	31
12.1 Civilian personnel benefits .....	7	8	8
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	5	5	6
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....		1	
99.0 Direct obligations .....	45	48	49
99.0 Reimbursable obligations .....	4	5	5
99.5 Below reporting threshold .....	2	1	2
99.9 Total new obligations .....	51	54	56

**Personnel Summary**

Identification code 14-0107-0-1-306	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	348	358	363
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	41	50	56

OFFICE OF INSPECTOR GENERAL

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses of the Office of Inspector General, \$39,049,000, of which \$3,812,000 shall be for procurement by contract of independent auditing services to audit the consolidated Department of the Interior annual financial statement and the annual financial statement of the Department of the Interior bureaus and offices funded in this Act.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-0104-0-1-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	34	36	39
09.01 Reimbursable program .....	3	3	3
10.00 Total new obligations .....	37	39	42
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	37	40	42
23.95 Total new obligations .....	-37	-39	-42
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	34	38	39
41.00 Transferred to other accounts .....		-1	
43.00 Appropriation (total discretionary) .....	34	37	39
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	3	3	3
70.00 Total new budget authority (gross) .....	37	40	42
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		4	4
73.10 Total new obligations .....	37	39	42
73.20 Total outlays (gross) .....	-36	-39	-42
74.40 Obligated balance, end of year .....	4	4	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	33	36	38
86.93 Outlays from discretionary balances .....	3	3	4
87.00 Total outlays (gross) .....	36	39	42
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-3	-3	-3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	34	37	39
90.00 Outlays .....	33	36	39
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

The mission of the Office of Inspector General is to detect and prevent fraud, waste, and abuse and to promote economy, efficiency, and effectiveness in Departmental programs and operations. The Office conducts and supervises all audits and investigations relating to Departmental programs and operations. In addition, the Office keeps the Secretary and the Congress fully and currently informed about fraud, mismanagement, problems, and deficiencies in Departmental administration of these programs, recommends corrective action, and reports on the progress made in correcting identified problems.

**Object Classification (in millions of dollars)**

Identification code 14-0104-0-1-306	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	20	22	23
12.1 Civilian personnel benefits .....	5	5	6
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	2	2	2
25.2 Other services .....	5	5	6
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
99.0 Direct obligations .....	34	36	39
99.0 Reimbursable obligations .....	2	2	2
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	37	39	42

**Personnel Summary**

Identification code 14-0104-0-1-306	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	251	257	268

**NATURAL RESOURCES DAMAGE ASSESSMENT AND RESTORATION**

**Federal Funds**

**General and special funds:**

**NATURAL RESOURCE DAMAGE ASSESSMENT FUND**

*To conduct natural resource damage assessment and restoration activities by the Department of the Interior necessary to carry out the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601 et seq.), Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.), the Oil Pollution Act of 1990 (Public Law 101-380) (33 U.S.C. 2701 et seq.), and Public Law 101-337, as amended (16 U.S.C. 19jj et seq.), \$5,633,000, to remain available until expended.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 14-1618-0-1-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.20 Natural resources damages from legal actions .....	19	40	45
02.40 Natural resources damages from legal actions, earnings on investments .....	3	5	5
02.99 Total receipts and collections .....	22	45	50
<b>Appropriations:</b>			
05.00 Natural resource damage assessment and restoration fund .....	-22	-45	-50
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 14-1618-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Damage assessments .....	7	7	7
00.02 Prince William Sound restoration .....	2	3	3
00.03 Other restoration .....	10	16	20
00.04 Program management .....	1	2	2
10.00 Total new obligations .....	20	28	32
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	161	160	179
22.00 New budget authority (gross) .....	20	50	55
22.21 Unobligated balance transferred to DOC/NOAA .....	-2	-3	-3
22.22 Unobligated balance transferred from USDA/FS .....	1		
23.90 Total budgetary resources available for obligation .....	180	207	231
23.95 Total new obligations .....	-20	-28	-32

## General and special funds—Continued

## NATURAL RESOURCE DAMAGE ASSESSMENT FUND—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 14-1618-0-1-302	2002 actual	2003 est.	2004 est.
24.40 Unobligated balance carried forward, end of year .....	160	179	199
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	5	6	6
Mandatory:			
60.20 Appropriation (special fund) .....	22	45	50
61.00 Transferred to other accounts .....	-7	-1	-1
62.50 Appropriation (total mandatory) .....	15	44	49
70.00 Total new budget authority (gross) .....	20	50	55
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	7	9	8
73.10 Total new obligations .....	20	28	32
73.20 Total outlays (gross) .....	-17	-27	-34
74.40 Obligated balance, end of year .....	9	8	6
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	4	4
86.93 Outlays from discretionary balances .....	2	2	4
86.97 Outlays from new mandatory authority .....	5	4	5
86.98 Outlays from mandatory balances .....	6	17	21
87.00 Total outlays (gross) .....	17	27	34
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	20	50	55
90.00 Outlays .....	18	27	34
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	151	145	174
92.02 Total investments, end of year: Federal securities: Par value .....	145	174	194

Under the Natural Resource Damage Assessment and Restoration Fund (Restoration Fund), natural resource damage assessments will be performed in order to provide the basis for claims against responsible parties for the restoration of injured natural resources. Funds are appropriated to conduct damage assessments, restoration, and program management. In addition, funds will be received for the restoration of damaged resources and other activities and for natural resource damage assessments from responsible parties through negotiated settlements or other legal actions by the Department of the Interior.

Restoration activities include: (1) the replacement and enhancement of affected resources; (2) acquisition of equivalent resources and services; and, (3) long-term environmental monitoring and research programs directed to the prevention, containment, and amelioration of hazardous substances and oil spill sites.

The Restoration Fund operates as a departmentwide program, incorporating the interdisciplinary expertise of its various bureaus and offices. Natural resource damage assessments and the restoration of damaged natural resources are authorized by the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601 *et seq.*), Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 *et seq.*), the Oil Pollution Act of 1990 (33 U.S.C. 2701 *et seq.*), and the Act of July 27, 1990 (16 U.S.C. 19jj *et seq.*). Since 1992, amounts received by the United States from responsible parties for restoration or reimbursement in settlement of natural resource damages may be deposited in the Fund and shall accrue interest.

## Object Classification (in millions of dollars)

Identification code 14-1618-0-1-302	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services .....	3	4	5
Allocation Account:			
Personnel compensation:			
11.1 Full-time permanent .....	3	3	3
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	4	4	4
12.1 Civilian personnel benefits .....	1	2	2
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	3	7	8
25.3 Other purchases of goods and services from Gov- ernment accounts .....	1	2	3
26.0 Supplies and materials .....	1	1	1
32.0 Land and structures .....	1	2	2
41.0 Grants, subsidies, and contributions .....	4	4	5
99.0 Allocation account .....	16	23	26
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	20	28	32

## Personnel Summary

Identification code 14-1618-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	4	4	4

## EXXON VALDEZ RESTORATION PROGRAM

The budget incorporates the receipts and mandatory spending associated with the civil and criminal settlements related to the 1989 *Exxon Valdez* oil spill in the Prince William Sound and surrounding areas. Funding from the settlements, including interest, is provided to Federal and Alaska State natural resource trustee agencies to restore the natural resources and services damaged by the spill. The *Exxon Valdez* Oil Spill Trustee Council consists of 3 State and 3 Federal trustees who oversee restoration of the injured ecosystem through the use of civil settlement funds. The criminal settlement funds are managed separately by the Federal and Alaska State governments, but are coordinated with the Council.

The Exxon Corporation made the final payment on the \$900 million civil settlement in September of 2001. The settlement includes a re-opener provision valid from September 2002 to September 2006, which provides an opportunity for the Trustee governments to claim up to an additional \$100 million for natural resource injury that could not have been known or anticipated at the time of settlement.

The civil settlement and interest earned to date total roughly \$935 million. Of that amount, \$216.4 million reimbursed Exxon and the Federal and State agencies for past response and damage assessment activities. To date, the Trustee Council has spent \$363.7 million and committed an additional \$40.9 million for habitat protection efforts (land acquisition) on approximately 644,915 acres of land. Another \$170.4 million has been used to fund research, monitoring, and marine science-based restoration activities, while \$30.8 million has been used for scientific management, public information and participation, and administration. The balance of \$112 million is invested in *Exxon Valdez* Investment Fund, with annual earnings on \$25.2 million earmarked for future habitat protection, and annual earnings on \$87 million earmarked for the Gulf Ecosystem Monitoring (GEM) program.

## EXXON VALDEZ RESTORATION PROGRAM BUDGET

	Civil and Criminal Settlements (In thousands of dollars)		
	2002 act.	2003 est.	2004 est.
National Oceanic and Atmospheric Administration .....	1,675	1,421	1,249
U.S. Forest Service .....	7,044	0	0

Department of the Interior .....	2,289	1,692	1,500
Subtotal, Federal Government .....	11,088	3,113	2,749
State of Alaska .....	17,146	5,300	13,950
Total Restoration Program .....	28,154	8,413	16,699

OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS

**Federal Funds**

**General and special funds:**

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

For operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, \$274,641,000, of which \$130,000,000 shall be available for historical accounting, to remain available until expended: Provided, That funds for trust management improvements and litigation support may, as needed, be transferred to or merged with the Bureau of Indian Affairs, "Operation of Indian Programs" account; the Office of the Solicitor, "Salaries and Expenses" account; and the Departmental Management, "Salaries and Expenses" account: Provided further, That funds made available to Tribes and Tribal organizations through contracts or grants obligated during fiscal year 2004, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee: Provided further, That notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of the enactment of this Act, concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with an accounting of such funds from which the beneficiary can determine whether there has been a loss: Provided further, That notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least 18 months and has a balance of \$1.00 or less: Provided further, That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder: Provided further, That not to exceed \$50,000 is available for the Secretary to make payments to correct administrative errors of either disbursements from or deposits to Individual Indian Money or Tribal accounts after September 30, 2002: Provided further, That erroneous payments that are recovered shall be credited to and remain available in this account for this purpose.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 14-0120-0-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Executive direction .....	2	2	2
00.02 Program operations, support, and improvements .....	117	177	273
09.00 Reimbursable program .....	1	11	11
09.09 Reimbursable program—subtotal line .....	1	11	11
10.00 Total new obligations .....	120	190	286
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	49	28	
22.00 New budget authority (gross) .....	100	162	286
22.10 Resources available from recoveries of prior year obligations .....	3		
22.21 Unobligated balance transferred to other accounts .....	-2		
23.90 Total budgetary resources available for obligation .....	150	190	286
23.95 Total new obligations .....	-120	-190	-286
24.40 Unobligated balance carried forward, end of year .....	28		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	99	151	275
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	11	11
70.00 Total new budget authority (gross) .....	100	162	286

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	37	49	94
73.10 Total new obligations .....	120	190	286
73.20 Total outlays (gross) .....	-104	-145	-249
73.45 Recoveries of prior year obligations .....	-3		
74.40 Obligated balance, end of year .....	49	94	132

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	56	117	204
86.93 Outlays from discretionary balances .....	48	28	45
87.00 Total outlays (gross) .....	104	145	249

<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1	-11	-11

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	99	151	275
90.00 Outlays .....	104	134	238

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	2
99.01 Outlays .....	1	1	2

**Executive direction.**—This activity supports the Office of Special Trustee for American Indians and staff offices. Under the American Indian Trust Fund Management Reform Act of 1994, the Special Trustee for American Indians is charged with general oversight for Indian trust reform efforts departmentwide. Additionally, in 1996, at the direction of the Congress, direct responsibilities and authorities for Indian Trust Fund Management were transferred to the Special Trustee from the Assistant Secretary—Indian Affairs.

**Program operations, support, and improvements.**—This activity supports the management and investment of approximately \$3 billion held in trust for Tribes and individual Indians. Resources support the implementation of trust management reform efforts and the accurate collection, investment, disbursement, and provision of timely financial information to Indian Tribes and individual Indian monies (IIM) account holders.

**Object Classification (in millions of dollars)**

Identification code 14-0120-0-1-808	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	19	27	36
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	20	28	37
12.1 Civilian personnel benefits .....	5	6	10
21.0 Travel and transportation of persons .....	2	3	6
23.1 Rental payments to GSA .....	2	3	3
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.2 Other services .....	37	78	70
25.3 Other purchases of goods and services from Government accounts .....	15	19	5
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	2	2	2
99.0 Direct obligations .....	86	142	136
99.0 Reimbursable obligations .....	1	11	11
Allocation Account:			
Personnel compensation:			
11.1 Full-time permanent .....	3	4	5
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	4	5	6
12.1 Civilian personnel benefits .....	1	1	2
21.0 Travel and transportation of persons .....	1	1	2
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....			2
25.2 Other services .....	26	29	126
99.0 Allocation account .....	33	37	139
99.9 Total new obligations .....	120	190	286

**General and special funds—Continued****OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS—  
Continued****Personnel Summary**

Identification code 14-0120-0-1-808	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	401	470	565
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	14	65	65

**PAYMENTS FOR TRUST ACCOUNTING DEFICIENCIES****Program and Financing (in millions of dollars)**

Identification code 14-0121-2-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.00 Other .....			
10.00 Total new obligations (object class 41.0) .....		7	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		7	
23.95 Total new obligations .....		-7	
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....		7	
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		7	
73.20 Total outlays (gross) .....		-7	
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		7	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		7	
90.00 Outlays .....		7	

**TRIBAL SPECIAL FUND****Unavailable Collections (in millions of dollars)**

Identification code 14-5265-0-2-452	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.20 Proprietary receipts from the public .....	26	27	28
02.21 Return of principal from private sector investments .....	224	232	244
02.40 Earnings on investments .....	2	2	3
02.99 Total receipts and collections .....	252	261	275
<b>Appropriations:</b>			
05.00 Tribal special fund .....	-253	-261	-275
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 14-5265-0-2-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	211	303	275
10.00 Total new obligations (object class 41.0) .....	211	303	275
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	113	154	112
22.00 New budget authority (gross) .....	253	261	275
23.90 Total budgetary resources available for obligation .....	366	415	387
23.95 Total new obligations .....	-211	-303	-275

24.40 Unobligated balance carried forward, end of year .....	154	112	112
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**New budget authority (gross), detail:**

Mandatory:			
60.20 Appropriation (special fund) .....	253	261	275

**Change in obligated balances:**

73.10 Total new obligations .....	211	303	275
73.20 Total outlays (gross) .....	-211	-303	-275

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	211	261	275
86.98 Outlays from mandatory balances .....		42	
87.00 Total outlays (gross) .....	211	303	275

**Net budget authority and outlays:**

89.00 Budget authority .....	253	261	275
90.00 Outlays .....	211	303	275

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value .....	13	154	154
92.02 Total investments, end of year: Federal securities:			
Par value .....	154	154	154

Tribal trust funds are deposited into a consolidated account in the U.S. Treasury pursuant to: (1) general or specific acts of Congress and (2) Federal management of Tribal real properties, the titles to which are held in trust for the Tribes by the United States. These funds are available to the respective Tribal groups for various purposes, under various acts of Congress, and are subject to the provisions of Tribal constitutions, bylaws, charters, and resolutions of the various Tribes, bands, or groups.

Commencing with 2000, most Tribal trust funds, including special funds, managed by the Office of Special Trustee were reclassified as non-budgetary. Ownership of these funds did not change, nor did the Federal Government's management responsibilities; changes were made for presentation purposes only. Some Tribal trust funds will remain budgetary, in either this Tribal Special Fund or the Tribal Trust Fund presented later in this section. Funds in the Tribal Special Fund are those not designated in law as a trust, and generally are funds held and invested to carry out obligations of the Secretary of the Interior.

The unobligated balances reflected above include only those assets invested in U.S. Treasury securities; most of the assets of these funds are in investments held outside Treasury.

This consolidated display presents the activities associated with the following accounts:

**Cochiti Wetfields Solution.**—In 1994, the Army Corps of Engineers transferred \$4 million pursuant to P.L. 102-358 to fund the Interior's responsibilities under the settlement agreement between Cochiti Tribe, the Corps, and Interior. The Secretary of the Interior is responsible for maintenance, repair, and replacement of a drainage system constructed by the Corps for the Cochiti Pueblo.

**Tribal Economic Recovery Fund.**—This fund is authorized by the Three Affiliated Tribes and Standing Rock Sioux Tribe Equitable Compensation Act of 1992 (P.L. 102-575) and holds funds which have been appropriated pursuant to the Act. Beginning in 1998, interest earned on the principal of this fund is available for both Tribes for economic development, education, and social services programs.

**Southern Arizona Water Rights Settlement Act.**—This Cooperative Fund was established to provide a source of funds to carry out the obligations of the Secretary under sections 303, 304, and 305 of the Act (Title III, P.L. 97-293, 96 Stat. 1274-1285). Only interest accruing to the fund may be expended.

**Trust Funds**  
TRIBAL TRUST FUND

**Unavailable Collections** (in millions of dollars)

Identification code 14-8030-0-7-452	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Interest on investments in GSEs .....	5	5	5
02.21 Return of principal from private sector investments .....	37	38	40
02.22 Miscellaneous sales of assets .....	3	3	3
02.40 Federal fund payments .....	27	28	29
02.42 Earnings on investments .....	1	1	1
02.99 Total receipts and collections .....	73	75	78
Appropriations:			
05.00 Tribal trust fund .....	-72	-75	-79
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 14-8030-0-7-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	69	79	79
10.00 Total new obligations (object class 41.0) .....	69	79	79
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	25	29	25
22.00 New budget authority (gross) .....	72	75	79
23.90 Total budgetary resources available for obligation .....	97	104	104
23.95 Total new obligations .....	-69	-79	-79
24.40 Unobligated balance carried forward, end of year .....	29	25	25

**New budget authority (gross), detail:**

Mandatory:			
60.26 Appropriation (trust fund) .....	72	75	79

**Change in obligated balances:**

73.10 Total new obligations .....	69	79	79
73.20 Total outlays (gross) .....	-69	-79	-79

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	69	75	79
86.98 Outlays from mandatory balances .....		4	
87.00 Total outlays (gross) .....	69	79	79

**Net budget authority and outlays:**

89.00 Budget authority .....	72	75	79
90.00 Outlays .....	69	79	79

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value .....		29	29
92.02 Total investments, end of year: Federal securities:			
Par value .....	29	29	29

Tribal trust funds are deposited into a consolidated account in the U.S. Treasury pursuant to: (1) general or specific acts of Congress and (2) Federal management of Tribal real properties, the titles to which are held in trust for the Tribes by the United States. These funds are available to the respective Tribal groups for various purposes, under various acts of Congress, and are subject to the provisions of Tribal constitutions, bylaws, charters, and resolutions of the various Tribes, bands, or groups.

Commencing with 2000, most Tribal trust funds, including special funds, managed by the Office of Special Trustee were reclassified as non-budgetary. Ownership of these funds did not change, nor did the Federal Government's management responsibilities; changes were made for presentation purposes only. Some Tribal trust funds will remain budgetary, in either this Tribal Trust Fund or the Tribal Special Fund presented in this section. Most assets are in investments held outside Treasury.

This consolidated display presents the activities associated with the following accounts:

*Funds Contributed for the Advancement of the Indian Race.*—This program accounts for any contributions, donations, gifts, etc., which are to be used for the benefit of American Indians in accordance with the donors' wishes (82 Stat. 171).

*Bequest of George C. Edgeter.*—This program consists of a bequest, the principal of which is invested in U.S. Treasury bonds and notes, and the interest is to be used for the relief of American Indians as specified by the donors' wishes (82 Stat. 171).

*Northern Cheyenne Indian Reserved Water Rights Settlement Trust Fund.*—Funds transferred provide for the establishment of a \$21.5 million trust fund for the Northern Cheyenne Indian Tribe. These funds may be used by the Tribe to make \$11.5 million available to the State of Montana as a loan to assist in financing Tongue River Dam project costs; land and natural resources administration, planning, and development; land acquisition; and any other purpose determined by the Tribe.

In addition, this fund holds \$31.5 million for the enlargement and repair of the Tongue River Dam project.

*The Crow Creek Sioux Tribe Infrastructure Development Trust Fund.*—The Crow Creek Sioux Tribe Infrastructure Development Trust Fund of 1996 (P.L. 104-223, 110 Stat 3026) establishes a Crow Creek Sioux Tribe Infrastructure Development Trust Fund. In 1997, \$27.5 million was deposited into the Fund. The interest earned from the invested principal is available for payment to the Tribe for Tribal educational, health care, recreational, and other projects.

NATIONAL INDIAN GAMING COMMISSION

**Federal Funds**

**General and special funds:**

SALARIES AND EXPENSES

**Program and Financing** (in millions of dollars)

Identification code 14-0118-0-1-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....		2	
09.01 Reimbursable program .....	1	2	2
10.00 Total new obligations .....	1	4	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	3	3
22.00 New budget authority (gross) .....	2	4	2
23.90 Total budgetary resources available for obligation .....	4	7	5
23.95 Total new obligations .....	-1	-4	-2
24.40 Unobligated balance carried forward, end of year .....	3	3	3

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....		2	
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2	2	2
70.00 Total new budget authority (gross) .....	2	4	2

**Change in obligated balances:**

73.10 Total new obligations .....	1	4	2
73.20 Total outlays (gross) .....	-1	-4	-3

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....		3	1
86.93 Outlays from discretionary balances .....	1	1	2
87.00 Total outlays (gross) .....	1	4	3

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 14-0118-0-1-806	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-2	-2	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		2	
90.00 Outlays .....	-1	2	1

The Indian Gaming Regulatory Act (P.L. 100-497) established the National Indian Gaming Commission as an independent agency within the Department of the Interior. The Commission monitors and regulates gaming activities conducted on Indian lands. Operating costs of the Commission are financed to the greatest extent possible through annual assessments of gaming operations regulated by the Commission. The 2004 request will amend the Commission's current limitation on assessments to enable the amount of fees collected to fluctuate with the number of Indian gaming operations and the total revenues generated by the industry.

**Object Classification (in millions of dollars)**

Identification code 14-0118-0-1-806	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....		1	
99.5 Below reporting threshold .....	1	3	2
99.9 Total new obligations .....	1	4	2

**Personnel Summary**

Identification code 14-0118-0-1-806	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....		8	

**NATIONAL INDIAN GAMING COMMISSION, GAMING ACTIVITY FEES**

**Unavailable Collections (in millions of dollars)**

Identification code 14-5141-0-2-806	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.00 National Indian Gaming Commission, gaming activity fees .....	7	8	8
<b>Appropriations:</b>			
05.00 National Indian Gaming Commission, gaming activity fees .....	-7	-8	-8
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 14-5141-0-2-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	8	9	8
10.00 Total new obligations .....	8	9	8
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	3	2
22.00 New budget authority (gross) .....	7	8	8
23.90 Total budgetary resources available for obligation .....	10	11	10
23.95 Total new obligations .....	-8	-9	-8
24.40 Unobligated balance carried forward, end of year .....	3	2	2

**New budget authority (gross), detail:**

Mandatory:			
60.20 Appropriation (special fund) .....	7	8	8

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	8	9	8
73.20 Total outlays (gross) .....	-7	-9	-8
74.40 Obligated balance, end of year .....	1	1	2

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	4	6	6
86.98 Outlays from mandatory balances .....	3	3	2
87.00 Total outlays (gross) .....	7	9	8

**Net budget authority and outlays:**

89.00 Budget authority .....	7	8	8
90.00 Outlays .....	7	9	8

The Indian Gaming Regulatory Act, as amended by the 1998 Interior and Related Agencies Appropriations Act (P.L. 105-83), authorizes the Commission to collect and expend up to \$8 million each year in gaming activity fees. The 2004 request would amend the current limitation on assessments to enable the Commission to adjust its operations with the growth of the Indian gaming industry.

**Object Classification (in millions of dollars)**

Identification code 14-5141-0-2-806	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	6	6	6
12.1 Civilian personnel benefits .....	1	1	1
23.1 Rental payments to GSA .....		1	1
25.2 Other services .....		1	
99.0 Direct obligations .....	7	9	8
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	8	9	8

**Personnel Summary**

Identification code 14-5141-0-2-806	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	67	67	90

**ADMINISTRATIVE PROVISIONS**

*Paragraph (2)(B) of the Indian Gaming Regulatory Act (25 U.S.C. 2717(a)) is amended to read as follows: "(B) The total amount of all fees assessed during any fiscal year under the schedule established under paragraph (1) shall not exceed the sum of: (i) \$30,000 times the number of gaming operations subject to Commission regulations as of the end of the preceding calendar year, and (ii) 0.05 percent of the gaming revenues of all gaming operations that ended during the preceding calendar year."*

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Offsetting receipts from the public:</b>			
14-149300 Interest received from outer continental shelf escrow account: Enacted/requested .....	1		
14-181100 Rent and bonuses from land leases for resource exploration and extraction: Enacted/requested .....	27	61	33
14-202000 Royalties on outer continental shelf lands: Enacted/requested .....	3,977	3,253	2,942
14-202100 Arctic National Wildlife Refuge, rents and royalties, (Federal share): Legislative proposal, subject to PAYGO .....			

14-203900	Royalties on natural resources, not otherwise classified: Enacted/requested .....	127	151	148
14-241910	Fees and other charges for program services: Enacted/requested .....	1	1	1
14-248400	Receipts from grazing fees, Federal share: Enacted/requested .....	4	5	5
14-272930	Indian loan guarantee, Downward reestimates of subsidies: Enacted/requested .....	3	4	.....
14-274230	Bureau of reclamation loans, downward reestimates of subsidies: Enacted/requested .....	11	16	.....
14-274730	Indian direct loan, Downward reestimates of subsidies: Enacted/requested .....	1	.....	.....
General Fund	Offsetting receipts from the public .....	4,152	3,491	3,129

The budget assumes that the first oil and gas lease sale in the coastal plain of the Arctic National Wildlife Refuge (ANWR) would be held in 2005, resulting in the leasing of 400,000 to 600,000 acres and producing \$2.4 billion in receipts from bonuses which would be shared 50/50 between the Federal government and the State of Alaska. The Federal share of the first lease sale bonus bids would be used by the Department of Energy to fund increased renewable energy technology research and development over seven years.

**GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR**

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: Provided, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted .

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of wildland fires on or threatening lands under the jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods, volcanoes, storms, or other unavoidable causes; for contingency planning subsequent to actual oil spills; for response and natural resource damage assessment activities related to actual oil spills; for the prevention, suppression, and control of actual or potential grasshopper and Mormon cricket outbreaks on lands under the jurisdiction of the Secretary, pursuant to the authority in section 1773(b) of Public Law 99-198 (99 Stat. 1658); for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: Provided, That appropriations made in this title for wildland fire operations shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for wildland fire operations, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: Provided further, That for wildland fire operations, no funds shall be made available under this authority until the Secretary determines that funds appropriated for "wildland fire operations" shall be exhausted within 30 days.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, United States Code: Provided, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C.

3109, when authorized by the Secretary, in total amount not to exceed \$500,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

SEC. 106. Annual appropriations made in this title shall be available for obligation in connection with contracts issued for services or rentals for periods not in excess of 12 months beginning at any time during the fiscal year.

SEC. 107. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore preleasing, leasing and related activities placed under restriction in the President's moratorium statement of June 12, 1998, in the areas of northern, central, and southern California; the North Atlantic; Washington and Oregon; and the eastern Gulf of Mexico south of 26 degrees north latitude and east of 86 degrees west longitude.

SEC. 108. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore oil and natural gas preleasing, leasing, and related activities, on lands within the North Aleutian Basin planning area.

SEC. 109. No funds provided in this title may be expended by the Department of the Interior to conduct offshore oil and natural gas preleasing, leasing and related activities in the eastern Gulf of Mexico planning area for any lands located outside Sale 181, as identified in the final Outer Continental Shelf 5-Year Oil and Gas Leasing Program, 1997-2002.

SEC. 110. No funds provided in this title may be expended by the Department of the Interior to conduct oil and natural gas preleasing, leasing and related activities in the Mid-Atlantic and South Atlantic planning areas.

SEC. 111. Advance payments made under this title to Indian tribes, tribal organizations, and tribal consortia pursuant to the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) or the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.) may be invested by the Indian tribe, tribal organization, or consortium before such funds are expended for the purposes of the grant, compact, or annual funding agreement so long as such funds are-

(1) invested by the Indian tribe, tribal organization, or consortium only in obligations of the United States, or in obligations or securities that are guaranteed or insured by the United States, or mutual (or other) funds registered with the Securities and Exchange Commission and which only invest in obligations of the United States or securities that are guaranteed or insured by the United States; or

(2) deposited only into accounts that are insured by an agency or instrumentality of the United States, or are fully collateralized to ensure protection of the funds, even in the event of a bank failure.

SEC. 112. Appropriations made in this Act under the headings Bureau of Indian Affairs and Office of Special Trustee for American Indians and any available unobligated balances from prior appropriations Acts made under the same headings, shall be available for expenditure or transfer for Indian trust management activities.

SEC. 113. A grazing permit or lease that expires (or is transferred) during fiscal year 2004 shall be renewed under section 402 of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1752) or if applicable, section 510 of the California Desert Protection Act (16 U.S.C. 410aaa-50). The terms and conditions contained in the expiring permit or lease shall continue in effect under the new permit or lease until such time as the Secretary of the Interior completes processing of such permit or lease in compliance with all applicable laws and regulations, at which time such permit or lease may be canceled, suspended or modified, in whole or in part, to meet the requirements of such applicable laws and regulations. Nothing in this section shall be deemed to alter the Secretary's statutory authority: Provided, That any Federal lands included within the boundary of Lake Roosevelt National Recreation Area, as designated by the Secretary of the Interior on April 5, 1990 (Lake Roosevelt Cooperative Management Agreement), that were utilized as of March 31, 1997, for grazing purposes pursuant to a permit issued by the National Park Service, the person or persons so utilizing such lands as of March 31, 1997, shall be entitled to renew said permit under

such terms and conditions as the Secretary may prescribe, for the lifetime of the permittee or 20 years, whichever is less.

SEC. 114. Notwithstanding any other provision of law, for the purpose of reducing the backlog of Indian probate cases in the Department of the Interior, the hearing requirements of chapter 10 of title 25, United States Code, are deemed satisfied by a proceeding conducted by an Indian probate judge, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing the appointments in the competitive service, for such period of time as the Secretary determines necessary: Provided, That the basic pay of an Indian probate judge so appointed may be fixed by the Secretary without regard to the provisions of chapter 51, and subchapter III of chapter 53 of title 5, United States Code, governing the classification and pay of General Schedule employees, except that no such Indian probate judge may be paid at a level which exceeds the maximum rate payable for the highest grade of the General Schedule, including locality pay.

SEC. 115. Notwithstanding any other provision of law, the Secretary of the Interior is authorized to redistribute any Tribal Priority Allocation funds, including tribal base funds, to alleviate tribal funding inequities by transferring funds to address identified, unmet needs, dual enrollment, overlapping service areas or inaccurate distribution methodologies. No tribe shall receive a reduction in Tribal Priority Allocation funds of more than 10 percent in fiscal year 2004. Under circumstances of dual enrollment, overlapping service areas or inaccurate distribution methodologies, the 10 percent limitation does not apply.

SEC. 116. Funds appropriated for the Bureau of Indian Affairs for postsecondary schools for fiscal year 2004 shall be allocated among the schools proportionate to the unmet need of the schools as determined by the Postsecondary Funding Formula adopted by the Office of Indian Education Programs.

SEC. 117. (a) The Secretary of the Interior shall take such action as may be necessary to ensure that the lands comprising the Huron Cemetery in Kansas City, Kansas (as described in section 123 of Public Law 106–291) are used only in accordance with this section.

(b) The lands of the Huron Cemetery shall be used only: (1) for religious and cultural uses that are compatible with the use of the lands as a cemetery; and (2) as a burial ground.

SEC. 118. Notwithstanding any other provision of law, in conveying the Twin Cities Research Center under the authority provided by Public Law 104–134, as amended by Public Law 104–208, the Secretary may accept and retain land and other forms of reimbursement: Provided, That the Secretary may retain and use any such reimbursement until expended and without further appropriation: (1) for the benefit of the National Wildlife Refuge System within the State of Minnesota; and (2) for all activities authorized by Public Law 100–696; 16 U.S.C. 460zz.

SEC. 119. Section 412(b) of the National Parks Omnibus Management Act of 1998, as amended (16 U.S.C. 5961), is amended by striking “2003” and inserting “2004”.

SEC. 120. Notwithstanding other provisions of law, the National Park Service may authorize, through cooperative agreement, the Golden Gate National Parks Association to provide fee-based education, interpretive and visitor service functions within the Crissy Field and Fort Point areas of the Presidio.

SEC. 121. Notwithstanding 31 U.S.C. 3302(b), sums received by the Bureau of Land Management for the sale of seeds or seedlings including those collected in fiscal year 2003, may be credited to the appropriation from which funds were expended to acquire or grow the seeds or seedlings and are available without fiscal year limitation.

SEC. 122. WHITE RIVER OIL SHALE MINE, UTAH. SALE.—Subject to the terms and conditions of section 126 of the Department of the Interior and Related Agencies Act, 2002, the Administrator of General Services shall sell all right, title, and interest of the United States in and to the improvements and equipment of the White River Oil Shale Mine.

SEC. 123. The Secretary of the Interior may use or contract for the use of helicopters or motor vehicles on the Sheldon and Hart National Wildlife Refuges for the purpose of capturing and transporting horses and burros. The provisions of subsection (a) of the Act of September 8, 1959 (18 U.S.C. 47(a)) shall not be applicable to such use. Such use shall be in accordance with humane procedures prescribed by the Secretary.

## GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 201. In order to increase opportunities for Indian tribes to develop, manage, and protect their water resources, in fiscal year 2004 and thereafter, the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, is authorized to enter into grants and cooperative agreements with any Indian tribe, institution of higher education, national Indian organization, or tribal organization pursuant to 31 U.S.C. 6301–6308. Nothing in this Act is intended to modify or limit the provisions of the Indian Self Determination Act (25 U.S.C. 45 et seq.).

SEC. 202. (a) None of the funds appropriated or otherwise made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters.

(b) The costs of the Kesterson Reservoir Cleanup Program and the costs of the San Joaquin Valley Drainage Program shall be classified by the Secretary of the Interior as reimbursable or nonreimbursable and collected until fully repaid pursuant to the “Cleanup Program-Alternative Repayment Plan” and the “SJVDP-Alternative Repayment Plan” described in the report entitled “Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995”, prepared by the Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal reclamation law.

## TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 302. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 303. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 304. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency except as otherwise provided by law.

SEC. 305. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless advance notice of such assessments and the basis therefor are presented to the Committees on Appropriations.

SEC. 306. None of the funds in this Act may be used to plan, prepare, or offer for sale timber from trees classified as giant sequoia (*Sequoiadendron giganteum*) which are located on National Forest System or Bureau of Land Management lands in a manner different than such sales were conducted in fiscal year 2003.

SEC. 307. None of the funds made available by this Act may be obligated or expended by the National Park Service to enter into or implement a concession contract which permits or requires the removal of the underground lunchroom at the Carlsbad Caverns National Park.

SEC. 308. (a) LIMITATION OF FUNDS.—None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to accept or process applications for a patent for any mining or mill site claim located under the general mining laws.

(b) EXCEPTIONS.—The provisions of subsection (a) shall not apply if the Secretary of the Interior determines that, for the claim concerned: (1) a patent application was filed with the Secretary on or before September 30, 1994; and (2) all requirements established under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and

30) for vein or lode claims and sections 2329, 2330, 2331, and 2333 of the Revised Statutes (30 U.S.C. 35, 36, and 37) for placer claims, and section 2337 of the Revised Statutes (30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by the applicant by that date.

(c) **REPORT.**—On September 30, 2004, the Secretary of the Interior shall file with the House and Senate Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on actions taken by the Department under the plan submitted pursuant to section 314(c) of the Department of the Interior and Related Agencies Appropriations Act, 1997 (Public Law 104-208).

(d) **MINERAL EXAMINATIONS.**—In order to process patent applications in a timely and responsible manner, upon the request of a patent applicant, the Secretary of the Interior shall allow the applicant to fund a qualified third-party contractor to be selected by the Bureau of Land Management to conduct a mineral examination of the mining claims or mill sites contained in a patent application as set forth in subsection (b). The Bureau of Land Management shall have the sole responsibility to choose and pay the third-party contractor in accordance with the standard procedures employed by the Bureau of Land Management in the retention of third-party contractors.

**SEC. 309.** Notwithstanding any other provision of law, amounts appropriated to or earmarked in committee reports for the Bureau of Indian Affairs and the Indian Health Service by Public Laws 103-138, 103-332, 104-134, 104-208, 105-83, 105-277, 106-113, 106-291, 107-63, and any Act that makes appropriations available for FY 2003 for the Bureau of Indian Affairs or the Indian Health Service for payments to tribes and tribal organizations for contract support costs associated with self-determination or self-governance contracts, grants, compacts, or annual funding agreements with the Bureau of Indian Affairs or the Indian Health Service as funded by such Acts, are the total amounts available for fiscal years 1994 through 2003 for such purposes, except that, for the Bureau of Indian Affairs, tribes and tribal organizations may use their tribal priority allocations for unmet indirect costs of ongoing contracts, grants, self-governance compacts or annual funding agreements.

**SEC. 310.** In awarding a Federal Contract with funds made available by this Act, the Secretary of Agriculture and the Secretary of the Interior (the Secretaries) may, in evaluating bids and proposals, give consideration to local contractors who are from, and who provide employment and training for, dislocated and displaced workers in an economically disadvantaged rural community, including those historically timber-dependent areas that have been affected by reduced timber harvesting on Federal lands and other forest-dependent rural communities isolated from significant alternative employment opportunities: Provided, That the contract is for forest hazardous fuels reduction, watershed or water quality monitoring or restoration, wildlife or fish population monitoring, or habitat restoration or management: Provided further, That the terms “rural community” and “economically disadvantaged” shall have the same meanings as in section 2374 of P.L. 101-624: Provided further, That the Secretaries shall develop guidance to implement this section: Provided further, That nothing in this section shall be construed as relieving the Secretaries of any duty under applicable procurement laws, except as provided in this section.

**SEC. 311.** Of the funds provided to the National Endowment for the Arts:

(1) The Chairperson shall only award a grant to an individual if such grant is awarded to such individual for a literature fellowship, National Heritage Fellowship, or American Jazz Masters Fellowship.

(2) The Chairperson shall establish procedures to ensure that no funding provided through a grant, except a grant made to a State or local arts agency, or regional group, may be used to make a grant to any other organization or individual to conduct activity independent of the direct grant recipient. Nothing in this subsection shall prohibit payments made in exchange for goods and services.

(3) No grant shall be used for seasonal support to a group, unless the application is specific to the contents of the season, including identified programs and/or projects.

**SEC. 312.** The National Endowment for the Arts and the National Endowment for the Humanities are authorized to solicit, accept, receive, and invest in the name of the United States, gifts, bequests, or devises of money and other property or services and to use such in furtherance of the functions of the National Endowment for the Arts and the National Endowment for the Humanities. Any proceeds from such gifts, bequests, or devises, after acceptance by the National Endowment for the Arts or the National Endowment for the Human-

ities, shall be paid by the donor or the representative of the donor to the Chairman. The Chairman shall enter the proceeds in a special interest-bearing account to the credit of the appropriate endowment for the purposes specified in each case.

**SEC. 313.** (a) In providing services or awarding financial assistance under the National Foundation on the Arts and the Humanities Act of 1965 from funds appropriated under this Act, the Chairperson of the National Endowment for the Arts shall ensure that priority is given to providing services or awarding financial assistance for projects, productions, workshops, or programs that serve underserved populations.

(b) In this section:

(1) The term “underserved population” means a population of individuals, including urban minorities, who have historically been outside the purview of arts and humanities programs due to factors such as a high incidence of income below the poverty line or to geographic isolation.

(2) The term “poverty line” means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

(c) In providing services and awarding financial assistance under the National Foundation on the Arts and Humanities Act of 1965 with funds appropriated by this Act, the Chairperson of the National Endowment for the Arts shall ensure that priority is given to providing services or awarding financial assistance for projects, productions, workshops, or programs that will encourage public knowledge, education, understanding, and appreciation of the arts.

(d) With funds appropriated by this Act to carry out section 5 of the National Foundation on the Arts and Humanities Act of 1965-

(1) the Chairperson shall establish a grant category for projects, productions, workshops, or programs that are of national impact or availability or are able to tour several States;

(2) the Chairperson shall not make grants exceeding 15 percent, in the aggregate, of such funds to any single State, excluding grants made under the authority of paragraph (1);

(3) the Chairperson shall report to the Congress annually and by State, on grants awarded by the Chairperson in each grant category under section 5 of such Act; and

(4) the Chairperson shall encourage the use of grants to improve and support community-based music performance and education.

**SEC. 314.** Section 6(f) of the National Arts and Humanities Act of 1965 (20 U.S.C. 955(f)) is amended by adding the following after the last sentence: “The Chairperson may approve grants up to \$10,000 without regard to this subsection and subsection 10 (c) if in aggregate this amount does not exceed 5 percent of the sums appropriated for grant making purposes per year and such actions are taken pursuant to the terms of an expressed and direct delegation of authority from the Council to the Chairperson”.

**SEC. 315.** No part of any appropriation contained in this Act shall be expended or obligated to complete and issue the 5-year program under the Forest and Rangeland Renewable Resources Planning Act.

**SEC. 316.** Amounts deposited during fiscal year 2003 in the roads and trails fund provided for in the 14th paragraph under the heading “FOREST SERVICE” of the Act of March 4, 1913 (16 U.S.C. 501), shall be used by the Secretary of Agriculture, without regard to the State in which the amounts were derived, to repair or reconstruct roads, bridges, and trails on National Forest System lands or to carry out and administer projects to improve forest health conditions, which may include the repair or reconstruction of roads, bridges, and trails on National Forest System lands in the wildland-community interface where there is an abnormally high risk of fire. The projects shall emphasize reducing risks to human safety and public health and property and enhancing ecological functions, long-term forest productivity, and biological integrity. The projects may be completed in a subsequent fiscal year. Funds shall not be expended under this section to replace funds which would otherwise appropriately be expended from the timber salvage sale fund. Nothing in this section shall be construed to exempt any project from any environmental law.

**SEC. 317.** A project undertaken by the Forest Service under the Recreation Fee Demonstration Program, as authorized by section 315 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1996, as amended, shall not result in-

(1) displacement of the holder of an authorization to provide commercial recreation services on Federal lands. Prior to initiating any project, the Secretary shall consult with potentially affected holders to determine what impacts the project may have on the holders. Any

modifications to the authorization shall be made within the terms and conditions of the authorization and authorities of the affected agency;

(2) the return of a commercial recreation service to the Secretary for operation when such services have been provided in the past by a private sector provider, except when—

(A) the private sector provider fails to bid on such opportunities;

(B) the private sector provider terminates its relationship with the agency; or

(C) the agency revokes the permit for non-compliance with the terms and conditions of the authorization.

In such cases, the agency may use the Recreation Fee Demonstration Program to provide for operations until a subsequent operator can be found through the offering of a new prospectus.

SEC. 318. REVISION OF FOREST PLANS. Prior to October 1, 2004, the Secretary of Agriculture shall not be considered to be in violation of subparagraph 6(f)(5)(A) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604(f)(5)(A)) solely because more than 15 years have passed without revision of the plan for a unit of the National Forest System. Nothing in this section exempts the Secretary from any other requirement of the Forest and Rangeland Renewable Resources Planning Act (16 U.S.C. 1600 et seq.) or any other law: Provided, That if the Secretary is not acting expeditiously and in good faith, within the funding available, to revise a plan for a unit of the National Forest System, this section shall be void with respect to such plan and a court of proper jurisdiction may order completion of the plan on an accelerated basis.

SEC. 319. Until September 30, 2004, the authority of the Secretary of Agriculture to enter into a cooperative agreement under the first section of Public Law 94-148 (16 U.S.C. 565a-1) for a purpose described in such section includes the authority to use that legal instrument when the principal purpose of the resulting relationship is to the mutually significant benefit of the Forest Service and the other party or parties to the agreement, including nonprofit entities.

SEC. 320. No funds provided in this Act may be expended to conduct preleasing, leasing and related activities under either the Mineral Leasing Act (30 U.S.C. 181 et seq.) or the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) within the boundaries of a National

Monument established pursuant to the Act of June 8, 1906 (16 U.S.C. 431 et seq.) as such boundary existed on January 20, 2001, except where such activities are allowed under the Presidential proclamation establishing such monument.

SEC. 321. In entering into agreements with foreign countries pursuant to the Wildfire Suppression Assistance Act (42 U.S.C. 1856m), the Secretary of Agriculture and the Secretary of the Interior are authorized to enter into reciprocal agreements in which the individuals furnished under said agreements to provide wildfire services are considered, for purposes of tort liability, employees of the country receiving said services when the individuals are engaged in fire suppression: Provided, That the Secretary of Agriculture or the Secretary of the Interior shall not enter into any agreement under this provision unless the foreign country, either directly or through its fire organization, agrees to assume any and all liability for the acts or omissions of American firefighters engaged in firefighting in a foreign country: Provided further, That when an agreement is reached for furnishing fire fighting services, the only remedies for acts or omissions committed while fighting fires shall be those provided under the laws of the host country, and those remedies shall be the exclusive remedies for any claim arising out of fighting fires in a foreign country: Provided further, That neither the sending country nor any organization associated with the firefighter shall be subject to any legal action whatsoever pertaining to or arising out of the firefighter's role in fire suppression.

SEC. 322. Section 124(a) of the Department of the Interior and Related Appropriations Act, 1997 (16 U.S.C. 1011(a)), as amended, is further amended by inserting after the phrase, "appropriations made for the Bureau of Land Management" the phrase "including appropriations for the Wildland Fire Management account allocated to the National Park Service, Fish and Wildlife Service, and the Bureau of Indian Affairs,".

SEC. 323. Funding provided in this Act for "conservation spending category activities" shall, for the purpose of discretionary spending limits, be deemed to be included in the conservation spending category defined in section 250 (c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

# DEPARTMENT OF JUSTICE

## GENERAL ADMINISTRATION

### Federal Funds

#### General and special funds:

#### SALARIES AND EXPENSES

For expenses necessary for the administration of the Department of Justice, \$133,772,000, of which not to exceed \$3,317,000 is for the Facilities Program 2000 and not to exceed \$15,000,000 is for development and implementation of a consolidated financial management system, to remain available until expended: Provided, That the Attorney General is authorized to transfer, under such terms and conditions as the Attorney General shall specify, forfeited real or personal property of limited or marginal value, as such value is determined by guidelines established by the Attorney General, to a State or local government agency, or its designated contractor or transferee, for use to support drug abuse treatment, drug and crime prevention and education, housing, job skills, and other community-based public health and safety programs: Provided further, That any transfer under the preceding proviso shall not create or confer any private right of action in any person against the United States, and shall be treated as a reprogramming under section 605 of this Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 15-0129-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Program direction and policy coordination .....	126	142	169
09.01 Reimbursable program .....	37	33	33
10.00 Total new obligations .....	163	175	202
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	5	11	8
22.00 New budget authority (gross) .....	173	172	201
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation	180	183	209
23.95 Total new obligations .....	-163	-175	-202
23.98 Unobligated balance expiring or withdrawn .....	-6		
24.40 Unobligated balance carried forward, end of year .....	11	8	7
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	93	105	134
40.35 Appropriation rescinded .....	-1		
41.00 Transferred to other accounts .....	-2		
42.00 Transferred from other accounts .....	43	34	34
43.00 Appropriation (total discretionary) .....	133	139	168
50.00 Reappropriation .....	2		
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	38	33	33
70.00 Total new budget authority (gross) .....	173	172	201
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	48	57	60
73.10 Total new obligations .....	163	175	202
73.20 Total outlays (gross) .....	-160	-173	-198
73.40 Adjustments in expired accounts (net) .....	7		
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	57	60	64
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	146	156	182
86.93 Outlays from discretionary balances .....	14	17	16
87.00 Total outlays (gross) .....	160	173	198

#### Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-52	-33	-33
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	14		

#### Net budget authority and outlays:

89.00 Budget authority .....	135	139	168
90.00 Outlays .....	108	140	165

#### Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....	5	4	5
99.01 Outlays .....	5	4	5

Note.—Includes \$5 million in budget authority in 2004 and \$3 million in 2003 for activities of the Bureau of Alcohol, Tobacco, Firearms, and Explosives transferred in 2003 from the Department of Treasury. For consistency of presentation, the 2002 funding of \$3 million is also included.

**Program direction and policy coordination.**—The Attorney General of the United States is responsible for leading the Department of Justice in accomplishing its missions. The Attorney General is assisted by the Deputy Attorney General, the Associate Attorney General, Department policy-level officials, and the Justice Management Division. The General Administration appropriation provides the resources for the programs and operations of the Attorney General, the Deputy Attorney General, the Associate Attorney General, and their Offices, the several Senior Policy Offices, and the Justice Management Division.

#### Object Classification (in millions of dollars)

Identification code 15-0129-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	52	53	58
11.3 Other than full-time permanent .....	2	4	3
11.5 Other personnel compensation .....	4	4	4
11.9 Total personnel compensation .....	58	61	65
12.1 Civilian personnel benefits .....	13	13	16
21.0 Travel and transportation of persons .....	3	3	3
22.0 Transportation of things .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
25.2 Other services .....	18	23	43
Other purchases of goods and services from Government accounts:			
25.3 Rental payments to GSA .....	12	18	16
25.3 Other purchases of goods and services from Government accounts .....	3	3	4
26.0 Supplies and materials .....	4	4	4
31.0 Equipment .....	10	12	13
99.0 Direct obligations .....	126	142	169
99.0 Reimbursable obligations .....	37	33	33
99.9 Total new obligations .....	163	175	202

#### Personnel Summary

Identification code 15-0129-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	501	593	652
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	300	453	453

**General and special funds—Continued**

**ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS**

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:

Centers for Medicare and Medicaid Services: "Health Care Fraud and Abuse Control Account."

**IDENTIFICATION SYSTEMS INTEGRATION**

For necessary expenses for the the nationwide deployment of a Joint Automated Booking System and for the planning, development, and deployment of an integrated fingerprint identification system, including automated capability to transmit fingerprint and image data, \$34,077,000, to remain available until expended; of which \$2,500,000 to remain available until September 30, 2004, is for information technology planning and management.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0134-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	12	24	34
09.01 Reimbursable program .....	17		
10.00 Total new obligations .....	29	24	34
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	11		
22.00 New budget authority (gross) .....	18	24	34
23.90 Total budgetary resources available for obligation .....	29	24	34
23.95 Total new obligations .....	-29	-24	-34
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	24	34
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	4		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	13		
68.90 Spending authority from offsetting collections (total discretionary) .....	17		
70.00 Total new budget authority (gross) .....	18	24	34
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4	-3	
73.10 Total new obligations .....	29	24	34
73.20 Total outlays (gross) .....	-23	-21	-34
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-13		
74.40 Obligated balance, end of year .....	-3		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	21	31
86.93 Outlays from discretionary balances .....	18		3
87.00 Total outlays (gross) .....	23	21	34
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-4		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-13		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	24	34
90.00 Outlays .....	19	21	34

**Planning and Management.**—The Department's formal information technology (IT) investment management policy and process ensures that investment decisions are aligned with the strategic goals of the Department, are well-planned and

justified, and fit within the Department's overall IT strategy and enterprise architecture, and are managed effectively throughout the life cycle. The resources included in this request will be applied to improving the management of IT projects through a variety of means, including: more structured and detailed reviews by the Department's CIO of component projects; improved financial and performance reporting; and a more standardized systems development life cycle methodology and program management model.

**Joint Automated Booking System.**—The Joint Automated Booking System (JABS) performs three major functions: (1) facilitates rapid identification of individuals under arrest or detention through automation of the booking process and an interface with the Federal Bureau of Investigation (FBI) fingerprint identification system; (2) minimizes duplication of data entry by multiple law enforcement agencies during the booking process, and; (3) promotes data sharing of arrest records among JABS participants and other interested parties. When implemented, JABS will provide a rapid conduit to the FBI for offender identification and a current, nationwide reference for criminal offenders, arrests, cases and related data to aid in criminal investigations and prosecutions.

**IDENT/IAFIS Integration.**—The Automated Biometric Identification System/Integrated Automated Fingerprint Identification System (IDENT/IAFIS) integration project is designed to support the apprehension and prosecution of criminal aliens and to provide state and local law enforcement personnel with direct access to Border and Transportation Security (BTS) data through IAFIS. With a real-time connection between the two systems, IDENT/IAFIS integration will provide BTS the capability to determine whether an apprehended person is the subject of a currently posted Want/Warrant or has a record in the FBI's-Criminal Master File. Collaterally, the integration of IDENT and IAFIS will enable cognizant law enforcement agencies to obtain all relevant immigration information as part of a criminal history response from a single FBI search request. IDENT/IAFIS integration is proceeding in an incremental manner with a careful attention to the technical aspects as well as the programmatic and operational effects associated with the project before initiating the full scale development and implementation of the integrated system.

**Information Technology Security.**—The Department has established minimum requirements for ensuring the security of its classified and Sensitive But Unclassified systems and networks. The resources included in this request will assign responsibility for IT security to a senior executive, develop a security architecture, implement common security tools and develop a Public Key Infrastructure.

**Object Classification (in millions of dollars)**

Identification code 15-0134-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....			1
25.2 Other services .....	7	18	23
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
26.0 Supplies and materials .....			1
31.0 Equipment .....	3	4	7
99.0 Direct obligations .....	12	24	34
99.0 Reimbursable obligations .....	17		
99.9 Total new obligations .....	29	24	34

**Personnel Summary**

Identification code 15-0134-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	7	9	16

**NARROWBAND COMMUNICATIONS**

For the costs of conversion to narrowband communications, including the cost for operation and maintenance of Land Mobile Radio legacy systems, \$140,083,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0132-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct .....	76	147	190
09.01 Reimbursable program .....	30	9	5
10.00 Total new obligations .....	106	156	195
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	90	88	50
22.00 New budget authority (gross) .....	84	117	145
22.10 Resources available from recoveries of prior year obligations .....	20		
23.90 Total budgetary resources available for obligation	194	205	195
23.95 Total new obligations .....	-106	-156	-195
24.40 Unobligated balance carried forward, end of year .....	88	50	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	54	108	140
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	23	9	5
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	7		
68.90 Spending authority from offsetting collections (total discretionary) .....	30	9	5
70.00 Total new budget authority (gross) .....	84	117	145
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	101	86	40
73.10 Total new obligations .....	106	156	195
73.20 Total outlays (gross) .....	-94	-202	-187
73.45 Recoveries of prior year obligations .....	-20		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-7		
74.40 Obligated balance, end of year .....	86	40	48
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	60	82	102
86.93 Outlays from discretionary balances .....	34	120	85
87.00 Total outlays (gross) .....	94	202	187
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-23	-9	-5
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-7		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	54	108	140
90.00 Outlays .....	71	193	182

Note.—Includes \$3 million in budget authority in 2003 and 2004 for activities of the Bureau of Alcohol, Tobacco, Firearms, and Explosives transferred in 2003 from the Department of Treasury. A similar amount is included in 2002 for consistency of presentation.

Resources are proposed to provide funding for the Department of Justice conversion of its wireless radio communications to narrowband operations. Federal Government agencies

are required by 47 U.S.C. 903(d)(1) to make more efficient use of their radio spectrum. The National Telecommunications and Information Administration's implementing regulations require that all Federal spectrum users narrow, by one-half, the bandwidth used to transmit radio signals by the year 2005 for Very High Frequency (VHF) allocations and 2008 for Ultra High Frequency (UHF) allocations. The Department's 2004 budget continues the implementation of the Integrated Wireless Network (IWN), a joint initiative with the Departments of Treasury and Homeland Security. Requested resources will be allocated to support Justice components' existing legacy land mobile radio systems; support IWN operations and maintenance requirements; invest in new narrowband infrastructure and subscriber equipment; and support management and operating requirements of the Joint Wireless Program Management Office.

**Object Classification (in millions of dollars)**

Identification code 15-0132-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.1 Advisory and assistance services .....	41	72	92
31.0 Equipment .....	34	74	97
99.0 Direct obligations .....	76	147	190
99.0 Reimbursable obligations .....	30	9	5
99.9 Total new obligations .....	106	156	195

**Personnel Summary**

Identification code 15-0132-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	7	34	43

**COUNTERTERRORISM FUND**

**Program and Financing (in millions of dollars)**

Identification code 15-0130-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		5	5
10.00 Total new obligations (object class 25.2) .....		5	5
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	31	49	44
22.00 New budget authority (gross) .....	5		
22.10 Resources available from recoveries of prior year obligations .....	13		
23.90 Total budgetary resources available for obligation	49	49	44
23.95 Total new obligations .....		-5	-5
24.40 Unobligated balance carried forward, end of year .....	49	44	39
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	5		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	60	14	19
73.10 Total new obligations .....		5	5
73.20 Total outlays (gross) .....	-33		
73.45 Recoveries of prior year obligations .....	-13		
74.40 Obligated balance, end of year .....	14	19	24
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	33		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5		
90.00 Outlays .....	33		

Counterterrorism Fund.—Balances carried over from previous years will be used to reimburse components for the

**General and special funds—Continued**

**COUNTERTERRORISM FUND—Continued**

costs of providing support to counter, investigate, or prosecute domestic or international terrorism.

**TELECOMMUNICATIONS CARRIER COMPLIANCE FUND**

**Program and Financing (in millions of dollars)**

Identification code 15-0202-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Direct program: Law enforcement support .....	26	76	
10.00 Total new obligations (object class 25.2) .....	26	76	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	102	76	
23.95 Total new obligations .....	-26	-76	
24.40 Unobligated balance carried forward, end of year .....	76		
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	40		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-40		
68.90 Spending authority from offsetting collections (total discretionary) .....			
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	95	52	34
73.10 Total new obligations .....	26	76	
73.20 Total outlays (gross) .....	-109	-94	-34
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	40		
74.40 Obligated balance, end of year .....	52	34	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	109	94	34
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-40		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	40		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	69	94	34

The Communications Assistance for Law Enforcement Act (CALEA) of 1994 authorizes the Attorney General to reimburse telecommunications carriers for costs associated with modifying digital equipment installed before January 1, 1995, in order that court-authorized wiretaps may be performed.

The Omnibus Consolidated Appropriations Act of 1997 (P.L. 104-208) extended eligibility for reimbursement to telecommunications equipment manufacturers and providers of support services. In addition to direct appropriations to the Fund, Congress authorized Federal agencies with law enforcement and intelligence responsibilities to transfer to the Fund unobligated balances that are available until expended, upon compliance with Congressional notification requirements.

With the appropriations provided in 2001, total funding for the program has reached \$500 million, the authorization level provided in the Act.

**Object Classification (in millions of dollars)**

Identification code 15-0202-0-1-999	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services .....	26	76	
99.0 Reimbursable obligations: Reimbursable obligations .....			
99.9 Total new obligations .....	26	76	

**ADMINISTRATIVE REVIEW AND APPEALS**

*For expenses necessary for the administration of pardon and clemency petitions and immigration-related activities, \$197,420,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0339-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Executive Office for Immigration Review (EOIR) .....	182	193	195
00.02 Office of the Pardon Attorney (OPA) .....	2	2	2
10.00 Total new obligations .....	184	195	197
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	1	
22.00 New budget authority (gross) .....	179	194	197
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	186	195	197
23.95 Total new obligations .....	-184	-195	-197
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	177	194	197
41.00 Transferred to other accounts .....	-1		
43.00 Appropriation (total discretionary) .....	176	194	197
50.00 Reappropriation .....	1		
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	1		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	1		
70.00 Total new budget authority (gross) .....	179	194	197
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	27	20	23
73.10 Total new obligations .....	184	195	197
73.20 Total outlays (gross) .....	-186	-192	-197
73.40 Adjustments in expired accounts (net) .....	-4		
73.45 Recoveries of prior year obligations .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	20	23	23
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	160	172	175
86.93 Outlays from discretionary balances .....	26	20	22
87.00 Total outlays (gross) .....	186	192	197
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	177	194	197
90.00 Outlays .....	184	192	197
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	5	5	6
99.01 Outlays .....	5	5	6

This program includes the Office of the Pardon Attorney (OPA) and the Executive Office for Immigration Review (EOIR). The Pardon Attorney receives and reviews all petitions for clemency, i.e., commutation of sentences and pardons. The Executive Office for Immigration Review contains the Immigration Judge function, the Board of Immigration

Appeals, the Office of the Chief Administrative Hearing Officer, and the Office of Management and Administration. EOIR was established January 1, 1983, to improve the immigration hearing and appeal process.

Workload for activities follows:

**PARDON ATTORNEY WORKLOAD**

Cases:	2002 actual	2003 est.	2004 est.
Petitions pending, beginning of year .....	3,320	2,280	1,600
Petitions received .....	1,248	1,300	1,350
Correspondence processed .....	5,600	5,700	5,700

**EXECUTIVE OFFICE FOR IMMIGRATION REVIEW WORKLOAD**

Immigration cases, appeals, and related adjudications, pending beginning of year .....	2002 actual	2003 est.	2004 est.
Received .....	208,896	212,175	215,454
Completed .....	325,236	343,836	359,236
Pending, end of year .....	321,957	340,557	355,957
	212,175	215,454	218,733

**Object Classification (in millions of dollars)**

Identification code 15-0339-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	79	86	87
11.3 Other than full-time permanent .....	6	7	7
11.9 Total personnel compensation .....	85	93	94
12.1 Civilian personnel benefits .....	20	22	23
21.0 Travel and transportation of persons .....	4	4	5
23.3 Communications, utilities, and miscellaneous charges .....	6	6	5
24.0 Printing and reproduction .....	1		
25.2 Other services .....	44	43	43
25.3 Rental payments to GSA .....	19	22	22
26.0 Supplies and materials .....	3	3	3
31.0 Equipment .....	1	2	2
99.0 Direct obligations .....	183	195	197
99.0 Reimbursable obligations .....	1		
99.9 Total new obligations .....	184	195	197

**Personnel Summary**

Identification code 15-0339-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,143	1,298	1,408

**DETENTION TRUSTEE**

For necessary expenses of the Federal Detention Trustee, \$810,125,000, remain available until expended, of which not to exceed \$785,689,000 for detention activities may be transferred to "Salaries and Expenses," United States Marshals Service.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0136-0-1-753	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1	774	810
09.01 Reimbursable program .....	1		
10.00 Total new obligations .....	2	774	810
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	2	774	810
23.95 Total new obligations .....	-2	-774	-810
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	774	810
68.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired) .....	1		

70.00	Total new budget authority (gross) .....	2	774	810
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....			116
73.10	Total new obligations .....	2	774	810
73.20	Total outlays (gross) .....	-2	-658	-805
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40	Obligated balance, end of year .....		116	122
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	2	658	689
86.93	Outlays from discretionary balances .....			116
87.00	Total outlays (gross) .....	2	658	805
<b>Offsets:</b>				
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....		-1	
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	1	774	810
90.00	Outlays .....	2	658	805

The Detention Trustee reports to the Deputy Attorney General and is responsible for the centralized management of the Department detention resource allocations, to include the Cooperative Agreement Program, exercising financial oversight of detention operations, and ensuring the implementation of efficiency and effectiveness improvements in Department detention operations.

For FY 2004, the Detention Trustee will continue to work with state governments, local governments, and private service providers to maintain adequate detention capacity to house detained individuals charged with federal offenses, detained while awaiting trial or sentencing, a hearing on their immigration status, or deportation. Based on anticipated growth rates in the federal detainee population, during FY 2003/FY 2004 the number of detainees in state, local, and private prisons is expected to represent approximately 75 percent of the federally detained population. These working relationships, with state, local, and private prison providers are paramount to carrying out the function of detention and also save on costly capital development of federal facilities.

In view of this anticipated growth, and the current excess of state, local and private prison bed space, DOJ has formed a special working group to evaluate such opportunities. This working group consists of representatives from the Office of the Federal Detention Trustee (OFDT), Border and Transportation Security, the United States Marshal Service (USMS), and the Federal Bureau of Prisons (BOP). OFDT serves as the lead. The group's principal objective is to ensure that excess state and local prison facilities are fairly and thoroughly evaluated and consistent standards are employed in these evaluations. The working group considers the location of the facility, size and security level (including flexibility in security level), assesses short-term and long-term bed space requirements, and the amount and status of bed space already available in the vicinity of the facility being reviewed.

The National Clearinghouse for Detention Space, which serves as a national repository for state and local governments and private detention bed space providers to electronically post vacancies rates, services, administrative costs, availability and mode of transport and medical services, will assist the working group in quickly and easily identifying available detention bed space.

In FY 2003, OFDT completed two regional detention pilot projects, one in the Midwest and one along the Southwest border, for process improvements in the areas of consolidation and oversight of federal detention. In FY 2004, successful common elements of the pilot projects will be implemented by OFDT in other areas of the country.

**General and special funds—Continued**

**DETENTION TRUSTEE—Continued**

**Object Classification (in millions of dollars)**

Identification code 15-0136-0-1-753	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	2	2
12.1 Civilian personnel benefits .....		1	1
23.3 Communications, utilities, and miscellaneous charges .....		1	1
25.1 Advisory and assistance services .....		1	
25.2 Other services .....		20	23
25.3 Other purchases of goods and services from Government accounts .....		3	
25.6 Medical care .....		48	47
25.8 Subsistence and support of persons .....		698	736
99.0 Direct obligations .....	1	774	810
99.0 Reimbursable obligations .....	1		
99.9 Total new obligations .....	2	774	810

**Personnel Summary**

Identification code 15-0136-0-1-753	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	6	18	18

**OFFICE OF INSPECTOR GENERAL**

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$62,029,000; including not to exceed \$10,000 to meet unforeseen emergencies of a confidential character.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0328-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	50	58	61
09.01 Reimbursable program .....	15	15	16
10.00 Total new obligations .....	65	73	77
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	65	78	78
23.95 Total new obligations .....	-65	-73	-77
23.98 Unobligated balance expiring or withdrawn .....		-5	
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	50	63	62
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	6	15	16
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	9		
68.90 Spending authority from offsetting collections (total discretionary) .....	15	15	16
70.00 Total new budget authority (gross) .....	65	78	78
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	4	4
73.10 Total new obligations .....	65	73	77
73.20 Total outlays (gross) .....	-62	-73	-78
73.40 Adjustments in expired accounts (net) .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-9		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	5		
74.40 Obligated balance, end of year .....	4	4	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	50	70	74

86.93 Outlays from discretionary balances .....	12	3	4
87.00 Total outlays (gross) .....	62	73	78

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-10	-15	-16
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-9		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	4		

**Net budget authority and outlays:**

89.00 Budget authority .....	50	63	62
90.00 Outlays .....	52	58	62

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	2	2	3
99.01 Outlays .....	2	2	3

Note.—Includes \$5 million in budget authority in 2003 and 2004 for activities of the Bureau of Alcohol, Tobacco, Firearms, and Explosives transferred in 2003 from the Department of Treasury. A similar amount is included in 2002 for consistency of presentation.

The Office of the Inspector General (OIG) was statutorily established in the Department of Justice on April 14, 1989. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of the Department's employees. The OIG provides leadership and assists management in promoting integrity, economy, efficiency, and effectiveness within the Department and in its financial, contractual, and grant relationships with others. Also by statute, the OIG reports to the Attorney General, Congress, and the public on a semiannual basis regarding its significant activities.

The Audit function is responsible for independent audits and reviews of Department organizations, programs, functions, computer security and information technology systems, and financial statement audits. The Audit function also conducts or reviews external audits of expenditures made under Department contracts, grants, and other agreements.

The Investigations function investigates allegations of civil rights violations, bribery, fraud, abuse and violations of other laws, rules and procedures that govern Department employees, contractors, and grantees. This function also develops these cases for criminal prosecution, civil action, or administrative action. In some instances the OIG refers allegations to components within the Department and requests notification of their findings and of any disciplinary action taken.

The Evaluation and Inspections function conducts analyses and makes recommendations to decision makers for improvements in Department programs, policies, and procedures. In addition, this function also conducts shorter and more time-sensitive reviews and evaluations to provide managers with early warnings about possible program deficiencies.

The Oversight and Review function investigates allegations of significant interest to the American public and Congress and of vital importance to the Department.

The Executive Direction and Control function provides program direction for the OIG. Responsibilities include policy development, legal counsel, Congressional affairs, planning, budget, finance, personnel, procurement, automated data processing, and general support services.

**Object Classification (in millions of dollars)**

Identification code 15-0328-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	27	30	32
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	3	3	3
11.9 Total personnel compensation .....	31	34	36
12.1 Civilian personnel benefits .....	7	9	9
21.0 Travel and transportation of persons .....	3	3	3

23.3	Communications, utilities, and miscellaneous charges	1	1	1
25.2	Other services	4	5	4
25.3	Rental payments to GSA	3	4	6
31.0	Equipment	1	2	2
99.0	Direct obligations	50	58	61
99.0	Reimbursable obligations	15	15	16
99.9	Total new obligations	65	73	77

**Personnel Summary**

Identification code 15-0328-0-1-751	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	294	356	415
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment	35	33	33

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 15-4526-0-4-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Financial and employee data	52	54	55
09.02 Telecommunications	130	98	100
09.03 Data Processing	166	146	150
09.04 Publication Services	6	4	4
09.05 Space Management	356	392	428
09.06 Property Management	1	1	1
09.07 Justice Building Services	18	21	21
09.08 Library Acquisition Services	14	11	12
09.10 Personnel Services	5	6	6
09.11 Debt Collection Management	80	94	90
09.12 Mail Services	17	17	17
09.13 Asset Forfeiture Management Staff	2	2	2
09.14 Capital Investment	110	197	
10.00 Total new obligations	957	1,043	886

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	246	276	83
22.00 New budget authority (gross)	946	850	865
22.10 Resources available from recoveries of prior year obligations	33		
22.22 Unobligated balance transferred from other accounts	8		
23.90 Total budgetary resources available for obligation	1,233	1,126	948
23.95 Total new obligations	-957	-1,043	-886
24.40 Unobligated balance carried forward, end of year	276	83	62

**New budget authority (gross), detail:**

Discretionary:			
42.00 Transferred from other accounts	151		
43.00 Appropriation (total discretionary)	151		
Mandatory:			
Offsetting collections (cash):			
69.00 Offsetting collections (cash)	790	800	820
69.00 Offsetting collections (HCFAC)		50	45
69.10 Change in uncollected customer payments from Federal sources (unexpired)	5		
69.90 Spending authority from offsetting collections (total mandatory)	795	850	865
70.00 Total new budget authority (gross)	946	850	865

**Change in obligated balances:**

72.40 Obligated balance, start of year	257	264	457
73.10 Total new obligations	957	1,043	886
73.20 Total outlays (gross)	-912	-850	-865
73.45 Recoveries of prior year obligations	-33		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-5		
74.40 Obligated balance, end of year	264	457	478

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	122		
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86.97 Outlays from new mandatory authority	790	850	865
87.00 Total outlays (gross)	912	850	865

**Offsets:**

88.00 Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources	-790	-850	-865
88.95 Against gross budget authority only: Change in uncollected customer payments from Federal sources (unexpired)	-5		

**Net budget authority and outlays:**

89.00 Budget authority	151		
90.00 Outlays	122		

The Working Capital Fund finances, on a reimbursable basis, those administrative services that can be performed more efficiently at the Department level.

**Object Classification (in millions of dollars)**

Identification code 15-4526-0-4-751	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent	45	48	50
11.3 Other than full-time permanent	1		
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	47	49	51
12.1 Civilian personnel benefits	10	11	11
21.0 Travel and transportation of persons	2	2	2
22.0 Transportation of things	16	14	14
23.1 Rental payments to GSA	340	376	409
23.3 Communications, utilities, and miscellaneous charges	110	83	85
25.1 Advisory and assistance services	16		
25.2 Other services	248	282	282
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts	125	197	
25.3 Rental payments to GSA for WCF only	8	8	10
25.7 Operation and maintenance of equipment	7		
26.0 Supplies and materials	15	14	14
31.0 Equipment	13	7	8
99.9 Total new obligations	957	1,043	886

**Personnel Summary**

Identification code 15-4526-0-4-751	2002 actual	2003 est.	2004 est.
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment	622	723	723

**UNITED STATES PAROLE COMMISSION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the United States Parole Commission as authorized by law, \$11,051,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-1061-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	10	11	11
10.00 Total new obligations	10	11	11
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	10	11	11
23.95 Total new obligations	-10	-11	-11

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 15-1061-0-1-751	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	10	11	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	10	11	11
73.20 Total outlays (gross) .....	-10	-10	-12
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	9	9	9
86.93 Outlays from discretionary balances .....	1	1	3
87.00 Total outlays (gross) .....	10	10	12
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	10	11	11
90.00 Outlays .....	10	10	12
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....			1
99.01 Outlays .....			1

The United States Parole Commission makes decisions to grant or deny parole to Federal and D.C. Code prisoners serving sentences of one year and a day or more, sets conditions of parole, supervises parolees and mandatory releasees, recommits parolees in the event of violations of the conditions of supervision, and determines the termination of supervision in accordance with the Parole Commission and Reorganization Act of 1976.

In addition, the Commission seeks to improve the rehabilitation process by monitoring an effective parole supervision program through U.S. and District of Columbia probation officers and through research studies that evaluate the effectiveness of parole programs. During 2000, the U.S. Parole Commission assumed responsibility for parole revocation hearings and supervision of District of Columbia parolees under the National Capital Revitalization and Self-Government Improvement Act (P.L. 105-33).

WORKLOAD

	2002 actual	2003 est.	2004 est.
<b>Hearings:</b>			
Initial .....	1,425	1,400	900
D.C. Rehearing .....	1,050	1,050	1,200
Rescission .....	285	275	150
Local and institutional revocation .....	1,635	1,602	1,880
D.C. revocation re-hearings .....	570	550	
D.C. probable cause hearings .....	600	600	600
Statutory review .....	335	300	300
Termination .....	60	50	50
<b>Analyst Workload:</b>			
Warrants, warrant supplements, reprimands .....	2,575	2,472	3,137
Reopen & modify and pre-release reviews .....	1,120	1,080	1,065
Prelim. interview req. & expedited revocations .....	2,720	2,600	1,955
Parole certificates .....	2,680	2,750	2,725
Parole terminations .....	770	700	1,290
Other documents .....	7,700	7,980	7,850
<b>Appeal Decisions &amp; Prisoner Litigation:</b>			
Appeals, admin. review & original jurisdiction .....	395	395	395
Prisoner litigation .....	717	788	812
Transfer Treaty cases .....	90	95	95

Object Classification (in millions of dollars)

Identification code 15-1061-0-1-751	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	6	7	7
12.1 Civilian personnel benefits .....	1	1	2
25.2 Other services .....	2	2	1
25.3 Rental payments to others .....	1	1	1
99.9 Total new obligations .....	10	11	11

Personnel Summary

Identification code 15-1061-0-1-751	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	88	104	104

LEGAL ACTIVITIES AND U.S. MARSHALS

Federal Funds

General and special funds:

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including not to exceed \$20,000 for expenses of collecting evidence, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; and rent of private or Government-owned space in the District of Columbia, \$665,346,000, of which \$25,867,000 for counter terrorism shall remain available until expended; of which not to exceed \$10,000,000 for litigation support contracts shall remain available until expended and; of which, not less than \$1,996,000 will be for the administrative expenses of the Radiation Exposure Compensation Act Program: Provided, That of the total amount appropriated, not to exceed \$1,000 shall be available to the United States National Central Bureau, INTERPOL, for official reception and representation expenses: Provided further, That notwithstanding any other provision of law, upon a determination by the Attorney General that emergent circumstances require additional funding for litigation activities of the Civil Division, the Attorney General may transfer such amounts to "Salaries and Expenses, General Legal Activities" from available appropriations for the current fiscal year for the Department of Justice, as may be necessary to respond to such circumstances: Provided further, That any transfer pursuant to the previous proviso shall be treated as a reprogramming under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

In addition, for reimbursement of expenses of the Department of Justice associated with processing cases under the National Childhood Vaccine Injury Act of 1986, as amended, not to exceed \$4,028,000, to be appropriated from the Vaccine Injury Compensation Trust Fund.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 15-0128-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Conduct of Supreme Court proceedings and review of appellate .....	7	8	8
00.02 General tax matters .....	72	76	78
00.03 Criminal matters .....	123	136	136
00.04 Claims, customs, and general civil matters .....	179	244	235
00.05 Land, natural resources, and Indian matters .....	71	71	81
00.06 Legal opinions .....	5	5	6
00.07 Civil rights matters .....	101	105	110
00.08 Interpol .....	8	9	11
00.09 Legal activities office automation .....	9	3	
09.00 Reimbursable program .....	262	276	273
10.00 Total new obligations .....	837	933	938
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	19	12	
22.00 New budget authority (gross) .....	826	921	938
22.10 Net transfers prior year balance .....	5		
22.22 Unobligated balance transferred from other accounts .....	7		
23.90 Total budgetary resources available for obligation .....	857	933	938
23.95 Total new obligations .....	-837	-933	-938
23.98 Unobligated balance expiring or withdrawn .....	-7		
24.40 Unobligated balance carried forward, end of year .....	12		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation .....	562	645	665

40.73	Reduction pursuant to P.L. 107-206 .....	-1		
42.00	Transferred from other accounts .....	4		
43.00	Appropriation (total discretionary) .....	565	645	665
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	261	276	273
70.00	Total new budget authority (gross) .....	826	921	938
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	83	58	82
73.10	Total new obligations .....	837	933	938
73.20	Total outlays (gross) .....	-862	-909	-934
73.40	Adjustments in expired accounts (net) .....	-9		
73.45	Recoveries of prior year obligations .....	-5		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	14		
74.40	Obligated balance, end of year .....	58	82	87
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	759	837	852
86.93	Outlays from discretionary balances .....	103	72	82
87.00	Total outlays (gross) .....	862	909	934
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Federal sources .....	-257	-272	-269
88.00	Federal funds (Drug enforcement) .....	-4	-4	-4
88.90	Total, offsetting collections (cash) .....	-261	-276	-273
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	565	645	665
90.00	Outlays .....	600	633	661
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	13	14	16
99.01	Outlays .....	13	14	16

Note.—Includes \$2 million in budget authority for activities previously financed from:

	2002	2003
Radiation Exposure Compensation: Administrative Expenses .....	\$2	\$2

The following legal activities of the Department are financed from this appropriation:

**Conduct of Supreme Court proceedings and review of appellate matters.**—Through this program, the Solicitor General supervises and processes all appellate matters and represents the Government before the U.S. Supreme Court.

**WORKLOAD**

Cases:	2002 actual	2003 est.	2004 est.
Pending, beginning of term .....	562	493	424
Received .....	3,744	3,763	3,782
Terminated .....	3,813	3,832	3,851
Pending, end of term .....	493	424	355
<b>Other activities:</b>			
Appellate determinations .....	845	849	853
Certiorari determinations .....	584	587	590
Miscellaneous recommendations .....	711	715	718
Oral arguments participation .....	65	65	65

**General tax matters.**—This program is the prosecution and defense of cases arising under the internal revenue laws and other related statutes.

**WORKLOAD**

	2002 actual	2003 est.	2004 est.
Pending, beginning of year .....	16,091	15,592	15,721
Received .....	6,378	6,441	6,505
Terminated .....	6,877	6,312	6,375
Pending, end of year .....	15,592	15,721	15,851

**Criminal matters.**—This program is the enforcement of all Federal criminal statutes except for statutes dealing specifically with tax, antitrust, environmental, and civil rights matters.

**WORKLOAD<sup>1</sup>**

Cases:	2002 actual	2003 est.	2004 est.
Pending, beginning of year .....	625	620	675

Received .....	618	645	703
Terminated .....	623	590	648
Pending, end of year .....	620	675	730
<b>Matters:</b>			
Pending, beginning of year .....	13,267	12,514	11,503
Received .....	8,179	8,399	8,848
Terminated .....	8,932	9,410	9,266
Pending, end of year .....	12,514	11,503	11,085

<sup>1</sup> Includes direct operational authority only.

**Claims, customs, and general civil matters.**—This program asserts the Government's interest in civil litigation involving billions of dollars in monetary claims as well as a wide range of programs, including the September 11th Victims Compensation Program and the Radiation Exposure Compensation Act Program (RECA).

**WORKLOAD<sup>1</sup>**

Cases:	2002 actual	2003 est.	2004 est.
Pending, beginning of year .....	18,472	22,664	26,624
Received .....	11,085	13,150	13,042
Terminated .....	6,893	9,190	16,489
Pending, end of year .....	22,664	26,624	23,177
ALS funds (in millions) .....	\$11.1	\$8.3	\$9.1

<sup>1</sup> Excludes delegated and supervised cases and RECA claims; RECA workload data appears with RECA Trust Fund.

**Environment and natural resource matters.**—The Environment and Natural Resources Division enforces the Nation's civil and criminal environmental laws and defends environmental challenges to Government action. Additionally, the Division represents the United States in virtually all matters concerning the use and development of the Nation's natural resources and public lands, wildlife protection, Indian rights and claims, and the acquisition of Federal property.

**WORKLOAD**

Cases and tracts:	2002 actual	2003 est.	2004 est.
Pending, beginning of year .....	4,812	4,102	4,125
Received .....	2,564	2,911	3,377
Terminated .....	3,274	2,888	3,089
Pending, end of year .....	4,102	4,125	4,413
<b>Matters:</b>			
Pending, beginning of year .....	277	374	439
Received .....	272	292	268
Terminated .....	175	227	241
Pending, end of year .....	374	439	466

**Legal opinions.**—This program is the preparation of legal opinions for the President and Executive agencies and the review of proposed Executive Orders and proclamations for form and legality.

**WORKLOAD**

	2002 actual	2003 est.	2004 est.
Executive orders and proclamations .....	170	170	170
Opinions .....	1,300	1,300	1,300
Intradepartmental opinions .....	3,000	3,000	3,000
Special assignments .....	2,400	2,400	2,400

**Civil rights matters.**—This program is the enforcement of the Nation's civil rights laws.

**WORKLOAD**

Cases:	2002 actual	2003 est.	2004 est.
Pending, beginning of year .....	1,265	1,216	1,208
Filed .....	302	335	341
Terminated .....	351	343	373
Pending, end of year .....	1,216	1,208	1,176
<b>Matters:</b>			
Pending, beginning of year .....	9,535	9,663	9,820
Received .....	4,070	4,198	4,048
Terminated .....	3,942	4,041	4,001
Pending, end of year .....	9,663	9,820	9,867

**INTERPOL (U.S. National Central Bureau).**—This program is the United States liaison, on behalf of the Attorney General, to the International Criminal Police Organization. The program facilitates international law enforcement cooperation.

General and special funds—Continued

Personnel Summary

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES—Continued

	2002 actual	2003 est.	2004 est.
<b>WORKLOAD</b>			
Investigative matters received (IMRS) .....	111,145	113,500	115,200
Investigative matters opened (IMRS) .....	64,873	66,100	67,500
Cases opened .....	18,449	20,000	22,400
Cases reported .....	31,284	19,800	21,000
Cases closed .....	18,577	33,400	35,000
Red notices .....	190	220	260

**Dispute Resolution.**—This program coordinates the Department's use of Alternative Dispute Resolution (ADR), develops ADR policy, conducts ADR training, advises Department personnel on the use of ADR, and evaluates the effectiveness of ADR programs. The office also coordinates the Federal Interagency ADR Working Group, an organization chaired by the Attorney General and created by the President to promote the use of ADR throughout the Federal Government.

**Reimbursable program.**—This reflects reimbursable funding for the following:

**Civil Division**—for litigating cases under the National Childhood Vaccine Injury Act, for defending claims arising from the enactment and implementation of FIRREA, and for litigating a number of extraordinarily large cases on behalf of the United States;

**Criminal Division**—for detailing of staff to provide assistance to other agencies and for other miscellaneous purposes;

**Environment and Natural Resources Division**—from client agencies for litigation support services and from the Environmental Protection Agency for Superfund litigation; and,

**Civil Rights Division**—for activities related to the Department's Equal Employment Opportunity Program, providing services to client agencies for litigation support and geographic information related requests, and for detailing staff to provide various types of assistance to other DOJ components and agencies.

Object Classification (in millions of dollars)

Identification code 15-0128-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	269	291	304
11.3 Other than full-time permanent .....	21	21	19
11.5 Other personnel compensation .....	2	4	4
11.8 Special personal services payments .....	9	6	6
11.9 Total personnel compensation .....	301	322	333
12.1 Civilian personnel benefits .....	67	74	78
21.0 Travel and transportation of persons .....	14	19	18
22.0 Transportation of things .....	5	3	3
23.2 Rental payments to others .....	2	2	3
23.3 Communications, utilities, and miscellaneous charges .....	6	9	11
24.0 Printing and reproduction .....	3	3	3
25.1 Advisory and assistance services .....	13	9	9
25.2 Other services .....	69	128	106
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Other purchases of goods and services from Government accounts .....	22	14	10
25.3 Rental Payments to GSA .....	59	61	76
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials .....	5	5	5
31.0 Equipment .....	6	5	6
41.0 Grants, subsidies, and contributions .....	2	2	3
99.0 Direct obligations .....	575	657	665
99.0 Reimbursable obligations .....	262	276	273
99.9 Total new obligations .....	837	933	938

Identification code 15-0128-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	3,570	3,814	3,833
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	335	338	346

LEGAL ACTIVITIES OFFICE AUTOMATION

For necessary expenses related to the design, development, engineering, acquisition, and implementation of office automation systems for the organizations funded under the headings "Salaries and Expenses", "General Legal Activities", and "Salaries and Expenses", "General Administration, and of the United States Attorneys, the Antitrust Division, the United States Marshals Service, the United States Trustee Program, the Executive Office for Immigration Review, and the Community Relations Service, \$33,240,000, to remain available until expended.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 15-0137-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	7	16	33
09.01 Reimbursable program .....	4	61	33
10.00 Total new obligations .....	11	77	66
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		9	9
22.00 New budget authority (gross) .....	20	77	66
23.90 Total budgetary resources available for obligation .....	20	86	75
23.95 Total new obligations .....	-11	-77	-66
24.40 Unobligated balance carried forward, end of year .....	9	9	9
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	16	16	33
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	1	61	33
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	3		
68.90 Spending authority from offsetting collections (total discretionary) .....	4	61	33
70.00 Total new budget authority (gross) .....	20	77	66
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		6	
73.10 Total new obligations .....	11	77	66
73.20 Total outlays (gross) .....	-1	-83	-69
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
74.10 Change in uncollected customer payments from Federal sources (expired) .....			8
74.40 Obligated balance, end of year .....	6		5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	67	58
86.93 Outlays from discretionary balances .....		16	11
87.00 Total outlays (gross) .....	1	83	69
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-1	-61	-33
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	16	16	33

90.00	Outlays .....	1	22	36
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**Legal Activities Office Automation.**—This activity provides for the design, development, engineering, acquisition and implementation of a standard office automation network in 12 Department components, encompassing 30,000 users: the Antitrust, Civil, Civil Rights, Criminal, Environment and Natural Resources, and Tax Divisions; the U.S. Attorneys; the Executive Office for Immigration Review; the U.S. Trustees; the U.S. Marshals Service; the Community Relations Service; and the Justice Management Division (JMD), including Department leadership offices. It provides for a reliable, robust office automation platform for Department legal, management, and law enforcement activities, ensuring inter-component interoperability, data integrity and security, and promoting increased productivity.

**Object Classification** (in millions of dollars)

Identification code 15-0137-0-1-752	2002 actual	2003 est.	2004 est.
Direct obligations:			
25.2 Other services .....	1	1	8
31.0 Equipment .....	6	15	25
99.0 Direct obligations .....	7	16	33
99.0 Reimbursable obligations .....	4	61	33
99.9 Total new obligations .....	11	77	66

**SALARIES AND EXPENSES, ANTITRUST DIVISION**

*For expenses necessary for the enforcement of antitrust and kindred laws, \$141,898,000: Provided, That, notwithstanding any other provision of law, not to exceed \$141,898,000 of offsetting collections derived from fees collected for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18a), regardless of the year of collection, shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: Provided further, That the sum herein appropriated from the general fund shall be reduced as such offsetting collections are received during fiscal year 2004, so as to result in a final fiscal year 2004 appropriation from the general fund estimated at not more than \$0.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 15-0319-0-1-752	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			12
Receipts:			
02.80 Salaries and expenses, Antitrust Division, offsetting collections .....	77	150	159
04.00 Total: Balances and collections .....	77	150	171
Appropriations:			
05.00 Salaries and expenses, Antitrust Division .....	-77	-138	-142
05.99 Total appropriations .....	-77	-138	-142
07.99 Balance, end of year .....		12	29

**Program and Financing** (in millions of dollars)

Identification code 15-0319-0-1-752	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity .....	37		
09.01 Reimbursable program .....	77	138	142
10.00 Total new obligations .....	114	138	142
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year .....	6	4	4
22.00 New budget authority (gross) .....	122	138	142

22.10	Resources available from recoveries of prior year obligations .....	4		
23.90	Total budgetary resources available for obligation .....	132	142	146
23.95	Total new obligations .....	-114	-138	-142
23.98	Unobligated balance expiring or withdrawn .....	-16		
24.40	Unobligated balance carried forward, end of year .....	4	4	4

**New budget authority (gross), detail:**

Discretionary:				
40.00	Appropriation .....	53		
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	77	150	159
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-8		
68.45	Portion precluded from obligation (limitation on obligations) .....		-12	-17
68.90	Spending authority from offsetting collections (total discretionary) .....	69	138	142
70.00	Total new budget authority (gross) .....	122	138	142

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	11	7	18
73.10	Total new obligations .....	114	138	142
73.20	Total outlays (gross) .....	-122	-127	-140
73.45	Recoveries of prior year obligations .....	-4		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	8		
74.40	Obligated balance, end of year .....	7	18	20

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	104	113	116
86.93	Outlays from discretionary balances .....	18	14	24
87.00	Total outlays (gross) .....	122	127	140

**Offsets:**

Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-77	-150	-159
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	8		

**Net budget authority and outlays:**

89.00	Budget authority .....	53	-12	-17
90.00	Outlays .....	47	-23	-19

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	4	4	5
99.01	Outlays .....	4	4	5

The Antitrust Division administers and enforces antitrust and related statutes. This program primarily involves the investigation of suspected violations of the antitrust laws, the conduct of civil and criminal proceedings in the Federal courts, and the maintenance of competitive conditions.

In 2004, the Antitrust Division will continue to collect filing fees for pre-merger notifications and will retain these fees for expenditure in support of its programs.

**WORKLOAD**

	2002 actual	2003 est.	2004 est.
Cases and investigations:			
Pending, beginning of year .....	371	367	362
Filed and instituted .....	249	261	275
Terminated .....	253	266	279
Pending, end of year .....	367	362	358
Miscellaneous proceedings .....	2,512	2,638	2,769

**Object Classification** (in millions of dollars)

Identification code 15-0319-0-1-752	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent .....	36		
11.3	Other than full-time permanent .....	1		
11.9	Total personnel compensation .....	37		
99.0	Reimbursable obligations: Reimbursable obligations ...	77	138	142

**General and special funds—Continued****SALARIES AND EXPENSES, ANTITRUST DIVISION—Continued****Object Classification (in millions of dollars)—Continued**

Identification code 15-0319-0-1-752	2002 actual	2003 est.	2004 est.
99.9 Total new obligations .....	114	138	142

**Personnel Summary**

Identification code 15-0319-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	525		
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	247	851	851

**SALARIES AND EXPENSES, UNITED STATES ATTORNEYS**

For necessary expenses of the Offices of the United States Attorneys, including inter-governmental and cooperative agreements, \$1,556,784,000, of which not to exceed \$2,500,000 shall be available until September 30, 2005, for: (1) training personnel in debt collection; (2) locating debtors and their property; (3) paying the net costs of selling property; and (4) tracking debts owed to the United States Government: Provided, That of the total amount appropriated, not to exceed \$8,000 shall be available for official reception and representation expenses: Provided further, That not to exceed \$10,000,000 of those funds available for automated litigation support contracts shall remain available until expended: Provided further, That not to exceed \$2,500,000 for the operation of the National Advocacy Center shall remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0322-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 U.S. attorneys .....	1,389	1,522	1,557
09.00 Reimbursable program .....	148	150	158
10.00 Total new obligations .....	1,537	1,672	1,715
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	22	38	21
22.00 New budget authority (gross) .....	1,554	1,657	1,716
22.10 Resources available from recoveries of prior year obligations .....	9		
22.21 Unobligated balance transferred to other accounts	-8		
23.90 Total budgetary resources available for obligation	1,577	1,695	1,737
23.95 Total new obligations .....	-1,537	-1,672	-1,715
23.98 Unobligated balance expiring or withdrawn .....	-3		
24.40 Unobligated balance carried forward, end of year .....	38	21	21

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	1,410	1,506	1,557
40.35 Appropriation rescinded .....	-7		
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
41.00 Transferred to other accounts .....	-9		
42.00 Transferred from other accounts .....	3		
43.00 Appropriation (total discretionary) .....	1,396	1,506	1,557
50.00 Reappropriation .....	9		
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	149	151	159
70.00 Total new budget authority (gross) .....	1,554	1,657	1,716

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	176	164	187
73.10 Total new obligations .....	1,537	1,672	1,715
73.20 Total outlays (gross) .....	-1,526	-1,649	-1,707

73.45 Recoveries of prior year obligations .....	-9		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	-14		
74.40 Obligated balance, end of year .....	164	187	195

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1,404	1,477	1,529
86.93 Outlays from discretionary balances .....	122	172	178
87.00 Total outlays (gross) .....	1,526	1,649	1,707

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
<b>Federal sources:</b>			
88.00 Federal sources .....	-59	-59	-59
88.00 Drug enforcement .....	-90	-92	-100
88.90 Total, offsetting collections (cash) .....	-149	-151	-159

**Net budget authority and outlays:**

89.00 Budget authority .....	1,405	1,506	1,557
90.00 Outlays .....	1,377	1,498	1,548

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	43	45	52
99.01 Outlays .....	43	45	52

The Government is represented in each of the 94 judicial districts by a U.S. Attorney. The U.S. Attorneys prosecute criminal offenses against the United States, represent the Government in civil actions in which the United States is concerned, and initiate proceedings for the collection of fines, penalties, and forfeitures owed to the United States.

**WORKLOAD**

Cases:	2002 actual	2003 est.	2004 est.
Pending beginning of year .....	162,851	174,289	183,367
<b>Filed:</b>			
Criminal .....	56,658	54,360	57,719
Civil .....	83,357	84,363	87,275
Total filed .....	140,015	138,723	144,994
<b>Terminated:</b>			
Criminal .....	51,436	52,437	52,489
Civil .....	77,141	77,208	79,808
Total terminated .....	128,577	129,645	132,297
Pending end of year .....	174,289	183,367	196,064
<b>Matters:</b>			
Pending beginning of year .....	89,516	87,732	88,642
<b>Received:</b>			
Criminal .....	96,525	98,345	98,442
Civil .....	91,796	93,434	96,398
Total received .....	188,321	191,779	194,840
Terminated .....	190,105	190,869	191,551
Pending end of year .....	87,732	88,642	91,931

**Object Classification (in millions of dollars)**

Identification code 15-0322-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	662	728	752
11.3 Other than full-time permanent .....	66	72	80
11.5 Other personnel compensation .....	18	19	20
11.8 Special personal services payments .....	11	12	13
11.9 Total personnel compensation .....	757	831	865
12.1 Civilian personnel benefits .....	181	211	225
21.0 Travel and transportation of persons .....	25	28	29
22.0 Transportation of things .....	4	5	5
23.2 Rental payments to others .....	4	4	4
23.3 Communications, utilities, and miscellaneous charges .....	40	44	43
24.0 Printing and reproduction .....	7	8	8

25.1	Advisory and assistance services .....	14	17	17
25.2	Other services .....	70	73	71
	Other purchases of goods and services from Government accounts:			
25.3	Rental payments to GSA .....	168	188	190
25.3	Other purchases of goods and services from Government accounts .....	23	27	25
25.4	Operation and maintenance of facilities .....	17	18	17
25.6	Medical care .....	1	1	1
25.7	Operation and maintenance of equipment .....	10	11	11
26.0	Supplies and materials .....	19	23	23
31.0	Equipment .....	43	30	20
41.0	Grants, subsidies, and contributions .....	6	3	3
99.0	Direct obligations .....	1,389	1,522	1,557
99.0	Reimbursable obligations .....	148	150	158
99.9	Total new obligations .....	1,537	1,672	1,715

**Personnel Summary**

Identification code 15-0322-0-1-752	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	9,207	10,161	10,292
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	1,174	1,211	1,250

**SALARIES AND EXPENSES, FOREIGN CLAIMS SETTLEMENT COMMISSION**

For expenses necessary to carry out the activities of the Foreign Claims Settlement Commission, including services as authorized by 5 U.S.C. 3109, \$1,212,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0100-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1	1	1
10.00 Total new obligations (object class 11.1) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1	1	1
23.95 Total new obligations .....	-1	-1	-1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1

The Foreign Claims Settlement Commission adjudicates the claims of American nationals (individuals and corporations) arising out of the nationalization, expropriation or other taking of their property by foreign governments, pursuant to the International Claims Settlement Act of 1949 and other statutes. In 2004, the Commission will provide technical assistance to the Departments of State and the Treasury and to the public in connection with the 45 international and war claims programs previously completed, including, in particular, the Cuban Claims Program. It also will provide policy recommendations, evaluation of pending claims legislation,

and liaison with congressional committees considering such legislation.

**Personnel Summary**

Identification code 15-0100-0-1-153	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	6	11	11

**SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE**

For necessary expenses of the United States Marshals Service, \$720,806,000, of which not to exceed \$6,000 shall be available for official reception and representation expenses; of which not to exceed \$4,000,000 for development, implementation, maintenance and support, and training for an automated prisoner information system shall remain available until expended; and of which not to exceed \$1,371,000 is for constructing United States Marshals Service prisoner-holding space in United States Courthouses and Federal buildings.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0324-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	645	691	721
09.00 Reimbursable program .....	50	44	37
10.00 Total new obligations .....	695	735	758
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	5	5	5
22.00 New budget authority (gross) .....	695	735	758
23.90 Total budgetary resources available for obligation	700	740	763
23.95 Total new obligations .....	-695	-735	-758
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	5	5	5
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	644	691	721
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
41.00 Transferred to other accounts .....	-3		
42.00 Transferred from other accounts .....	3		
43.00 Appropriation (total discretionary) .....	643	691	721
50.00 Reappropriation .....	3		
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	15	44	37
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	34		
68.90 Spending authority from offsetting collections (total discretionary) .....	49	44	37
70.00 Total new budget authority (gross) .....	695	735	758
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	58	84	90
73.10 Total new obligations .....	695	735	758
73.20 Total outlays (gross) .....	-664	-729	-755
73.40 Adjustments in expired accounts (net) .....	1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-34		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	29		
74.40 Obligated balance, end of year .....	84	90	93
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	605	666	686
86.93 Outlays from discretionary balances .....	59	63	69
87.00 Total outlays (gross) .....	664	729	755

**General and special funds—Continued**

**SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE—  
Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 15-0324-0-1-752	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Federal sources .....	-37	-39	-32
88.00 Federal funds (Drug enforcement) .....	-2	-2	-2
88.40 Non-Federal sources .....	-3	-3	-3
88.90 Total, offsetting collections (cash) .....	-42	-44	-37
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-34		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	27		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	646	691	721
90.00 Outlays .....	622	685	718
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	21	22	26
99.01 Outlays .....	21	22	26

The Federal Government is represented in each of the 94 judicial districts and the District of Columbia Superior Court by a U.S. Marshal. The primary missions of the U.S. Marshals Service are protection of the Federal judiciary, protection of witnesses, execution of warrants and court orders, and custody and transportation of unsentenced prisoners. It is the principal support force in the Federal judicial system and an integral part of the Federal law enforcement community.

*Reimbursable program.*—Federal funds in 2004 are derived primarily from the Administrative Office of the U.S. Courts for the court security program and inspectors for court security, the Assets Forfeiture Fund for seized assets management, the Organized Crime Drug Enforcement Task Force Program for multi-agency drug investigations, the U.S. Air Force for the Intercontinental Ballistic Missile Program for transportation security services provided by the U.S. Marshals Service, and the Office of National Drug Control Policy and the Centers for Disease Control for security services. Non-Federal funds are derived from State and local governments for witness protection and for the transportation of prisoners pursuant to State writs and from fees collected from service of civil process and sales associated with judicial orders.

**WORKLOAD**

	2002 actual	2003 est.	2004 est.
Fugitive felon warrants received (Class 1) .....	35,616	39,552	43,922
Fugitive felon warrants cleared (Class 1) .....	34,655	38,272	38,272
Witness security program—new witnesses .....	118	182	200
Total Witness Security program participants .....	16,706	17,000	17,300
Prisoners received .....	250,143	260,149	270,555
Property Disposed .....	21,696	22,783	23,866

**Object Classification (in millions of dollars)**

Identification code 15-0324-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	222	230	243
11.3 Other than full-time permanent .....	9	10	10
11.5 Other personnel compensation .....	48	69	72
11.8 Special personal services payments .....	11	9	8
11.9 Total personnel compensation .....	290	318	333
12.1 Civilian personnel benefits .....	95	106	115
21.0 Travel and transportation of persons .....	22	28	31
22.0 Transportation of things .....	2	1	1

23.1 Rental payments to GSA .....	95	123	137
23.2 Rental payments to others .....	3	2	2
23.3 Communications, utilities, and miscellaneous charges .....	19	20	21
24.0 Printing and reproduction .....		1	1
25.2 Other services .....	61	58	41
26.0 Supplies and materials .....	13	11	12
31.0 Equipment .....	44	22	26
32.0 Land and structures .....	1	1	1
99.0 Direct obligations .....	645	691	721
99.0 Reimbursable obligations .....	50	44	37
99.9 Total new obligations .....	695	735	758

**Personnel Summary**

Identification code 15-0324-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	3,738	4,171	4,393
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	193	345	345

**CONSTRUCTION**

**Program and Financing (in millions of dollars)**

Identification code 15-0133-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program: Construction .....	24	15	
10.00 Total new obligations .....	24	15	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	24	15	
23.95 Total new obligations .....	-24	-15	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	24	15	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	26	41	54
73.10 Total new obligations .....	24	15	
73.20 Total outlays (gross) .....	-9	-2	-6
74.40 Obligated balance, end of year .....	41	54	48
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	2	
86.93 Outlays from discretionary balances .....	6		6
87.00 Total outlays (gross) .....	9	2	6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	24	15	
90.00 Outlays .....	9	2	6

Beginning in 2004, any appropriations for construction activities will be requested in the United States Marshals Service Salaries and Expenses account.

These funds will be used for the renovation of U.S. Marshals Service prisoner-holding cells and support space in U.S. courthouses and Federal buildings. Funds will be used to expand prisoner movement areas, construct cell blocks, renovate support space, and build prisoner elevators in existing courthouses.

**Object Classification (in millions of dollars)**

Identification code 15-0133-0-1-751	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	
25.2 Other services .....	23	14	
99.9 Total new obligations .....	24	15	

**Personnel Summary**

Identification code 15-0133-0-1-751	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	9	9	.....

**FEDERAL PRISONER DETENTION**

**Program and Financing (in millions of dollars)**

Identification code 15-1020-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program: Care of U.S. prisoners in non-Federal institutions .....	691	.....	.....
09.01 Reimbursable program .....	38	.....	.....
10.00 Total new obligations .....	729	.....	.....
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	.....	.....
22.00 New budget authority (gross) .....	714	.....	.....
22.10 Resources available from recoveries of prior year obligations .....	12	.....	.....
23.90 Total budgetary resources available for obligation .....	729	.....	.....
23.95 Total new obligations .....	-729	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	706	.....	.....
40.35 Appropriation rescinded .....	-30	.....	.....
43.00 Appropriation (total discretionary) .....	676	.....	.....
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	17	.....	.....
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	21	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	38	.....	.....
70.00 Total new budget authority (gross) .....	714	.....	.....
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	153	159	49
73.10 Total new obligations .....	729	.....	.....
73.20 Total outlays (gross) .....	-688	-110	-49
73.45 Recoveries of prior year obligations .....	-12	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-21	.....	.....
74.40 Obligated balance, end of year .....	159	49	.....
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	462	.....	.....
86.93 Outlays from discretionary balances .....	226	110	49
87.00 Total outlays (gross) .....	688	110	49
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-17	.....	.....
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-21	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	676	.....	.....
90.00 Outlays .....	672	110	49

Note.—Excludes \$763 million in budget authority in 2003 and \$786 million in 2004 for activities transferred to: Department of Justice, Detention Trustee. Comparable amounts for 2002 (\$676 million) are included above.

*Care of U.S. prisoners in non-Federal institutions.*—Under this program, the Department contracts with State and local jails to board Federal prisoners and detainees for short periods of time. These periods of confinement occur before and during a trial and while awaiting transfer to Federal institutions after conviction. Requested resources will cover the cost of jail days, medical costs, and medical guard services. Start-

ing in 2003, this account is proposed to be funded and managed by the Department of Justice Detention Trustee.

**Object Classification (in millions of dollars)**

Identification code 15-1020-0-1-752	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.8 Personnel compensation: Special personal services payments .....	8	.....	.....
25.2 Other services .....	12	.....	.....
25.6 Medical care .....	41	.....	.....
25.8 Subsistence and support of persons .....	630	.....	.....
99.0 Direct obligations .....	691	.....	.....
99.0 Reimbursable obligations .....	38	.....	.....
99.9 Total new obligations .....	729	.....	.....

**FEES AND EXPENSES OF WITNESSES**

*For fees and expenses, of witnesses, for expenses of contracts for the procurement and supervision of expert witnesses, for private counsel expenses, including advances, \$156,145,000, to remain available until expended; of which not to exceed \$8,000,000 may be made available for planning, construction, renovations, maintenance, remodeling, and repair of buildings, and the purchase of equipment incident thereto, for protected witness safesites; of which not to exceed \$1,000,000 may be made available for the purchase and maintenance of armored vehicles for transportation of protected witnesses; and of which not to exceed \$5,000,000 may be made available for the purchase, installation, and maintenance of secure telecommunications equipment and a secure automated information network to store and retrieve the identities and locations of protected witnesses.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0311-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Fees and expenses of witnesses .....	118	124	124
00.02 Protection of witnesses .....	29	31	31
00.03 Private counsel .....	6	7	7
00.05 Alternative Dispute Resolution .....	1	1	1
10.00 Total new obligations .....	154	163	163
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	13	6
22.00 New budget authority (gross) .....	156	156	156
22.10 Resources available from recoveries of prior year obligations .....	8	.....	.....
23.90 Total budgetary resources available for obligation .....	167	169	162
23.95 Total new obligations .....	-154	-163	-163
24.40 Unobligated balance carried forward, end of year .....	13	6	.....
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	156	156	156
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	99	119	117
73.10 Total new obligations .....	154	163	163
73.20 Total outlays (gross) .....	-126	-165	-156
73.45 Recoveries of prior year obligations .....	-8	.....	.....
74.40 Obligated balance, end of year .....	119	117	124
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	109	109	109
86.98 Outlays from mandatory balances .....	17	56	47
87.00 Total outlays (gross) .....	126	165	156
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	156	156	156
90.00 Outlays .....	126	165	156

**General and special funds—Continued**

**FEES AND EXPENSES OF WITNESSES—Continued**

This appropriation is used to pay fees and expenses to witnesses who appear on behalf of the Government in litigation in which the United States is a party. Factors over which the Department of Justice has little, or no, control affect the costs incurred. The U.S. Attorneys, the U.S. Marshals, and the Department's six litigating divisions are served by this appropriation.

*Fees and expenses of witnesses.*—Pays the fees and expenses associated with the preparation and presentation of testimony on behalf of the United States for fact witnesses, who testify as to events or facts about which they have personal knowledge, and for expert witnesses, who provide technical or scientific testimony. This program also pays the fees of physicians and psychiatrists who examine accused persons upon order of the court to determine their mental competency.

*Protection of witnesses.*—Pays subsistence and other costs to ensure the safety of Government witnesses whose testimony on behalf of the United States places them or their families in jeopardy.

*Victim compensation fund.*—Pays restitution to any victim of a crime committed by a protected witness who causes or threatens death or serious bodily injury.

*Private counsel.*—Pays private counsel retained to represent Government employees who are sued, charged, or subpoenaed for actions taken while performing their official duties (private counsel expenditures may be authorized for congressional testimony as well as for litigation in instances where government counsel is precluded from representing the employee or private counsel is otherwise appropriate);

*D.C. Court Informant Protection.*—Pays for the short term protection and temporary relocation of informants for the District of Columbia Superior Court.

*Alternative Dispute Resolution.*—Pays the costs of providing Alternative Dispute Resolution (ADR) services in instances wherein the Department has taken the initiative to use such services and in those matters wherein the courts have directed the parties to attempt a settlement using mediation or some other ADR process.

*Reimbursable program.*—Receives reimbursement from States and localities to cover the costs of maintaining those State and local organized crime witnesses and their families who have been accepted into the witness protection program.

**Object Classification (in millions of dollars)**

Identification code 15-0311-0-1-752	2002 actual	2003 est.	2004 est.
Personnel compensation:			
Special personal services payments:			
11.8 Fees and expenses of witnesses .....	110	113	113
11.8 Fees, protection of witnesses .....	23	23	23
11.9 Total personnel compensation .....	133	136	136
Travel and transportation of persons:			
21.0 Per diem in lieu of subsistence .....	3	5	5
21.0 Mileage .....	5	7	7
21.0 Other .....	7	9	9
25.2 Other services .....	6	6	6
99.9 Total new obligations .....	154	163	163

**SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE**

For necessary expenses of the Community Relations Service, \$9,526,000 and, in addition, up to \$1,000,000 of funds made available to the Department of Justice in this Act may be transferred by the Attorney General to this account: Provided, That notwithstanding any other provision of law, upon a determination by the Attorney General that emergent circumstances require additional funding for conflict resolution and violence prevention activities of the Community Relations Service, the Attorney General may transfer such amounts to

the Community Relations Service, from available appropriations for the current fiscal year for the Department of Justice, as may be necessary to respond to such circumstances: Provided further, That any transfer pursuant to the previous proviso shall be treated as a re-programming under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0500-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	9	9	10
09.00 Reimbursable program .....	1		
10.00 Total new obligations .....	10	9	10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	10	9	10
23.95 Total new obligations .....	-10	-9	-10
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	9	9	10
68.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired) .....	1		
70.00 Total new budget authority (gross) .....	10	9	10
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			1
73.10 Total new obligations .....	10	9	10
73.20 Total outlays (gross) .....	-10	-8	-11
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....		1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	9	8	9
86.93 Outlays from discretionary balances .....	1		2
87.00 Total outlays (gross) .....	10	8	11
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	9	9	10
90.00 Outlays .....	10	8	11

*Conflict resolution and prevention activities program.*—The Community Relations Service provides assistance to state and local communities in the reduction of violence and resolution of disputes, disagreements, and difficulties relating to perceived discriminatory practices based on race, color, or national origin.

**Object Classification (in millions of dollars)**

Identification code 15-0500-0-1-752	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	5	5	6
12.1 Civilian personnel benefits .....	1	1	1
21.0 Travel and transportation of persons .....	1	1	1
Other purchases of goods and services from Government accounts:			
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
25.3 Indirect rental payments to GSA .....	1	1	1
99.0 Direct obligations .....	9	9	10

99.0	Reimbursable obligations .....	1		
99.9	Total new obligations .....	10	9	10

**Personnel Summary**

Identification code 15-0500-0-1-752	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	52	56	56

**INDEPENDENT COUNSEL**

**Program and Financing (in millions of dollars)**

Identification code 15-0327-0-1-752	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	5	10	10
10.00	Total new obligations (object class 25.2) .....	5	10	10
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	10	10	10
23.95	Total new obligations .....	-5	-10	-10
23.98	Unobligated balance expiring or withdrawn .....	-5		
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.00	Appropriation .....	10	10	10
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....	5	10	10
73.20	Total outlays (gross) .....	-5	-10	-10
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	5	10	10
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	10	10	10
90.00	Outlays .....	5	10	10

A permanent appropriation finances independent counsel activities. Pursuant to 28 U.S.C. 591 et seq., as amended, independent counsel were appointed to investigate allegations that senior Executive branch officials violated Federal law. This permanent appropriation funds the continuation of investigations and the investigations conducted under independent counsel legislation enacted in June 1994.

**SEPTEMBER 11TH VICTIM COMPENSATION (GENERAL FUND)**

**Program and Financing (in millions of dollars)**

Identification code 15-0340-0-1-754	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct Program Activity .....	60	2,700	2,361
10.00	Total new obligations (object class 42.0) .....	60	2,700	2,361
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	60	2,700	2,361
23.95	Total new obligations .....	-60	-2,700	-2,361
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.00	Appropriation .....	60	2,700	2,361
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....		40	
73.10	Total new obligations .....	60	2,700	2,361
73.20	Total outlays (gross) .....	-20	-2,740	-2,361
74.40	Obligated balance, end of year .....	40		
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	20	2,700	2,361

86.98	Outlays from mandatory balances .....	40		
87.00	Total outlays (gross) .....	20	2,740	2,361

**Net budget authority and outlays:**

89.00	Budget authority .....	60	2,700	2,361
90.00	Outlays .....	20	2,740	2,361

The Air Transportation Safety and System Stabilization Act (P.L. 107-42) made available such sums as are necessary to compensate victims of the September 11, 2001 attacks. Payments will be made for valid claims on behalf of people who died or were injured during the attacks. Funds to cover the cost of administering the program are requested within the Civil Division.

**UNITED STATES TRUSTEE SYSTEM FUND**

For necessary expenses of the United States Trustee Program, as authorized by 28 U.S.C. 589a(a), \$175,172,000, to remain available until expended and to be derived from the United States Trustee System Fund: Provided, That, notwithstanding any other provision of law, deposits to the Fund shall be available in such amounts as may be necessary to pay refunds due depositors: Provided further, That, notwithstanding any other provision of law, \$175,172,000 of offsetting collections pursuant to 28 U.S.C. 589a(b) shall be retained and used for necessary expenses in this appropriation and remain available until expended: Provided further, That the sum herein appropriated from the Fund shall be reduced as such offsetting collections are received during fiscal year 2004, so as to result in a final fiscal year 2004 appropriation from the Fund estimated at \$0.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 15-5073-0-2-752	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....	149	182	188
<b>Receipts:</b>				
02.00	Fees for bankruptcy oversight, U.S. trustees system .....	174	167	179
02.40	Earnings on investments .....	6	7	8
02.80	United States trustee system fund, offsetting collections .....	1		
02.99	Total receipts and collections .....	181	174	187
04.00	Total: Balances and collections .....	330	356	375
<b>Appropriations:</b>				
05.00	United States trustee system fund .....	-148	-168	-175
05.99	Total appropriations .....	-148	-168	-175
07.99	Balance, end of year .....	182	188	200

**Program and Financing (in millions of dollars)**

Identification code 15-5073-0-2-752	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
09.00	Reimbursable program .....	146	168	175
10.00	Total new obligations .....	146	168	175
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	1	2	1
22.00	New budget authority (gross) .....	148	168	175
22.10	Resources available from recoveries of prior year obligations .....	1		
23.90	Total budgetary resources available for obligation .....	150	170	176
23.95	Total new obligations .....	-146	-168	-175
24.40	Unobligated balance carried forward, end of year .....	2	1	1
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.20	Appropriation (special fund) .....	180	168	175
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	1		
68.45	Portion precluded from obligation (limitation on obligations) .....	-33		

**General and special funds—Continued**

**UNITED STATES TRUSTEE SYSTEM FUND—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 15-5073-0-2-752	2002 actual	2003 est.	2004 est.
68.90 Spending authority from offsetting collections (total discretionary) .....	-32		
70.00 Total new budget authority (gross) .....	148	168	175
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	12	16	24
73.10 Total new obligations .....	146	168	175
73.20 Total outlays (gross) .....	-141	-160	-173
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	16	24	26
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	125	143	149
86.93 Outlays from discretionary balances .....	16	17	24
87.00 Total outlays (gross) .....	141	160	173
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	147	168	175
90.00 Outlays .....	140	160	173
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....		185	160
92.02 Total investments, end of year: Federal securities:			
Par value .....	185	160	160
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	4	5	6
99.01 Outlays .....	4	5	6

*United States trustee system fund.*—The United States trustees supervise the administration of bankruptcy cases and private trustees in the Federal Bankruptcy Courts. The Bankruptcy Judges, U.S. Trustees and Family Farmer Bankruptcy Act of 1986 (Public Law 99-554) expanded the pilot trustee program to a twenty-one region, nationwide program encompassing 88 judicial districts. This program collects user fees assessed against debtors, which offset the annual appropriation.

**BANKRUPTCY MATTERS<sup>1</sup>**

	2002 actual	2003 est.	2004 est.
Chapter 7 cases filed .....	1,047,969	1,153,000	1,222,000
Chapter 11 cases filed .....	11,380	12,000	12,000
Chapter 12 cases filed .....	313	1,000	1,000
Chapter 13 cases filed .....	410,686	451,000	480,000
Total number of new cases filed .....	1,470,348	1,617,000	1,715,000

<sup>1</sup> Does not include cases dismissed or converted to other chapters.

**Object Classification (in millions of dollars)**

Identification code 15-5073-0-2-752	2002 actual	2003 est.	2004 est.
99.0 Reimbursable obligations: Reimbursable obligations ...	146	168	175
99.9 Total new obligations .....	146	168	175

**Personnel Summary**

Identification code 15-5073-0-2-752	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	1,036	1,201	1,211

**ASSETS FORFEITURE FUND**

*For expenses authorized by 28 U.S.C. 524(c)(1)(B), (F), and (G), as amended, \$22,949,000, to be derived from the Department of Justice Assets Forfeiture Fund.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 15-5042-0-2-752	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	113	109	64
<b>Receipts:</b>			
<b>Receipts:</b>			
02.00 Forfeited cash and proceeds from the sale of forfeited property .....	393	380	380
02.00 Forfeited cash and proceeds from the sale of forfeited property .....			213
<b>Offsetting receipts (intragovernmental):</b>			
02.40 Interest and profit on investment .....	21	20	20
02.40 Offsetting receipts (intragovernmental) .....			8
02.80 Assets forfeiture fund, offsetting collections .....	8	3	3
02.99 Total receipts and collections .....	422	403	624
04.00 Total: Balances and collections .....	535	512	688
<b>Appropriations:</b>			
<b>Appropriations:</b>			
05.00 Assets forfeiture fund .....	-421	-448	-403
05.00 Assets forfeiture fund .....			-221
05.99 Total appropriations .....	-421	-448	-624
06.10 Unobligated balance returned to receipts .....	-5		
07.99 Balance, end of year .....	109	64	64

**Program and Financing (in millions of dollars)**

Identification code 15-5042-0-2-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	442	524	449
09.01 Reimbursable program .....	3	3	3
10.00 Total new obligations .....	445	527	452
<b>Budgetary resources available for obligation:</b>			
Unobligated balance carried forward, start of year:			
21.40 Unobligated balance carried forward, start of year, other .....	175	172	161
21.40 Unobligated balance carried forward, start of year, super surplus .....	60	68	
22.00 New budget authority (gross) .....	376	448	403
22.10 Resources available from recoveries of prior year obligations .....	74		
23.90 Total budgetary resources available for obligation .....	685	688	564
23.95 Total new obligations .....	-445	-527	-452
Unobligated balance carried forward, end of year:			
24.40 Unobligated balance carried forward, end of year, other .....	172	161	112
24.40 Unobligated balance carried forward, end of year, super surplus .....	68		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.20 Appropriation (special fund) .....	23	23	23
<b>Mandatory:</b>			
Appropriation (special fund):			
60.20 Appropriation (special fund) .....	390	377	377
60.20 Return of Super Surplus .....		45	
60.36 Unobligated balance rescinded, super surplus .....	-45		
62.50 Appropriation (total mandatory) .....	345	422	377
<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	8	3	3
70.00 Total new budget authority (gross) .....	376	448	403

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	253	191	222
73.10 Total new obligations .....	445	527	452
73.20 Total outlays (gross) .....	-438	-496	-500

73.40	Adjustments in expired accounts (net)	5		
73.45	Recoveries of prior year obligations	-74		
74.40	Obligated balance, end of year	191	222	174

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	8	12	12
86.93	Outlays from discretionary balances	11	17	17
86.97	Outlays from new mandatory authority	297	253	226
86.98	Outlays from mandatory balances	122	214	245
87.00	Total outlays (gross)	438	496	500

**Offsets:**

Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-8	-3	-3

**Net budget authority and outlays:**

89.00	Budget authority	368	445	400
90.00	Outlays	430	493	497

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:				
	Par value	577	494	400
92.02 Total investments, end of year: Federal securities:				
	Par value	494	400	400

The Comprehensive Crime Control Act of 1984 established the Assets Forfeiture Fund, into which forfeited cash and the proceeds of sales of forfeited property are deposited. Authorities of the fund have been amended by various public laws enacted since 1984. Under current law, authority to use the fund for certain investigative expenses shall be specified in annual appropriation acts. Expenses necessary to seize, detain, inventory, safeguard, maintain, advertise or sell property under seizure are funded through a permanent, indefinite appropriation. In addition, beginning in 1993, other general expenses of managing and operating the asset forfeiture program are paid from the permanent, indefinite portion of the fund. Once all expenses are covered, and statutorily mandated transfers are accomplished, the balance is maintained to meet ongoing expenses of the program. Excess unobligated balances may also be allocated by the Attorney General in accordance with 28 U.S.C. 524(c)(8)(E).

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority	368	445	400
Outlays	430	493	497
Legislative proposal, subject to PAYGO:			
Budget Authority			221
Outlays			221
<b>Total:</b>			
Budget Authority	368	445	621
Outlays	430	493	718

**Object Classification (in millions of dollars)**

Identification code 15-5042-0-2-752	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
21.0	Travel and transportation of persons	5	6	5
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	3	3	3
23.2	Rental payments to others	1	1	1
23.3	Communications, utilities, and miscellaneous charges	1	2	3
24.0	Printing and reproduction	2	2	2
25.1	Advisory and assistance services	14	15	14
25.2	Other services	394	471	396
25.3	Other purchases of goods and services from Government accounts	6	8	11
25.4	Operation and maintenance of facilities	4	5	5
25.7	Operation and maintenance of equipment	5	6	5
31.0	Equipment	6	4	3
99.0	Direct obligations	442	524	449
99.0	Reimbursable obligations	3	3	3
99.9	Total new obligations	445	527	452

**ASSET FORFEITURE FUND**  
(Legislative proposal, subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 15-5042-4-2-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Direct program		240
10.00	Total new obligations		240
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross)		221
22.10	Resources available from recoveries of prior year obligations		10
22.22	Unobligated balance transferred from other accounts		52
23.90	Total budgetary resources available for obligation		283
23.95	Total new obligations		-240
24.40	Unobligated balance carried forward, end of year, other		43
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20	Appropriation (special fund)		221
<b>Change in obligated balances:</b>			
73.10	Total new obligations		240
73.20	Total outlays (gross)		-221
73.32	Obligated balance transferred from other accounts		170
73.45	Recoveries of prior year obligations		-10
74.40	Obligated balance, end of year		179

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority		199
86.98	Outlays from mandatory balances		22
87.00	Total outlays (gross)		221
<b>Net budget authority and outlays:</b>			
89.00	Budget authority		221
90.00	Outlays		221
<b>Memorandum (non-add) entries:</b>			
92.02 Total investments, end of year: Federal securities:			
	Par value		280

The Department of Treasury Forfeiture Fund (TFF) is being transferred to the Department of Justice Asset Forfeiture Fund (AFF) in 2004. Proposed legislation to effect this transfer will follow.

**Object Classification (in millions of dollars)**

Identification code 15-5042-4-2-752	2002 actual	2003 est.	2004 est.
25.2	Other services		163
41.0	Grants, subsidies, and contributions		77
99.9	Total new obligations		240

**JUSTICE PRISONER AND ALIEN TRANSPORTATION SYSTEM FUND,  
UNITED STATES MARSHALS SERVICE**

**Program and Financing (in millions of dollars)**

Identification code 15-4575-0-4-752	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
09.00	Reimbursable program	76	79	75
10.00	Total new obligations	76	79	75
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	14	24	30
22.00	New budget authority (gross)	83	85	76
22.10	Resources available from recoveries of prior year obligations	2		
23.90	Total budgetary resources available for obligation	99	109	106

**General and special funds—Continued**

**JUSTICE PRISONER AND ALIEN TRANSPORTATION SYSTEM FUND,  
UNITED STATES MARSHALS SERVICE—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 15-4575-0-4-752	2002 actual	2003 est.	2004 est.
23.95 Total new obligations .....	-76	-79	-75
24.40 Unobligated balance carried forward, end of year .....	24	30	31
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	83	85	76
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	12	7	1
73.10 Total new obligations .....	76	79	75
73.20 Total outlays (gross) .....	-79	-85	-77
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	7	1	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	76	77	68
86.93 Outlays from discretionary balances .....	3	8	9
87.00 Total outlays (gross) .....	79	85	77
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-83	-85	-76
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-4		1

The Justice Prisoner and Alien Transportation System (JPATS) is responsible for transporting by air all Federal prisoners and detainees, including sentenced and pretrial, whether in the custody of the U.S. Marshals Service or the Bureau of Prisons. JPATS also provides prisoner transportation to the Department of Defense, and State and local law enforcement, on a full cost recovery reimbursable and space available basis. JPATS transports prisoners and detainees on a full cost recovery reimbursable basis with participating Executive Departments and agencies without sacrificing the safety of the public, Federal employees, or those in custody. Proceeds from the disposal of aircraft will be deposited into the Fund.

**Object Classification (in millions of dollars)**

Identification code 15-4575-0-4-752	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	8	8	8
11.5 Other personnel compensation .....	1	1	1
11.8 Special personal services payments .....	4	5	5
11.9 Total personnel compensation .....	13	14	14
12.1 Civilian personnel benefits .....	3	3	3
21.0 Travel and transportation of persons .....	22	35	32
23.2 Rental payments to others .....	2	3	3
25.2 Other services .....	18	9	9
26.0 Supplies and materials .....	18	15	14
99.0 Reimbursable obligations .....	76	79	75
99.9 Total new obligations .....	76	79	75

**Personnel Summary**

Identification code 15-4575-0-4-752	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	120	149	149

**RADIATION EXPOSURE COMPENSATION**

**Federal Funds**

**ADMINISTRATIVE EXPENSES**

**Program and Financing (in millions of dollars)**

Identification code 15-0105-0-1-054	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	2	2	
10.00 Total new obligations (object class 25.2) .....	2	2	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	2	2	
23.95 Total new obligations .....	-2	-2	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2	2	
41.00 Transferred to other accounts .....	-1		
43.00 Appropriation (total discretionary) .....	1	2	
50.00 Reappropriation .....	1		
70.00 Total new budget authority (gross) .....	2	2	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			1
73.10 Total new obligations .....	2	2	
73.20 Total outlays (gross) .....	-2	-2	
74.40 Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	2	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2	2	
90.00 Outlays .....	1	2	

*Note.*—Excludes \$2 million in budget authority in FY 2004 for activities transferred to the General Legal Activities: Civil Division account. Comparable amounts for FY 2002 and FY 2003 are included above.

Beginning in 2004, administrative expenses for Radiation Exposure Compensation will be requested in the General Legal Activities, Salaries and Expenses Account.

This program processes claims under the Radiation Exposure Compensation Act, as amended, which authorizes payments to individuals exposed to radiation as a result of atmospheric nuclear tests or uranium mining, milling or transport.

**PAYMENT TO RADIATION EXPOSURE COMPENSATION TRUST FUND**

**Program and Financing (in millions of dollars)**

Identification code 15-0333-0-1-054	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	172	143	107
10.00 Total new obligations (object class 25.2) .....	172	143	107
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	172	143	107
23.95 Total new obligations .....	-172	-143	-107
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	172	143	107
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	172	143	107
73.20 Total outlays (gross) .....	-172	-143	-107
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	172	143	107
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	172	143	107

90.00	Outlays	172	143	107
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**Trust Funds**

**RADIATION EXPOSURE COMPENSATION TRUST FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 15-8116-0-7-054	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	16	16	32
Receipts:			
02.40 Payment from the general fund	172	143	107
04.00 Total: Balances and collections	188	159	139
Appropriations:			
05.00 Radiation exposure compensation trust fund	-172	-143	-107
06.10 Unobligated balance returned to receipts		16	
07.99 Balance, end of year	16	32	32

**Program and Financing (in millions of dollars)**

Identification code 15-8116-0-7-054	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	172	146	107
10.00 Total new obligations (object class 41.0)	172	146	107
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	16	19	
22.00 New budget authority (gross)	172	143	107
22.10 Resources available from recoveries of prior year obligations	3		
23.90 Total budgetary resources available for obligation	191	162	107
23.95 Total new obligations	-172	-146	-107
23.98 Unobligated balance expiring or withdrawn		-16	
24.40 Unobligated balance carried forward, end of year	19		

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.26 Appropriation (trust fund)	172	143	107

**Change in obligated balances:**

72.40 Obligated balance, start of year	66	41	15
73.10 Total new obligations	172	146	107
73.20 Total outlays (gross)	-194	-172	-121
73.45 Recoveries of prior year obligations	-3		
74.40 Obligated balance, end of year	41	15	1

**Outlays (gross), detail:**

86.93 Outlays from discretionary balances	65	17	
86.97 Outlays from new mandatory authority	129	86	64
86.98 Outlays from mandatory balances		69	57
87.00 Total outlays (gross)	194	172	121

**Net budget authority and outlays:**

89.00 Budget authority	172	143	107
90.00 Outlays	194	172	121

The Radiation Exposure Compensation Act, as amended, authorizes payments to individuals exposed to radiation as a result of atmospheric nuclear tests or uranium mining, milling or transport.

**WORKLOAD**

	2002 actual	2003 est.	2004 est.	2005 est.
Claims and Appeals:				
Pending, beginning of year	2,934	2,678	2,326	1,634
Filed	3,417	3,185	2,545	1,825
Approved	2,807	2,937	2,195	1,235
Denied	866	600	1,042	1,310
Pending, end of year	2,678	2,326	1,634	914

**INTERAGENCY LAW ENFORCEMENT**

**Federal Funds**

**General and special funds:**

**INTERAGENCY CRIME AND DRUG ENFORCEMENT**

For necessary expenses for the identification, investigation, and prosecution of individuals associated with the most significant drug trafficking and affiliated money laundering organizations, not otherwise provided for, to include inter-governmental agreements with State and local law enforcement agencies engaged in the investigation and prosecution of individuals involved in organized crime drug trafficking, \$541,844,000, of which \$50,000,000 shall remain available until expended: Provided, That any amounts obligated from appropriations under this heading may be used under authorities available to the organizations reimbursed from this appropriation: Provided further, That any unobligated balances remaining available at the end of the fiscal year shall revert to the Attorney General for reallocation among participating organizations in succeeding fiscal years, subject to the reprogramming procedures set forth in section 605 of this Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0323-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Law enforcement	247	267	437
00.03 Prosecution	93	95	105
10.00 Total new obligations (object class 25.2)	340	362	542
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	6	8	8
22.00 New budget authority (gross)	338	362	542
22.10 Resources available from recoveries of prior year obligations	4		
23.90 Total budgetary resources available for obligation	348	370	550
23.95 Total new obligations	-340	-362	-542
24.40 Unobligated balance carried forward, end of year	8	8	8

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation	338	362	542

**Change in obligated balances:**

72.40 Obligated balance, start of year	41	26	90
73.10 Total new obligations	340	362	542
73.20 Total outlays (gross)	-350	-298	-498
73.40 Adjustments in expired accounts (net)	-1		
73.45 Recoveries of prior year obligations	-4		
74.40 Obligated balance, end of year	26	90	134

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	269	272	407
86.93 Outlays from discretionary balances	81	26	91
87.00 Total outlays (gross)	350	298	498

**Net budget authority and outlays:**

89.00 Budget authority	338	362	542
90.00 Outlays	350	298	498

Note. Includes \$112 million in budget authority in 2004 for Interagency Crime and Drug Enforcement activities proposed for transfer from the Departments of Treasury and Homeland Security. Comparable amounts for 2002 and 2003 are shown in the Department of the Treasury, Interagency Crime and Drug Enforcement (\$108 million) and Coast Guard (\$1 million).

This appropriation provides reimbursements to agencies within the Department of Justice, Department of Treasury, and Department of Homeland Security that participate in the Organized Crime Drug Enforcement Task Force (OCDETF) Program. The OCDETF Program consists of a nationwide structure of 9 regional task forces that combine the resources and expertise of its 11 member Federal agencies, in cooperation with State and local investigators and prosecutors, to target and destroy major narcotic trafficking and

**General and special funds—Continued**

**INTERAGENCY CRIME AND DRUG ENFORCEMENT—Continued**

money-laundering organizations. The task forces perform the following activities:

1. *Investigation.*—This activity includes the resources for direct investigative intelligence and support activities of the task forces, focusing on the disruption and dismantlement of drug trafficking and money laundering organizations by various organized crime enterprises. Organizations participating under the law enforcement function are the Drug Enforcement Administration, Federal Bureau of Investigation, Internal Revenue Service, Bureau of Alcohol, Tobacco, Firearms, and Explosives, U.S. Coast Guard, U.S. Marshals Service, and Border and Transportation Security.

2. *Prosecution.*—This activity includes the resources for the prosecution of cases generated through the investigative efforts of task force agents. Litigation efforts are targeted selectively on the criminal leadership involved in drug trafficking and are intended to dissolve organized illicit enterprises. This includes activities designed to secure the seizure and forfeiture of the assets of these enterprises. Participating agencies are the U.S. Attorneys, Criminal Division and Tax Division.

The planned distribution of obligations for 2003 and 2004 among the participating Federal agencies, as well as the actual distribution for 2002, is as follows:

	(In millions of dollars)		
	2002 actual	2003 est.	2004 est.
Department of Justice:			
Drug Enforcement Administration .....	111.4	120.5	148.6
Federal Bureau of Investigation .....	115.7	118.3	120.4
Immigration and Naturalization Service .....	14.5	16.4	.....
U.S. Marshals Service .....	3.0	2.1	2.1
U.S. Attorneys .....	89.6	92.0	100.2
Criminal Division .....	4.3	11.9	35.7
Tax Division .....	1.0	1.0	1.0
Alcohol, Tobacco, Firearms and Explosives .....	11.1	11.1	11.5
Subtotal .....	350.6	373.3	419.5
Department of Treasury:			
Internal Revenue Service .....	65.6	65.6	73.2
Treasury Office of Enforcement .....	0.7	0.7	0.7
Subtotal .....	66.3	66.3	73.9
Department of Homeland Security:			
Border and Transportation Security .....	30.2	30.2	47.8
U.S. Coast Guard .....	0.6	0.6	0.6
Subtotal .....	30.8	30.8	48.4
Total .....	447.7	470.4	541.8

**WORKLOAD**

	2002 actual	2003 est.
Investigations .....	895	650
Title III's and Extensions .....	749	880
Consolidated Priority Targets (CPOT) .....	53	53
Investigations connected to CPOT .....	369	400

At the request of the Attorney General, the OCDETF member agencies, working together with input from the intelligence community, developed the Consolidated Priority Organization Target (CPOT) List which identifies the 53 most significant international drug trafficking and money laundering organizations responsible for the largest drug supply to the United States. OCDETF has identified 369 current OCDETF investigations that are targeting components of the CPOT-listed organizations. The focus on CPOT-linked investigations is one of many steps taken by the OCDETF program to enhance and expand its investigations across the United States. The goal is to dismantle the entire infrastructure of these major drug trafficking and money laundering organizations, thereby reducing the drug supply to the United States. This sharply focused effort ensures that OCDETF funding is being used as effectively and efficiently as possible. It should result in an increase of linked CPOT investigations by 33 percent in FY 2003.

As OCDETF has renewed its focus on the higher level targets and investigations, the total OCDETF cases initiated

decreased by 33 percent (1,336 to 895) between FY 2001 and FY 2002. This has occurred because OCDETF resources are being concentrated on more sophisticated, more long-term and resource-intensive investigations, thereby reducing the number of investigations which are undertaken. The decrease is also attributed to the decrease in drug enforcement resources available to OCDETF member agency resources due to the build-up in counter-terrorism programs after September 11, 2001. During FY 2003, it is projected that OCDETF case initiations will continue to decrease by additional 10 percent (895 to 800). However, rather than being a cause for alarm, OCDETF believes this decrease in cases initiated will be indicative of our emphasis on "quality investigations" rather than the quantity of investigations.

**FEDERAL BUREAU OF INVESTIGATION**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

*For necessary expenses of the Federal Bureau of Investigation for detection, investigation, and prosecution of crimes against the United States; including purchase for police-type use of not to exceed 2,454 passenger motor vehicles, of which 1,620 will be for replacement only; and not to exceed \$70,000 to meet unforeseen emergencies of a confidential character, pursuant to 28 U.S.C. 530C, \$4,639,569,000; of which not to exceed \$65,000,000 for automated data processing and telecommunications and technical investigative equipment and not to exceed \$1,000,000 for undercover operations shall remain available until September 30, 2005; of which not to exceed \$1,250,000 for necessary expenses of construction shall remain available until expended; of which not less than \$490,104,000 shall be for counterterrorism investigations, foreign counterintelligence, and other activities related to our national security; of which not to exceed \$10,000,000 is authorized to be made available for making advances for expenses arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to violent crime, terrorism, organized crime, and drug investigations: Provided, That not to exceed \$45,000 shall be available for official reception and representation expenses.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-0200-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating expenses:			
Direct programs:			
00.01 National Security .....	516	642	836
00.02 Counterterrorism .....	988	1,019	1,349
00.03 Criminal Enterprises and Federal Crimes .....	1,679	1,900	1,589
00.04 Criminal Justice Services .....	300	365	383
00.91 Total operating expenses .....	3,483	3,926	4,157
Capital investments:			
02.01 National Security .....	48	155	142
02.02 Counterterrorism .....	109	301	231
02.03 Criminal Enterprises and Federal Crimes .....	145	267	128
02.04 Criminal Justice Services .....	29	23	20
02.91 Total capital investment .....	331	746	521
03.00 Total .....	3,814	4,672	4,678
09.00 Reimbursable program .....	643	621	633
10.00 Total new obligations .....	4,457	5,293	5,311
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	46	470	38
22.00 New budget authority (gross) .....	4,906	4,861	5,273
22.10 Resources available from recoveries of prior year obligations .....	11	.....	.....
22.22 Unobligated balance transferred from other accounts	40	.....	.....
23.90 Total budgetary resources available for obligation	5,003	5,331	5,311

23.95	Total new obligations .....	-4,457	-5,293	-5,311
23.98	Unobligated balance expiring or withdrawn .....	-76		
24.40	Unobligated balance carried forward, end of year .....	470	38	

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation .....	4,195	4,197	4,640
40.73	Reduction pursuant to P.L. 107-206 .....	-3		
41.00	Transferred to other accounts .....	-32		
42.00	Transferred from other accounts .....	6		
43.00	Appropriation (total discretionary) .....	4,166	4,197	4,640
50.00	Reappropriation .....	71	43	
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	669	621	633
70.00	Total new budget authority (gross) .....	4,906	4,861	5,273

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	600	728	1,520
73.10	Total new obligations .....	4,457	5,293	5,311
73.20	Total outlays (gross) .....	-4,148	-4,501	-5,118
73.40	Adjustments in expired accounts (net) .....	-41		
73.45	Recoveries of prior year obligations .....	-11		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	-129		
74.40	Obligated balance, end of year .....	728	1,520	1,713

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	3,249	3,769	4,113
86.93	Outlays from discretionary balances .....	899	732	1,005
87.00	Total outlays (gross) .....	4,148	4,501	5,118

**Offsets:**

<b>Federal funds:</b>				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Drug enforcement .....	-167	-124	-128
88.00	Health care fraud .....	-101	-114	-114
88.00	Other Federal funds .....	-307	-304	-310
88.40	Non-Federal sources .....	-94	-79	-81
88.90	Total, offsetting collections (cash) .....	-669	-621	-633

**Net budget authority and outlays:**

89.00	Budget authority .....	4,237	4,240	4,640
90.00	Outlays .....	3,479	3,880	4,485

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	116	120	120
99.01	Outlays .....	116	120	120

The mission of the FBI is to protect the United States from terrorist and foreign intelligence activities; to uphold the law through the investigation of violations of Federal criminal law; to provide leadership and assistance to Federal, state, local and international law enforcement agencies; and to perform these responsibilities in a manner that is responsive to the needs of the public and is faithful to the Constitution of the United States.

Protecting America in the current challenging national security and criminal environment requires that the FBI refocus its priorities; realign its workforce to address these priorities; and improve management policies and operating procedures to enhance flexibility, agility, effectiveness, and accountability. The FBI's revised strategic priorities are in order:

- Protect the United States from terrorist attack.
- Protect the United States against foreign intelligence operations and espionage.
- Protect the United States against cyber-based attacks and high technology crimes.
- Combat public corruption at all levels of government.
- Protect civil rights.
- Combat transnational and national criminal organizations and enterprises.
- Combat major white-collar crime.
- Combat significant violent crime.
- Support federal, state, county, municipal, and international partners.

- Upgrade technology to successfully perform the FBI's mission.

FBI investigations and operations are conducted through a network of 56 major field offices, over 400 smaller field offices (resident agencies), and 4 information technology centers located throughout the United States and Puerto Rico; the FBI Academy and engineering complex at Quantico, Virginia; a fingerprint identification and criminal justice information services center in Clarksburg, West Virginia; 45 foreign liaison posts; and FBI Headquarters in Washington, D.C.

A number of FBI activities are carried out on a reimbursable basis. Since 1997, the FBI has been reimbursed for investigations of health care fraud and abuse as provided by the Health Care Portability and Accountability Act of 1996 (P.L. 104-191). Additionally, the FBI is reimbursed for its participation in Interagency Crime and Drug Enforcement programs and by other Federal agencies for certain investigative services, such as pre-employment background inquiries and fingerprint and name checks. The FBI also is authorized to conduct fingerprint and name checks for certain non-federal agencies.

For FY 2004, \$539 million in enhancements are proposed. These enhancements support operations, information technology, security, and infrastructure needs. Highlights of these initiatives include: (1) enhanced counterterrorism capabilities; (2) enhanced counterintelligence programs; (3) enhanced capability for cyber crimes investigations; (4) improved security for FBI personnel, facilities, and information; and (5) improved information technology.

The budget presentation reflects two proposals that are central to the FBI's efforts to effectively and efficiently achieve its new priorities:

- A budget structure that has been reduced from 10 program areas to 4 major functions—Counterterrorism, National Security, Criminal Enterprises/Federal Crimes, and Criminal Justice Services.
  - The allocation to these 4 programs includes a share of the cost of information technology, laboratory services, executive management, and other activities that support multiple programs.
- These two proposals will provide several benefits:
- The FBI, Congress, and the public will be better informed of the full cost of critical FBI activities, such as combating terrorism.
  - Strategic planning will be facilitated by focusing on a limited number of core programs, and by having improved budget data for decision making.
  - The FBI's ability to develop meaningful performance measures and to link performance to costs will be enhanced.

These proposals are consistent with the President's Management Agenda, which seeks to integrate more completely information about costs and performance.

**WORKLOAD**

	2002 actual	2003 est.	2004 est.
<b>Investigative Matters:</b>			
Pending, beginning of year .....	92,866	93,928	N/A
Opened .....	71,477	N/A	N/A
Closed .....	70,415	N/A	N/A
Pending, end of year .....	93,928	N/A	N/A
Convictions/Pre-trial Diversions in Counterterrorism .....	381	N/A	N/A
<b>Investigations of White Collar Crime:</b>			
Convictions/Pre-trial Diversions .....	5,799	N/A	N/A
Recoveries/Restitutions (\$millions) .....	9,796	N/A	N/A
Fines (\$millions) .....	499	N/A	N/A
<b>Number of organized criminal enterprises dismantled:</b>			
Asian .....	7	5	5
Eurasian .....		6	6
<b>Number of U.S. based drug organizations affiliated with the 11 national priority targets that have been:</b>			
Identified .....	253	250	176
Dismantled .....	14	9	9
<b>Number of persons prosecuted for the sexual exploitation of children facilitated through the use of on-line computers</b>			
Arrests, Locates, & Summons .....	692	N/A	N/A

General and special funds—Continued

SALARIES AND EXPENSES—Continued

WORKLOAD—Continued

	2002 actual	2003 est.	2004 est.
Convictions & Pre-trial Diversions .....	646	N/A	N/A
Number of Missing Children Located .....	106	N/A	N/A
Number dismantled of the 30 Gangs Targeted by the FBI as the Most Dangerous .....	6	3	3
Other workload indicators:			
Training, FBI Academy:			
New FBI Special Agents .....	960	862	800
FBI in-service/advanced .....	6,210	9,166	9,000
State, local, and international .....	3,621	4,108	4,000
Training, field:			
FBI Special Agents .....	7,002	10,300	10,300
State and local .....	82,337	95,000	105,000
International .....	9,959	10,000	10,000
Forensic examinations performed:			
Federal .....	181,774	101,564	52,100
Non-federal .....	87,241	65,241	43,457
Fingerprint identification services:			
Criminal cards processed .....	8,364,631	9,000,000	9,600,000
Civil cards processed .....	9,046,975	10,830,000	12,880,000
Civil submissions with criminal record .....	897,259	1,083,000	1,288,000
Civil submissions using false identifies .....	104,979	126,711	150,696
National Instant Check System transactions:			
Checks performed by States .....	4,497,610	4,358,621	4,424,000
Checks performed by FBI .....	4,321,161	4,480,917	4,548,130
Number of FBI Denials .....	62,525	68,123	69,145

Object Classification (in millions of dollars)

Identification code 15-0200-0-1-999	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	1,442	1,591	1,678
11.3 Other than full-time permanent .....	11	8	8
11.5 Other personnel compensation .....	250	243	243
11.9 Total personnel compensation .....	1,703	1,842	1,929
12.1 Civilian personnel benefits .....	534	564	674
21.0 Travel and transportation of persons .....	101	102	103
22.0 Transportation of things .....	12	13	15
23.1 Rental payments to GSA .....	265	289	317
23.2 Rental payments to others .....	15	14	21
23.3 Communications, utilities, and miscellaneous charges .....	92	109	128
24.0 Printing and reproduction .....	3	3	3
25.1 Advisory and assistance services .....	20	241	86
25.2 Other services .....	605	573	597
25.3 Other purchases of goods and services from Government accounts .....		1	1
25.4 Operation and maintenance of facilities .....	26	28	54
25.5 Research and development contracts .....	19	29	28
25.7 Operation and maintenance of equipment .....	32	38	54
26.0 Supplies and materials .....	61	78	73
31.0 Equipment .....	322	746	594
32.0 Land and structures .....	1	2	1
42.0 Insurance claims and indemnities .....	3		
99.0 Direct obligations .....	3,814	4,672	4,678
99.0 Reimbursable obligations .....	643	621	633
99.9 Total new obligations .....	4,457	5,293	5,311

Personnel Summary

Identification code 15-0200-0-1-999	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	23,695	25,179	26,740
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	2,806	2,874	2,864

CONSTRUCTION

Program and Financing (in millions of dollars)

Identification code 15-0203-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 Academy modernization .....	1	8	
00.04 Technical Support Center .....		32	
00.05 Hazardous Devices School .....	23		
00.07 Firearms Range Modernization .....	1	15	
10.00 Total new obligations .....	25	55	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	22	54	
22.00 New budget authority (gross) .....	57	1	
23.90 Total budgetary resources available for obligation .....	79	55	
23.95 Total new obligations .....	-25	-55	
24.40 Unobligated balance carried forward, end of year .....	54		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	34	1	
42.00 Transferred from other accounts .....	23		
43.00 Appropriation (total discretionary) .....	57	1	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	49	39	71
73.10 Total new obligations .....	25	55	
73.20 Total outlays (gross) .....	-35	-23	-15
74.40 Obligated balance, end of year .....	39	71	56
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3		
86.93 Outlays from discretionary balances .....	32	23	15
87.00 Total outlays (gross) .....	35	23	15
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	57	1	
90.00 Outlays .....	35	23	15

Beginning in 2004, appropriations for construction projects will be requested in the appropriations for FBI salaries and expenses. Outlays and obligations from prior year appropriations will continue to be displayed in the Construction account until expended.

Object Classification (in millions of dollars)

Identification code 15-0203-0-1-751	2002 actual	2003 est.	2004 est.
25.4 Operation and maintenance of facilities .....	24	8	
32.0 Land and structures .....	1	47	
99.9 Total new obligations .....	25	55	

DRUG ENFORCEMENT ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Drug Enforcement Administration, including not to exceed \$70,000 to meet unforeseen emergencies of a confidential character pursuant to 28 U.S.C. 530C; purchase of not to exceed 982 passenger motor vehicles, of which 886 will be for replacement only, for police-type use, \$1,558,743,000; of which not to exceed \$33,000,000 for permanent change of station shall remain available until September 30, 2005; of which not to exceed \$1,800,000 for research shall remain available until expended, and of which not to exceed \$4,000,000 for purchase of evidence and payments for information, not to exceed \$10,000,000 for contracting for automated data processing and telecommunications equipment, not to exceed \$2,000,000 for laboratory equipment, \$4,000,000 for technical equipment, and \$2,000,000 for aircraft replacement retrofit and parts, shall remain available until September 30, 2005; of which not to

exceed \$50,000 shall be available for official reception and representation expenses. In addition, not to exceed \$7,847,000 from prior year unobligated balances for laboratory construction shall remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 15-1100-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Enforcement .....	1,518	1,546	1,559
09.00 Reimbursable program .....	226	233	260
10.00 Total new obligations .....	1,744	1,779	1,819
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	30	69	69
22.00 New budget authority (gross) .....	1,725	1,779	1,819
22.10 Resources available from recoveries of prior year obligations .....	77		
23.90 Total budgetary resources available for obligation	1,832	1,848	1,888
23.95 Total new obligations .....	-1,744	-1,779	-1,819
23.98 Unobligated balance expiring or withdrawn .....	-19		
24.40 Unobligated balance carried forward, end of year .....	69	69	69
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,482	1,546	1,559
40.76 Reduction pursuant to P.L. 107-206 .....	-1		
41.00 Transferred to other accounts .....	-11		
42.00 Transferred from other accounts .....	18		
43.00 Appropriation (total discretionary) .....	1,488	1,546	1,559
50.00 Reappropriation .....	11		
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	176	233	260
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	50		
68.90 Spending authority from offsetting collections (total discretionary) .....	226	233	260
70.00 Total new budget authority (gross) .....	1,725	1,779	1,819
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	379	302	364
73.10 Total new obligations .....	1,744	1,779	1,819
73.20 Total outlays (gross) .....	-1,739	-1,717	-1,800
73.40 Adjustments in expired accounts (net) .....	-34		
73.45 Recoveries of prior year obligations .....	-77		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-50		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	79		
74.40 Obligated balance, end of year .....	302	364	383
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,644	1,393	1,430
86.93 Outlays from discretionary balances .....	95	324	370
87.00 Total outlays (gross) .....	1,739	1,717	1,800
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Drug Enforcement .....	-111	-120	-149
88.00 Other Federal Funds .....	-115	-113	-111
88.90 Total, offsetting collections (cash) .....	-226	-233	-260
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-50		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	50		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,499	1,546	1,559
90.00 Outlays .....	1,513	1,484	1,540

Additional net budget authority and outlays to cover cost of fully accruing retirement:				
99.00	Budget authority .....	35	36	42
99.01	Outlays .....	35	36	42

DEA's mission is to enforce the controlled substances laws and regulations of the United States, and to bring to the criminal and civil justice system of the United States, or any other competent jurisdiction, those organizations involved in the growing, manufacturing and/or distribution of controlled substances destined for illicit traffic in the United States.

In FY 2004, DEA is requesting to combine its current decision units under Salaries and Expenses to reduce the number from ten (10) to three (3). *Domestic Enforcement, International Enforcement, and State and Local Assistance.* The decision unit consolidation will allow DEA to better align its resources with strategic plan goals and financial reporting categories, improve managerial flexibility, and reduce the number of reprogrammings, while retaining detailed reporting capability. In addition, in FY 2004, DEA has merged the Construction account into its Salaries and Expenses account.

DEA's activities are divided into three main categories:

*Enforcement—*

*Domestic Enforcement.* Through effective enforcement efforts and associated support functions, DEA disrupts and dismantles the leadership, command, control, and infrastructure of major drug syndicates, criminal organizations, and violent drug trafficking groups that threaten the United States. This activity contains most of DEA's resources, including domestic enforcement groups, state and local task forces, other funded federal and local task forces, intelligence and diversion control groups, and all the support functions essential to accomplishing their mission. Strategic objectives have been established to:

- Identify and target the national/regional organizations most responsible for the domestic distribution and manufacture of illicit drugs and diversion of licit drugs and chemicals;
- Systematically disrupt and dismantle targeted organizations by arresting/convicting their leaders and facilitators, seizing and forfeiting their assets, targeting their money laundering operations, and destroying their command and control networks; and,
- Work with international offices to dismantle domestic organizations directly affiliated with international cartels.

*International Enforcement.* DEA works with its foreign counterparts to attack the vulnerabilities in the leadership, production, transportation, communications, finance, and distribution sectors of major international drug trafficking organizations. Strategic objectives include:

- Identifying, prioritizing, and targeting the most significant international drug and chemical trafficking organizations;
- Disrupting the networks, financial infrastructures, operations, and the resource bases of targeted international drug and chemical trafficking organizations; and,
- Dismantling those international organizations that have a nexus to domestic organizations.

*State and Local Assistance.* DEA advises, assists, and trains state and local law enforcement and local community groups to ensure a consistent national approach to drug law enforcement. DEA's training enhances their enforcement capabilities and provides access to the latest intelligence and investigative methods. The strategic objectives are to:

- Reduce drug-related violent crime caused by drug traffickers in selected communities;
- Improve the capabilities of state and local enforcement efforts with specialized training programs; and,
- Assist local efforts to control the production of cannabis and methamphetamine.

General and special funds—Continued

SALARIES AND EXPENSES—Continued

*Reimbursable Programs.* The primary reimbursements to DEA are for the Interagency Crime and Drug Enforcement Task Force program and the Department of Justice Assets Forfeiture Fund.

For 2004, \$42.9 million is provided in support of: (1) DEA's plan for addressing the Nation's illegal drug threats by targeting Priority Drug Trafficking Organizations; (2) DEA's international counter-narcotics training; and (3) improving financial and asset management programs. In addition, DEA will use \$7.8 million in prior year unobligated balances to design and construct a replacement laboratory in the Southeast region.

In FY 2004, a \$52.7 million offset to DEA's base resources is proposed from the following: savings resulting from Department-wide streamlining efforts; eliminating DEA's Regional Enforcement Team and Mobile Enforcement Team Programs and redirecting positions towards Priority Targeting; reducing DEA's Demand Reduction Program; and reducing DEA's rent, alterations, travel, and relocation resources.

DEA continues to revise and integrate its Strategic Plan, Budget, and Performance Reporting. DEA's specific annual goal is to disrupt and/or dismantle identified Priority Drug Trafficking Organizations and thereby reduce the availability of illegal drugs in the United States. The measures below reflect DEA's focus on priority targets and the planned outcomes of disruption and dismantlement.

	2002 actual	2003 est.	2004 est.
Domestic Priority Targeted Organizations PTO Active .....	764	840	924
Number of PTO disrupted/dismantled (Int'l) .....	70	36	40
Number of PTO disrupted/dismantled (Nat/Reg) .....	65	33	36
Number of PTO disrupted/dismantled (Local) .....	55	15	16

Object Classification (in millions of dollars)

Identification code 15-1100-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	462	486	506
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	72	73	75
11.9 Total personnel compensation .....	536	561	583
12.1 Civilian personnel benefits .....	204	208	218
21.0 Travel and transportation of persons .....	41	47	39
22.0 Transportation of things .....	10	7	6
23.1 Rental payments to GSA .....	120	140	153
23.2 Rental payments to others .....	6	4	4
23.3 Communications, utilities, and miscellaneous charges .....	82	83	81
24.0 Printing and reproduction .....	1	1	3
25.1 Advisory and assistance services .....	4	17	13
25.2 Other services .....	93	106	104
25.3 Other purchases of goods and services from Government accounts .....	223	172	163
25.4 Operation and maintenance of facilities .....	4	3	3
25.6 Medical care .....	4	4	4
25.7 Operation and maintenance of equipment .....	34	28	27
26.0 Supplies and materials .....	36	44	43
31.0 Equipment .....	100	95	96
32.0 Land and structures .....	20	26	19
99.0 Direct obligations .....	1,518	1,546	1,559
99.0 Reimbursable obligations .....	226	233	260
99.9 Total new obligations .....	1,744	1,779	1,819

Personnel Summary

Identification code 15-1100-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	6,973	7,605	7,774

2001	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
Civilian full-time equivalent employment .....	1,052	1,103	1,191

CONSTRUCTION

Program and Financing (in millions of dollars)

Identification code 15-1101-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	2		
10.00 Total new obligations .....	2		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2		
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	3		
23.95 Total new obligations .....	-2		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	16	7	4
73.10 Total new obligations .....	2		
73.20 Total outlays (gross) .....	-11	-3	-3
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	7	4	1
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	11	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	11	3	3

Beginning in 2004, appropriated funds for construction projects will be included in DEA's Salaries and Expenses account.

Object Classification (in millions of dollars)

Identification code 15-1101-0-1-751	2002 actual	2003 est.	2004 est.
31.0 Equipment .....	1		
32.0 Land and structures .....	1		
99.9 Total new obligations .....	2		

DIVERSION CONTROL FEE ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 15-5131-0-2-751	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	35	18	8
<b>Receipts:</b>			
02.60 Diversion control fee account .....	65	104	114
04.00 Total: Balances and collections .....	100	122	122
<b>Appropriations:</b>			
05.00 Diversion control fee account .....	-82	-114	-119
05.99 Total appropriations .....	-82	-114	-119
07.99 Balance, end of year .....	18	8	3

Program and Financing (in millions of dollars)

Identification code 15-5131-0-2-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	79	114	119
10.00 Total new obligations .....	79	114	119
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	7	7

22.00	New budget authority (gross)	82	114	119
22.10	Resources available from recoveries of prior year obligations	4		
23.90	Total budgetary resources available for obligation	90	121	126
23.95	Total new obligations	-79	-114	-119
24.40	Unobligated balance carried forward, end of year	7	7	7
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.20	Appropriation (special fund)	65	114	119
60.28	Appropriation (unavailable balances)	17		
62.50	Appropriation (total mandatory)	82	114	119
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	15	13	20
73.10	Total new obligations	79	114	119
73.20	Total outlays (gross)	-77	-107	-114
73.45	Recoveries of prior year obligations	-4		
74.40	Obligated balance, end of year	13	20	25
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority	73	86	89
86.98	Outlays from mandatory balances	4	21	25
87.00	Total outlays (gross)	77	107	114
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	82	114	119
90.00	Outlays	77	107	114
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	3	3	3
99.01	Outlays	3	3	3

Public Law 102-395 established the Diversion Control Fee Account in 1993. Fees charged by the Drug Enforcement Administration under the Diversion Control Program are set at a level that ensures the recovery of the full costs of operating this program. The program's purpose is to prevent, detect, and investigate the diversion of controlled substances from legitimate channels, while ensuring an adequate and uninterrupted supply of controlled substances required to meet legitimate needs. Strategic objectives include:

- Identifying and targeting those responsible for the diversion of pharmaceutical controlled substances through traditional investigation and cyber crime initiatives to systematically disrupt and dismantle those entities involved in diversion schemes;
- Supporting the registrant population with improved technology, including E-commerce and customer support while maintaining cooperation, support and assistance from the regulated industry;
- Monitoring drugs of abuse while educating the public on the dangers of prescription drug abuse and taking appropriate scheduling actions or enforcement measures when new trends and drugs of abuse are encountered; and
- Ensuring an adequate and uninterrupted supply of controlled substances to meet legitimate medical and scientific needs.

The measures below reflect the level of activity performed by this program.

	2002 actual	2003 est.	2004 est.
Scheduled Investigations for Compliance with Controlled Substances Act	654	700	770
Investigations of illicit sales of pharmaceutical substances	711	849	934

**Object Classification** (in millions of dollars)

Identification code 15-5131-0-2-751	2002 actual	2003 est.	2004 est.	
<b>Personnel compensation:</b>				
11.1	Full-time permanent	33	42	46
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	34	43	47
12.1	Civilian personnel benefits	10	11	13
21.0	Travel and transportation of persons	1	3	4
23.1	Rental payments to GSA	7	8	8

23.3	Communications, utilities, and miscellaneous charges	3	6	6
24.0	Printing and reproduction	1		
25.1	Advisory and assistance services	1	5	7
25.2	Other services	1	5	4
25.3	Other purchases of goods and services from Government accounts	17	10	10
25.4	Operation and maintenance of facilities	1	1	1
25.7	Operation and maintenance of equipment	1	2	2
26.0	Supplies and materials	1	3	3
31.0	Equipment	2	16	13
32.0	Land and structures	1	1	1
99.9	Total new obligations	79	114	119

**Personnel Summary**

Identification code 15-5131-0-2-751	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment	568	722	789

**BUREAU OF ALCOHOL, TOBACCO, FIREARMS, AND EXPLOSIVES**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Bureau of Alcohol, Tobacco, Firearms and Explosives, including the purchase of not to exceed 822 vehicles for police-type use, of which 650 shall be for replacement only; not to exceed \$18,000 for official reception and representation expenses; for laboratory assistance and for training of State and local law enforcement agencies, with or without reimbursement; \$851,987,000, of which not to exceed \$1,000,000 shall be available for the payment of attorneys' fees as provided by 18 U.S.C. 924(d)(2); of which up to \$2,000,000 shall be available to pay expenses for State and local law enforcement agencies related to joint operations with the Bureau; and of which \$13,000,000 shall remain available until expended for Gang Resistance Education and Training: Provided, That no funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c): Provided further, That no funds appropriated herein shall be available for salaries and administrative expenses in connection with consolidating or centralizing, within the Department of Justice, the records, or any portion thereof, of acquisition and disposition of firearms maintained by Federal firearms licensees; Provided further, That subparagraphs (A) and (B) of 28 U.S.C. 530C(b)(2), are amended by inserting "for the Bureau of Alcohol, Tobacco, Firearms and Explosives," after "Marshals Service," in each subparagraph.

**Program and Financing** (in millions of dollars)

Identification code 15-0700-0-1-751	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Reduce Violent Crime	727	765	800
00.02	Protect the Public	45	47	52
01.92	Total Direct Program	772	812	852
09.01	Reimbursable program	23	23	23
10.00	Total new obligations	795	835	875
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	4	11	3
22.00	New budget authority (gross)	804	825	875
23.90	Total budgetary resources available for obligation	808	836	878
23.95	Total new obligations	-795	-835	-875
23.98	Unobligated balance expiring or withdrawn	-2		
24.40	Unobligated balance carried forward, end of year	11	3	3
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	779	801	852
50.00	Reappropriation	2	1	
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	16	16	16

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 15-0700-0-1-751	2002 actual	2003 est.	2004 est.
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	7	7	7
68.90 Spending authority from offsetting collections (total discretionary) .....	23	23	23
70.00 Total new budget authority (gross) .....	804	825	875
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	205	203	154
73.10 Total new obligations .....	795	835	875
73.20 Total outlays (gross) .....	-785	-875	-935
73.40 Adjustments in expired accounts (net) .....	-5		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-7	-7	-7
74.40 Obligated balance, end of year .....	203	154	87
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	650	745	789
86.93 Outlays from discretionary balances .....	135	130	146
87.00 Total outlays (gross) .....	785	875	935
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Drug Enforcement .....	-16	-16	-16
88.00 Other Federal sources .....			
88.90 Total, offsetting collections (cash) .....	-16	-16	-16
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-7	-7	-7
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	781	802	852
90.00 Outlays .....	769	859	919
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	24	26	28
99.01 Outlays .....	24	26	28

Prior to the Homeland Security Act of 2002, the Bureau of Alcohol, Tobacco, and Firearms (ATF) was a law enforcement bureau at the Department of the Treasury dedicated to enforcing Federal laws and regulations and collecting revenue relating to alcohol, tobacco products, firearms and explosives. Subsequent to the provisions of the Homeland Security Act of 2002, ATF was divided into two bureaus, the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) and the Bureau of Alcohol and Tobacco Tax and Trade. The Department of the Treasury retained the revenue and regulatory functions relating to alcohol and tobacco in the newly created Bureau of Alcohol and Tobacco Tax and Trade. ATF has been realigned to the Department of Justice with responsibility for enforcement of the Federal laws relating to alcohol, tobacco products, firearms and explosives. The new Bureau of Alcohol, Tobacco, Firearms and Explosives mission is to deter and investigate violations of law relating to alcohol, tobacco, firearms, explosives and arson. ATF stands in the front ranks of the nation's battle against terrorism. Explosives and firearms can be terrorist tools, and ATF is in the unique position of not only regulating commerce in firearms and explosives, but also of having the requisite expertise and authority to investigate firearms and explosives-related crimes. Through these programs, ATF investigators are positioned to thwart criminal and terrorist activity at every level of the execution process—from the theft or illegal purchase of explosives to the interdiction and neutralization of those explosives. The budget provides \$852 million to support ATF.

Object Classification (in millions of dollars)

Identification code 15-0700-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	278	284	302
11.3 Other than full-time permanent .....	12	17	19
11.5 Other personnel compensation .....	48	47	52
11.9 Total personnel compensation .....	338	348	373
12.1 Civilian personnel benefits .....	129	131	140
21.0 Travel and transportation of persons .....	23	23	25
22.0 Transportation of things .....	3	3	3
23.1 Rental payments to GSA .....	48	57	49
23.3 Communications, utilities, and miscellaneous charges .....	24	21	25
24.0 Printing and reproduction .....	2	2	2
25.2 Other services .....	113	124	132
26.0 Supplies and materials .....	13	14	14
31.0 Equipment .....	73	74	72
32.0 Land and structures .....	6	15	17
99.0 Direct obligations .....	772	812	852
99.0 Reimbursable obligations .....	23	23	23
99.9 Total new obligations .....	795	835	875

Personnel Summary

Identification code 15-0700-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	4,354	4,562	4,700
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	85	85	72

LABORATORY FACILITIES AND HEADQUARTERS

Program and Financing (in millions of dollars)

Identification code 15-0701-0-1-751	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	36		
73.20 Total outlays (gross) .....	-36		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	36		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	36		

Outlays associated with prior year funding shown above reflects construction costs for the new ATF National Laboratory and Fire Research facilities.

FEDERAL PRISON SYSTEM

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For total expenses of the Federal Prison System (FPS), \$4,677,214,000. For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including purchase (not to exceed 838, of which 535 are for replacement only) and hire of law enforcement and passenger motor vehicles, and for the provision of technical assistance and advice on corrections related issues to foreign governments, \$4,453,209,000: Provided, That the Attorney General may transfer to the Health Resources and Services Administration such amounts as may be necessary for direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions: Provided further, That the Director of the FPS, where necessary, may enter into contracts with a fiscal agent/fiscal intermediary claims processor to determine

the amounts payable to persons who, on behalf of FPS, furnish health services to individuals committed to the custody of FPS: Provided further, That not to exceed \$6,000 shall be available for official reception and representation expenses: Provided further, That not to exceed \$50,000,000 shall remain available for necessary operations until September 30, 2005: Provided further, That of the amounts provided for Contract Confinement, not to exceed \$20,000,000 shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements, and other expenses authorized by section 501(c) of the Refugee Education Assistance Act of 1980, as amended, for the care and security in the United States of Cuban and Haitian entrants: Provided further, That the Director of the FPS may accept donated property and services relating to the operation of the prison card program from a not-for-profit entity which has operated such program in the past notwithstanding the fact that such not-for-profit entity furnishes services under contracts to the FPS relating to the operation of pre-release services, halfway houses or other custodial facilities.

For construction for penal and correctional use, \$224,005,000, to remain available until expended, of which not to exceed \$14,000,000 shall be available to construct areas for inmate work programs: Provided, That labor of United States prisoners may be used for work performed under this appropriation.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 15-1060-0-1-753	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
Operating expenses:			
00.01 Inmate care and programs .....	1,338	1,427	.....
00.02 Institution security and administration .....	1,722	1,823	.....
00.03 Contract confinement .....	542	640	.....
00.04 Program direction .....	149	154	.....
00.05 Inmate Confinement .....	.....	.....	4,163
00.06 Inmate Programs .....	.....	.....	235
00.91 Total operating expenses .....	3,751	4,044	4,398
01.01 Capital investment: Institutional improvements .....	34	38	71
01.92 Total direct program .....	3,785	4,082	4,469
09.01 Reimbursable program .....	32	33	34
10.00 Total new obligations .....	3,817	4,115	4,503
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	.....	.....
22.00 New budget authority (gross) .....	3,838	4,115	4,711
23.90 Total budgetary resources available for obligation .....	3,839	4,115	4,711
23.95 Total new obligations .....	-3,817	-4,115	-4,503
23.98 Unobligated balance expiring or withdrawn .....	-20	.....	.....
24.40 Unobligated balance carried forward, end of year .....	.....	.....	208
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3,809	4,082	4,677
40.76 Reduction pursuant to P.L. 107-206 .....	-3	.....	.....
41.00 Transferred to other accounts .....	-16	.....	.....
43.00 Appropriation (total discretionary) .....	3,790	4,082	4,677
50.00 Reappropriation .....	16	.....	.....
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	32	33	34
70.00 Total new budget authority (gross) .....	3,838	4,115	4,711
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	438	366	667
73.10 Total new obligations .....	3,817	4,115	4,503
73.20 Total outlays (gross) .....	-3,881	-3,814	-4,506
73.40 Adjustments in expired accounts (net) .....	-8	.....	.....
74.40 Obligated balance, end of year .....	366	667	664
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3,442	3,503	4,009
86.93 Outlays from discretionary balances .....	439	311	497
87.00 Total outlays (gross) .....	3,881	3,814	4,506

<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-14	-14	-14
88.40 Non-Federal sources .....	-18	-19	-20
88.90 Total, offsetting collections (cash) .....	-32	-33	-34
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,806	4,082	4,677
90.00 Outlays .....	3,849	3,781	4,472
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	120	127	148
99.01 Outlays .....	120	127	148

This appropriation will provide for the custody and care of an average daily population of 176,352 offenders and for the maintenance and operation of 113 penal institutions, 6 regional offices, and a central office located in Washington, D.C. The appropriation also finances the boarding of sentenced Federal prisoners in State and local jails and other facilities for short periods of time. An average daily population of 28,176 sentenced prisoners will be in contract facilities in 2004.

The FPS receives reimbursements for daily care and maintenance of State and local offenders, for utilities used by Federal Prison Industries, Inc., for staff housing, and for meals provided to FPS staff at institutions.

The FPS has restructured its FY 2004 budget in accordance with the President's Management Reform Agenda and the Government Performance and Results Act. The new structure incorporates the old Salaries and Expenses and the Buildings and Facilities budgets into one streamlined budget with two decision units, Inmate Confinement and Inmate Programs.

**Inmate Confinement.**—This decision unit represents costs associated with Prison Capacity (New Construction, Modernization and Repair, Contract Confinement) and Operations (Institution Security and Administration, Maintenance, Unit Management, Food Service, Training, Medical and the National Institute of Corrections).

**PRISON CAPACITY**

**New Construction.**—This activity represents costs associated with the acquisition, construction, and leasing of facilities in order to reduce crowding and provide a safe and humane environment for staff and inmates.

**Modernization and repair of existing facilities.**—This activity includes rehabilitation and renovation of buildings, necessary modifications to accommodate correctional programs, rehabilitation or replacement of utilities systems, infrastructure, and repair projects at existing facilities.

**Contract Confinement.**—This activity provides for the confinement of sentenced Federal offenders in Government-owned, contractor-operated facilities and contract, State and local facilities, and for the care of Federal prisoners in contract community residential centers.

**OPERATIONS**

**Institution Security and Administration.**—This budget activity covers costs associated with Institution Security, Institution Administration, Institution Maintenance, Institution Staff Training, and Unit Management. This activity finances institution maintenance, motor pool operations, powerhouse operations, institution security, and other administrative functions. In addition, it covers the cost of all food, medical supplies, clothing, welfare services, release clothing, transportation, gratuities, staff salaries (including salaries of Health Resources and Services Administration commissioned officers), and operational costs of functions directly related to providing inmate care. Finally, it covers all costs associated with regional and central office executive direction and management support functions such as research and evaluation, systems support, financial management, human resources

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

management, inmate systems management, safety, and legal counsel.

*National Institute of Corrections.*—This activity provides assistance by the National Institute of Corrections to State and local corrections.

*Inmate Programs.*—This decision unit represents costs associated with Reintegration Tools (Education and Vocational Training, Drug Treatment, Life Connections) and Services (Religious, Psychological).

**REINTEGRATION TOOLS**

*Education and Vocational Training.*—Education programming provides inmates with an opportunity to learn the functional skills associated with a positive return to society.

*Drug Treatment.*—The FPS has developed a comprehensive drug abuse treatment consisting of five components: screening and assessment; drug abuse education, non-residential drug abuse counseling services, residential drug abuse programming, and community-transitional drug abuse treatment.

*Life Connections.*—The Life Connections Program is a multi faith-based, prison pre-release demonstration program to help federal inmates readjust successfully into law-abiding society, thereby reducing recidivism. This program consist of an intensive, multi-phase program to attempt to instill values and character through a curriculum of personal, social and moral development (e.g., education, parenting and family responsibilities, victim-offender mediation, etc.). Life connections pilot projects are being implemented at FCI Petersburg, VA; FCI Milan, MI; USP Leavenworth, KS; FMC Carswell, TX; and FCI Victorville, CA.

**SERVICES**

*Religious.*—Activity finances the costs of religious programs.

*Psychological.*—Activity finances the costs of psychological services.

For 2004, program increases are requested for the activation of 3 U.S. Penitentiaries (USP) and 4 Federal Correctional Institutions (FCI) (FCI Victorville, CA; USP Hazelton, WV; FCI Forrest City, AR; FCI Herlong/Sierra, CA; FCI Williamsburg, SC; USP Canaan, PA; and USP Terre Haute, IN); for contract confinement for female inmates; for counterterrorism resources needed to construct additional bedspace for inmates convicted of terrorist activities; and for BOP's Transitional Drug Treatment Program.

**Object Classification (in millions of dollars)**

Identification code 15-1060-0-1-753	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	1,498	1,615	1,782
11.3 Other than full-time permanent .....	7	8	8
11.5 Other personnel compensation .....	160	152	168
11.8 Special personal services payments .....	1	1	1
11.9 Total personnel compensation .....	1,666	1,776	1,959
12.1 Civilian personnel benefits .....	682	721	806
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	30	32	34
22.0 Transportation of things .....	10	11	12
23.1 Rental payments to GSA .....	14	12	20
23.2 Rental payments to others .....	2	1	1
23.3 Communications, utilities, and miscellaneous charges .....	144	176	192
24.0 Printing and reproduction .....	2	2	3
25.2 Other services .....	213	246	250
25.3 Other purchases of goods and services from Government accounts .....	13	15	16
25.4 Operation and maintenance of facilities .....	32	33	33
25.6 Medical care .....	88	98	103
25.7 Operation and maintenance of equipment .....	6	6	7
25.8 Subsistence and support of persons .....	440	440	440
26.0 Supplies and materials .....	350	413	456
31.0 Equipment .....	34	38	71

32.0	Land and structures .....			1
41.0	Grants, subsidies, and contributions .....	5	4	5
42.0	Insurance claims and indemnities .....	1		
99.0	Direct obligations .....	3,731	4,025	4,410
99.0	Reimbursable obligations .....	32	33	34
	<b>Allocation Account:</b>			
11.1	Personnel compensation: Full-time permanent .....	38	40	42
12.1	Civilian personnel benefits .....	15	16	16
22.0	Transportation of things .....	1	1	1
99.0	Allocation account .....	54	57	59
99.9	Total new obligations .....	3,817	4,115	4,503

**Personnel Summary**

Identification code 15-1060-0-1-753	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	31,103	33,657	36,971
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....		136	136

**BUILDINGS AND FACILITIES**

*Of the unobligated balances available under this heading, \$187,900,000, of which \$66.6 million are included in FY 2003 request, are cancelled.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 15-1003-0-1-753	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 New construction .....	535	252	56
00.02 Modernization and repair of existing facilities .....	124	127	114
10.00 Total new obligations .....	659	379	170
<b>Budgetary resources available for obligation:</b>			
21.00 Unobligated balance carried forward, start of year .....	473	622	638
22.00 New budget authority (gross) .....	808	395	-188
23.90 Total budgetary resources available for obligation .....	1,281	1,017	450
23.95 Total new obligations .....	-659	-379	-170
24.40 Unobligated balance carried forward, end of year .....	622	638	280
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	814	395	
40.35 Appropriation rescinded .....	-5		
40.36 Unobligated balance rescinded .....			-188
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	808	395	-188
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,021	752	666
73.10 Total new obligations .....	659	379	170
73.20 Total outlays (gross) .....	-928	-465	-185
74.40 Obligated balance, end of year .....	752	666	651
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	81	40	-150
86.93 Outlays from discretionary balances .....	847	425	335
87.00 Total outlays (gross) .....	928	465	185
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	808	395	-188
90.00 Outlays .....	928	465	185
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	2
99.01 Outlays .....	1	1	2

Beginning in 2004, any appropriations for Construction activities will be requested in the appropriation for Federal Prison System.

**Object Classification** (in millions of dollars)

Identification code 15-1003-0-1-753	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	19	23	22
12.1 Civilian personnel benefits .....	6	10	9
21.0 Travel and transportation of persons .....	1	1	
22.0 Transportation of things .....		1	
23.2 Rental payments to others .....	9	9	4
23.3 Communications, utilities, and miscellaneous charges .....	17	18	14
24.0 Printing and reproduction .....		1	
25.2 Other services .....	554	289	109
26.0 Supplies and materials .....	19	18	4
31.0 Equipment .....	8	6	1
32.0 Land and structures .....	26	3	7
99.9 Total new obligations .....	659	379	170

**Personnel Summary**

Identification code 15-1003-0-1-753	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	276	350	300

**Intragovernmental funds:**

FEDERAL PRISON INDUSTRIES, INCORPORATED

*The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase (not to exceed five for replacement only) and hire of passenger motor vehicles.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 15-4500-0-4-753	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating expenses:			
09.01 Production expenses .....	653	630	693
09.02 Administrative expenses .....	1	3	3
09.03 Other expenses .....	40	40	40
09.09 Total operating expenses .....	694	673	736
Capital investment:			
09.10 Buildings and improvements .....	2	1	1
09.11 Machinery and equipment .....	6	6	6
09.19 Total capital investment .....	8	7	7
10.00 Total new obligations .....	702	680	743

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	6	20	20
22.00 New budget authority (gross) .....	717	680	751
23.90 Total budgetary resources available for obligation	723	700	771
23.95 Total new obligations .....	-702	-680	-743
24.40 Unobligated balance carried forward, end of year .....	20	20	28

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	3	3	3
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	714	677	748
70.00 Total new budget authority (gross) .....	717	680	751

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	48	88	88
73.10 Total new obligations .....	702	680	743
73.20 Total outlays (gross) .....	-662	-680	-751
74.40 Obligated balance, end of year .....	88	88	80

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1	3	3
86.97 Outlays from new mandatory authority .....	661	677	748
87.00 Total outlays (gross) .....	662	680	751

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources	-717	-680	-751

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....	-54		

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value .....	28	85	85
92.02 Total investments, end of year: Federal securities:			
Par value .....	85	85	85

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	7	8	8
99.01 Outlays .....	7	8	8

Federal Prison Industries, Inc., was created by Congress in 1934 and is a wholly-owned Government corporation. Its mission is to employ and train Federal inmates through a diversified program providing products and services to other Federal agencies. These operations are conducted in such a manner as to offer a minimum of competition to private industry and labor. Employment provides inmates with work, occupational knowledge and skills, plus money for personal expenses and family assistance.

The Corporation strives to provide additional industrial employment opportunities at existing and planned institutions.

**Budget program.**—Federal Prison Industries, Inc., operations are entirely self-sustaining. No appropriations are required. The amounts used by the Corporation for administrative expenses are subject to a congressional limitation. Information regarding this limitation is provided separately following this account.

**Financing program.**—Revenues are derived entirely from the sale of products and services to other Federal agencies. Operating expenses are applied against these revenues, resulting in operating income or loss. Earnings surplus to the needs of the manufacturing operations, capital improvements and cash reserves are used to pay accident compensation.

**Operating results.**—To date, Federal Prison Industries, Inc., has returned to the Treasury a total of \$82 million of retained income excess to the Corporation's needs. No contributions from budget authority have been made to offset deficits for non-revenue producing outlays since the inception of the fund.

**Object Classification** (in millions of dollars)

Identification code 15-4500-0-4-753	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	95	100	105
11.5 Other personnel compensation .....	7	8	8
11.8 Special personal services payments .....	45	48	50
11.9 Total personnel compensation .....	147	156	163
12.1 Civilian personnel benefits .....	49	65	68
21.0 Travel and transportation of persons .....	3	4	5
22.0 Transportation of things .....	4	17	17
23.2 Rental payments to others .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	14	15	15
24.0 Printing and reproduction .....	8	9	10
25.2 Other services .....	28	31	33
26.0 Supplies and materials .....	438	371	420
31.0 Equipment .....	6	6	6
32.0 Land and structures .....	2	1	1

**Intragovernmental funds—Continued**

**FEDERAL PRISON INDUSTRIES, INCORPORATED—Continued**

**Object Classification (in millions of dollars)—Continued**

Identification code 15-4500-0-4-753	2002 actual	2003 est.	2004 est.
93.0 Limitation on expenses .....	1	3	3
99.0 Reimbursable obligations .....	702	680	743
99.9 Total new obligations .....	702	680	743

**Personnel Summary**

Identification code 15-4500-0-4-753	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1,661	2,029	2,157

**LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED**

*Not to exceed \$3,429,000 of the funds of the corporation shall be available for its administrative expenses, and for services as authorized by 5 U.S.C. 3109, to be computed on an accrual basis to be determined in accordance with the corporation's current prescribed accounting system, and such amounts shall be exclusive of depreciation, payment of claims, and expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Object Classification (in millions of dollars)**

Identification code 15-4500-0-4-753	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1
26.0 Supplies and materials .....	2	2	2
93.0 Limitation on expenses .....	-3	-3	-3
99.0 Limitation acct—reimbursable obligations .....			

**Personnel Summary**

Identification code 15-4500-0-4-753	2002 actual	2003 est.	2004 est.
7001 Total compensable workyears: Civilian full-time equivalent employment .....	32	32	32

**Trust Funds**

**COMMISSARY FUNDS, FEDERAL PRISONS**

(TRUST REVOLVING FUND)

**Unavailable Collections (in millions of dollars)**

Identification code 15-8408-0-8-753	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.80 Commissary funds, Federal prisons, offsetting collections .....	210	229	235
Appropriations:			
05.00 Commissary funds, Federal prisons .....	-210	-229	-235
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 15-8408-0-8-753	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program .....	236	246	256
10.00 Total new obligations .....	236	246	256
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	74	47	28
22.00 New budget authority (gross) .....	210	229	235
23.90 Total budgetary resources available for obligation	284	276	263
23.95 Total new obligations .....	-236	-246	-256
24.40 Unobligated balance carried forward, end of year .....	47	28	7
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	210	229	235
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	23	25	25
73.10 Total new obligations .....	236	246	256
73.20 Total outlays (gross) .....	-234	-246	-230
74.40 Obligated balance, end of year .....	25	25	51
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	210	225	230
86.98 Outlays from mandatory balances .....	24	21	
87.00 Total outlays (gross) .....	234	246	230
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-210	-229	-235
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	24	17	-5
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	92		100
92.02 Total investments, end of year: Federal securities:			
Par value .....		100	100
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....			
99.01 Outlays .....			

**Budget program.**—The commissary fund consists of the operation of commissaries for the inmates as an earned privilege.

**Financing.**—Profits are derived from the sale of goods and services to inmates. Sales for 2004 are estimated at \$256 million. Adequate working capital is assured from retained earnings.

**Operating results.**—Profits received are used for programs, goods, and services for the benefit of inmates.

**Object Classification (in millions of dollars)**

Identification code 15-8408-0-8-753	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	23	24	25
11.5 Other personnel compensation .....	1	1	1
11.8 Special personal services payments .....	30	30	31
11.9 Total personnel compensation .....	54	55	57
12.1 Civilian personnel benefits .....	10	11	11
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges	4		
25.2 Other services .....	8	13	13
26.0 Supplies and materials .....	155	162	170
31.0 Equipment .....	4	4	4
99.9 Total new obligations .....	236	246	256

## Personnel Summary

Identification code 15-8408-0-8-753	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	497	642	696

## OFFICE OF JUSTICE PROGRAMS

## Federal Funds

## General and special funds:

## JUSTICE ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by title I of the Omnibus Crime Control and Safe Streets Act of 1969 (the "1968 Act"), the Missing Children's Assistance Act, the Juvenile Justice and Delinquency Prevention Act of 1974 (the "1974 Act"), the Victims of Child Abuse Act of 1990 (the "1990 Act"), the Violent Crime Control and Law Enforcement Act of 1994 (the "1994 Act"), the Victims of Trafficking and Violence Protection Act of 2000 (the "2000 Act"), the DNA Analysis Backlog Elimination Act of 2000 (the "DNA Act"), the Crime Identification and Technology Act of 1998, and the Homeland Security Act of 2002, \$2,136,423,000, to remain available until expended. Of the amounts provided:

(1) for counterterrorism research and development, as authorized by the Homeland Security Act of 2002, \$17,000,000;

(2) for improving the criminal justice system, \$1,183,999,000, as follows:

(A) \$24,143,000 for the matching grant program for law enforcement armor vests, as authorized by section 2501 of part Y of the 1968 Act;

(B) \$585,990,000 for the Justice Assistance Grants Program, of which \$60,000,000 is for the Boys and Girls Clubs in public housing facilities and other areas in cooperation with State and local law enforcement, \$5,921,000 is for the Tribal Courts Initiative, and \$19,956,000 is to carry out section 102(c) of H.R. 728 as passed by the House of Representatives on February 14, 1995;

(C) \$14,669,000 is for USA Freedom Corps activities supporting citizens' preparedness and response;

(D) \$28,315,000 for Police Corps training and education, as authorized by subtitle A of title XX of the 1994 Act: Provided, That the out-year program costs of new recruits shall be fully funded from funds currently available;

(E) \$13,504,000 for a state and local offender reentry program, as authorized by part FF of the 1968 Act;

(F) \$19,484,000 for Project Sentry;

(G) \$36,448,000 for the Regional Information Sharing System, as authorized by part M of the 1968 Act;

(H) \$47,683,000 for a national program to reduce gun violence (State and Local Gun Violence Assistance Program);

(I) \$3,907,000 for the State and Local Technical Assistance and Training program, as authorized by section 510 of part E of the 1968 Act;

(J) \$48,063,000 for the Southwest Border Prosecutor Initiative;

(K) \$179,599,000 to combat violence against women, as authorized by part T of the 1968 Act, of which \$5,200,000 shall be for the National Institute of Justice for research and evaluation of violence against women, and \$10,000,000 shall be for the Office of Juvenile Justice and Delinquency Prevention for the Safe Start Program, pursuant to part E of title II of the 1974 Act;

(L) \$62,637,000 to encourage arrest policies to states as authorized by part U of the 1968 Act;

(M) \$37,971,000 for rural domestic violence and child abuse enforcement assistance grants, as authorized by section 40295(a) of the 1994 Act;

(N) \$4,109,000 for training programs, as authorized by section 40152 of the 1994 Act, and for related local demonstration projects; and

(O) \$51,811,000 for State and local law enforcement agencies, non-profit organizations, and agencies of local government engaged in the investigation and prosecution of violent crimes and drug offenses in "Weed and Seed" designated communities, and for either reimbursements or transfers to such appropriate

accounts of the Department of Justice and other Federal agencies as may be specified by the Attorney General to execute the "Weed and Seed" program strategy;

(P) \$659,000 for the televised testimony program, as authorized by Part N of the 1968 Act;

(Q) \$25,007,000 for Project Childsafe:

(3) for research and development, evaluation and statistics, \$94,741,000, as follows: \$35,805,000 for criminal justice statistical programs, as authorized by part C of the 1968 Act; \$56,301,000 for research, development and evaluation programs, as authorized by part B of the 1968 Act; and \$2,635,000 to improve stalking and domestic violence databases, as authorized by section 40602(a) of the 1994 Act;

(4) for technology for crime identification, \$231,277,000, as follows: \$174,353,000 by formula for the substantive purposes authorized under section 2(a) of the DNA Act, and for other State or Federal forensic DNA activities, of which not less than \$35,000,000 shall be for increasing state and local DNA laboratory capacity, and \$10,000,000 shall be available for discretionary research, demonstration, evaluation, statistics, technical assistance and training; and \$56,924,000 for grants to upgrade criminal records, as authorized by section 102(a) of the Crime Identification and Technology Act;

(5) for reducing juvenile delinquency and crime, \$214,212,000 as follows: \$200,000 for concentration of federal efforts, as authorized by section 204 of the 1974 Act; \$88,804,000 for State and local programs authorized by section 221 of the 1974 Act, of which \$10,000,000 is for training and technical assistance to assist small, non-profit organizations with the application process for all Federal grants; \$37,917,000 for juvenile delinquency prevention block grants, as authorized by section 241 of the 1974 Act; \$7,000,000 for research, evaluation, training and technical assistance, as authorized by sections 251 and 252 of the 1974 Act; and \$3,000,000 for demonstration projects as authorized by sections 261 and 262 of the 1974 Act; \$77,291,000 for delinquency prevention, as authorized by section 505 of the 1974 Act, including \$12,500,000 for the Tribal Youth Program;

(6) for substance abuse demand reduction, \$143,029,000, as follows: \$64,360,000 for Drug Courts, as authorized by part EE of the 1968 Act; \$4,436,000 for demonstration projects on alcohol and crime in Indian Country; and \$74,233,000 for residential substance abuse treatment for State prisoners, as authorized by part S of the 1968 Act;

(7) for direct services for victims, such sums as may be necessary for payments authorized by sections 1201(a) and 1203 of the 1968 Act; and in addition, \$59,847,000, as follows: \$4,000,000 for payments authorized by section 1201(b) of the 1968 Act; and \$3,500,000 for educational assistance, as authorized by section 1212 of the 1968 Act; \$38,026,000 for legal assistance for victims, as authorized by section 1201(c) of the 2000 Act; and \$14,321,000 for the safe havens for children pilot program as authorized by section 1301(a) of the 2000 Act;

(8) for education and training to serve victims of crime, \$72,680,000, as follows: \$1,940,000 for child abuse training programs for judicial personnel and practitioners, as authorized by section 222 of the 1990 Act; \$11,334,000 for the court-appointed special advocate program, as authorized by section 217 of the 1990 Act; \$8,481,000 for improving the investigation and prosecution of child abuse, as authorized by section 2144 of the 1990 Act; \$30,669,000 for the missing children's program, as authorized by sections 404(b) and 405(a) of the 1974 Act; \$8,894,000 to reduce violent crimes against women on campus, as authorized by section 826 of the Higher Education Amendments of 1998; \$4,447,000 for training programs to enhance protection for the elderly and disabled, as authorized by section 40802 of the 1994 Act; and \$6,915,000 for education and training programs to enhance protection for the elderly and disabled, as authorized by section 1402(a) of the 2000 Act; and

(9) \$119,638,000 for program management and administration not elsewhere specified: Provided, That the Attorney General may transfer to this account the unexpended balances from the following accounts: the "State and Local Law Enforcement Assistance" account, the "Weed and Seed Program" fund, "Juvenile Justice Programs" account, and the "Public Safety Officer's Benefits" account. Of the unobligated balances available under this heading, \$11,622,000 are cancelled.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

## General and special funds—Continued

## JUSTICE ASSISTANCE—Continued

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 15-0401-0-1-754	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01			17
00.02			1,220
00.03			130
00.04			235
00.05			235
00.06			149
00.07			199
00.09	46	92	
00.10	10	12	
00.11	33	34	
00.12	25	32	
00.13	28	25	
00.14	9	9	
00.15	51		
00.16	1	1	
00.17	55	50	
09.01	432	616	80
10.00	690	871	2,265
<b>Budgetary resources available for obligation:</b>			
21.40	241	208	12
22.00	624	663	2,253
22.10	35	12	
23.90	900	883	2,265
23.95	-690	-871	-2,265
24.40	208	12	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	204	214	2,136
40.35	-1		
40.36			-12
42.00	7	7	
43.00	210	221	2,124
Mandatory:			
60.00			49
Discretionary:			
68.00	414	442	80
70.00	624	663	2,253
<b>Change in obligated balances:</b>			
72.40	608	806	812
73.10	690	871	2,265
73.20	-457	-852	-2,435
73.32			5,136
73.45	-35	-12	
74.40	806	812	5,778
<b>Outlays (gross), detail:</b>			
86.90	437	490	547
86.93	20	362	1,839
86.97			49
87.00	457	852	2,435
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00	-414	-442	-80
<b>Net budget authority and outlays:</b>			
89.00	210	221	2,173
90.00	44	410	2,355
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00	2	2	2
99.01	2	2	2

Note.—Includes \$1.971 billion in budget authority in 2004 for activities previously financed from:

	2002	2003
State and local enforcement Assistance .....	2,654	752
Weed and Seed Program Fund .....	59	59
Juvenile Justice Programs .....	299	251
Public Safety Officers Benefits .....	202	53

The mission of the Office of Justice Programs (OJP) is to provide Federal leadership in developing the nation's capacity to prevent and control crime, administer justice, and assist crime victims. In FY 2004, OJP addressed the President's Management Reform Agenda by streamlining its existing appropriation account structure and consolidating programs and administrative resources into a single decision unit entitled Justice Assistance. The Crime Victims' Fund remains a separate account due to the nature of its resources, which are not provided through appropriations but through the collection of fines and forfeitures.

Within Justice Assistance, OJP has grouped its programs into eight activities, which broadly reflect OJP's major mission critical functions. These activities, and the programs grouped within them, are as follows:

1. Counterterrorism Research and Development: Funds provide for the development of practical tools and approaches to improve the ability of state and local first responders to detect and effectively respond to terrorist acts.

2. Improving the Criminal Justice System: Funds provide a wide range of assistance to States, localities and tribal governments with crime and drug control efforts. These programs and activities target resources to strengthen the capacity of the criminal justice systems at the local level and to promote community-based strategies to prevent and address crime. Funding supports several programs, including:

*Regional Information Sharing System (RISS)*—Funds State and local law enforcement agencies in the exchange of intelligence information and investigative services and equipment. At its inception, RISS supported state and local law enforcement efforts to combat drug trafficking and organized criminal activity. However, the regional information sharing concept has expanded, and now more law enforcement agencies routinely reach out to share intelligence across jurisdictional boundaries. Section 701 of the USA Patriot Act of 2001 authorizes RISS to operate secure information sharing systems to enhance the investigative and prosecutorial abilities of participating law enforcement agencies in addressing terrorism. The 2004 President's Budget proposes a \$12 million increase to expand RISS' accessibility to state and local public safety agencies for the purpose of sharing terrorism alerts and related information.

*State and Local Training and Technical Assistance Program*—Funds provide targeted training to state and local law enforcement addressing hate crimes and the investigation and prosecution of terrorist crimes. The 2004 President's Budget proposes a total of \$4.238 million for this activity.

*Justice Assistance Grant Program* (—\$189.780 million)—For statewide initiatives, technical assistance, training, and other support in the areas of law enforcement, prosecution and court programs, prevention programs, corrections programs and treatment programs. Local funding may also be combined with funding of other jurisdictions to form a regional project. The 2004 President's Budget includes \$15 million for the U.S.A. Freedom Corps, which was previously funded under the this program.

*Tribal Courts Program* (—\$7.907 million)—In 2004, this program is proposed to be funded within the total amount requested for the Justice Assistance Grant Program. The Tribal Courts Program seeks to develop new tribal courts, improve operations of existing tribal courts, and provide funding for the training of tribal court staff. Tribal courts help Native American communities develop the capability to address their own crime problems within their communities.

*National White Collar Crime Center* (—\$9.726 million)—Funding is proposed to be eliminated for the White Collar

Crime Center due to its specialized, state-specific projects that duplicate Federal efforts in areas such as identity theft.

*Hate Crimes Awareness* (–\$1.238 million)—This program is consolidated under the new State and Local Training and Technical Assistance Program.

3. Research and Demonstration, Evaluation and Statistics: Funds provide a wide range of research and statistical programs addressing criminal justice issues. These programs increase statistics on criminal justice issues and trends, evaluate the effectiveness of current approaches, and identify innovative solutions. Funding supports several programs, including:

*Criminal Justice Statistical Programs*—Funds provide for the collection and analysis of statistical information concerning crime, victims, offenders, criminal justice processes, and civil disputes in support of public and private policy decisionmaking about society’s response to crime; planning, coordination, implementation and provision of technical assistance to States to initiate innovative applications of communications and information systems technology for State and local criminal justice systems; and assurance of conformity with privacy and security regulations. The 2004 President’s Budget proposes a \$2 million increase to begin the automation of the National Crime Victimization Survey.

*Research, Development, and Evaluation Programs* (–\$5 million)—This decrease represents funds allocated for the DNA research and development program, which are consolidated under the proposed DNA Initiative in FY 2004.

*Safe Schools Technology Program* (–\$16.799 million)—Funding is proposed to be eliminated for this program, which develops technologies used by schools to deter violence. However, law enforcement technologies, currently under development using other funding resources, may be adapted to school situations.

*Corrections and Law Enforcement Family Support* (–\$1.497 million)—Funding is proposed to be eliminated for this research program, which has provided valuable information for law enforcement to address stress among their officers. An evaluation, scheduled for completion in 2003, will provide further information about which programs work. As the program has achieved its goals, funding is eliminated.

4. Technology for Crime Identification: Funds provide a wide range of technology-based assistance to States, localities and tribal governments to solve and reduce crime. Funding supports several programs, including:

*DNA Enhancements*—\$177 million is proposed for State and local crime laboratories to reduce and eventually eliminate backlogs of DNA casework samples (including crime scene and convicted offender samples). Effective backlog reduction requires both the direct defrayal of sample analysis costs to meet immediate needs, and improvements, especially automation upgrades, in forensic laboratories to increase their capacity, eventually enabling them to keep abreast of their DNA analysis without additional Federal funding. These efforts will help prosecute the guilty and exonerate the innocent. The amount requested for this effort reflects a nearly \$100 million increase over the 2003 request for similar programs.

*Crime Identification Technology Act Program* (–\$79.499 million)—Funding for this program is proposed to be eliminated, which has been severely impacted in its ability to fund innovative technologies due to the level of earmarking that has occurred in recent years.

*Crime Lab Improvement Program* (–\$34.563 million)—This program is replaced by the expanded DNA Initiative.

5. Strengthening the Juvenile Justice System: Funds support State, local and tribal government activities to prevent juvenile delinquency and address juvenile crime through increased accountability.

*Title V Incentive Grants for Local Delinquency Prevention* (–\$17.5 million)—Of the total \$77 million requested, \$12.5 million is for the Tribal Youth Program, and the balance is available for local incentive grants.

*Juvenile Accountability Incentive Block Grants/Project Childsafe* (–\$177.993 million)—As a result of significant flaws uncovered by the PART process, funding for JAIBG is proposed to be eliminated in 2004. The 2004 President’s Budget includes \$26 million for Project Childsafe, which has previously been funded under JAIBG. These resources will allow the Childsafe Program to complete its goals of making gun safety locks widely available ahead of schedule and under budget.

6. Substance Abuse: Demand Reduction: Funds provided are intended to address the problems of substance abuse-related crime, including treatment of offenders with substance abuse problems to improve their ability to transition back into society. These programs include:

*Drug Courts*—Funds provide assistance to States, local units of government, and to other public or private entities to develop and implement programs for non-violent offenders with substance abuse problems. These programs use the power of the courts and continuing supervision to coerce abstinence through graduated sanctions and the integrated administration of other services such as drug testing and drug treatment. The 2004 Budget proposes a \$16 million increase for technical assistance and to ensure existing courts have the resources to provide the full continuum of services that have been proven effective.

*Drug Prevention Demonstration Program* (–\$11.803 million)—This program has not produced substantive results since its inception in 1998 and is proposed for elimination.

7. Direct Services for Victims of Crime: Funds provide resources to State and local governments to ensure timely delivery of direct payments and services to victims of crime.

*Public Safety Officers Benefits—Educational Assistance*—An increase of \$3.5 million is requested to keep pace with the increasing numbers of dependents of public safety officers, either killed or permanently disabled in the line of duty, who are seeking educational assistance.

8. Education and Training to Better Serve Victims of Crime: Funding supports a variety of services provided by public and private organizations to assist victims of crime including:

*Missing and Exploited Children’s Program*—Additional funds for State training and technical assistance to develop an effective, coordinated Amber Alert program nationwide. The 2004 President’s Budget proposes a \$2.5 million increase.

*Telemarketing Scams Against the Elderly* (–\$1.976 million)—Funds are proposed to be eliminated for this program in 2004. However, discretionary resources under the Crime Victims Fund are proposed to be targeted to assist victims of telemarketing fraud.

The planned distribution of budget authority by fiscal year is as follows (in millions of dollars) 2004 amounts are presented by decision unit:

JUSTICE ASSISTANCE

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
Counterterrorism Research and Development .....			\$17
Improving the Criminal Justice System .....			1,220
Research, Development, Evaluation and Statistics .....			130
Technology for Crime Identification .....			235
Strengthening the Juvenile Justice System .....			235
Substance Abuse: Demand Reduction .....			149
Direct Services for Victims of Crime .....			121
Education & Training to Serve Victims of Crime .....			79
Total .....			\$2,186

**General and special funds—Continued**

**JUSTICE ASSISTANCE—Continued**

**Object Classification (in millions of dollars)**

Identification code 15-0401-0-1-754	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	13	25	54
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	1		
11.9 Total personnel compensation .....	16	27	56
12.1 Civilian personnel benefits .....	4	6	14
21.0 Travel and transportation of persons .....	2	3	5
23.1 Rental payments to GSA .....	11	11	12
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
24.0 Printing and reproduction .....	1	1	2
25.1 Advisory and assistance services .....	5	5	5
25.2 Other services .....	35	34	95
25.3 Other purchases of goods and services from Government accounts .....	50	65	104
26.0 Supplies and materials .....	1	1	2
31.0 Equipment .....		1	2
41.0 Grants, subsidies, and contributions .....	131	99	1,839
42.0 Insurance claims and indemnities .....			47
99.0 Direct obligations .....	258	255	2,185
99.0 Reimbursable obligations .....	432	616	80
99.9 Total new obligations .....	690	871	2,265

**Personnel Summary**

Identification code 15-0401-0-1-754	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	357	403	729
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	407	401	

**STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE**

**Program and Financing (in millions of dollars)**

Identification code 15-0404-0-1-754	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Local law enforcement block grant .....	448	30	
00.02 State criminal alien assistance .....	564	10	
00.03 Correctional facilities .....	6	29	
00.04 Incarceration on tribal lands .....	44	7	
00.05 Cooperative agreement program .....	20		
00.06 Tribal courts initiative .....	9	17	
00.07 Edward Byrne formula grants .....	501	5	
00.08 Edward Byrne discretionary grants .....	330	46	
00.09 Court appointed special advocate .....	12	12	
00.10 Child abuse training programs for judicial personnel .....	2	2	
00.11 Violence against women act: STOP grants .....	178	207	
00.12 Violence against women act: Encourage arrest policies .....	61	70	
00.13 Violence against women act: Rural domestic violence and child abuse enforcement assistance .....	38	43	
00.14 Violence against women act: Training programs to assist probation and parole officers .....	6	6	
00.15 Grants for closed circuit televising .....		2	
00.16 Residential substance abuse treatment .....	69	90	
00.17 Missing alzheimer's program .....	1		
00.18 Motor vehicle theft prevention .....		3	
00.19 Drug courts .....	55	55	
00.20 Law enforcement family support .....	1	3	
00.21 Countering telemarketing scams .....	1	4	
00.22 Indian country grant program .....		15	
00.23 Juvenile incentive block grant .....	262	228	
00.24 Stalking and domestic violence information databases .....	3	3	
00.25 Grants to reduce violent crimes against women on campus .....	10	12	

00.26 Legal assistance for victims .....	40	44	
00.27 Enhancing protections for older & disabled women from domestic violence & sexual assault .....	5	5	
00.28 Safe havens for children pilot program .....	8	23	
00.29 Education and training to end violence against and abuse of women with disabilities .....	7	8	
00.30 Victims of trafficking .....	1	9	
00.31 Hate crimes training and technical assistance .....		1	
00.32 Other crime control programs .....	2	3	
09.01 Reimbursable program .....	132	926	
10.00 Total new obligations .....	2,816	1,918	

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	201	291	
22.00 New budget authority (gross) .....	2,825	1,627	
22.10 Resources available from recoveries of prior year obligations .....	81		
23.90 Total budgetary resources available for obligation .....	3,107	1,918	
23.95 Total new obligations .....	-2,816	-1,918	
24.40 Unobligated balance carried forward, end of year .....	291		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	2,654	752	
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	148	875	
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	23		
68.90 Spending authority from offsetting collections (total discretionary) .....	171	875	
70.00 Total new budget authority (gross) .....	2,825	1,627	

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	4,974	4,444	4,280
73.10 Total new obligations .....	2,816	1,918	
73.20 Total outlays (gross) .....	-3,243	-2,082	
73.31 Obligated balance transferred to other accounts .....			-4,280
73.45 Recoveries of prior year obligations .....	-81		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-23		
74.40 Obligated balance, end of year .....	4,444	4,280	

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	731	1,040	
86.93 Outlays from discretionary balances .....	2,512	1,042	
87.00 Total outlays (gross) .....	3,243	2,082	

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-144	-875	
88.40 Non-Federal sources .....	-4		
88.90 Total, offsetting collections (cash) .....	-148	-875	
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-23		

**Net budget authority and outlays:**

89.00 Budget authority .....	2,654	752	
90.00 Outlays .....	3,095	1,207	

Note.—Excludes \$1.617 billion in budget authority in 2004 for activities transferred to: Justice Assistance

**Object Classification (in millions of dollars)**

Identification code 15-0404-0-1-754	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons .....	2	1	
25.1 Advisory and assistance services .....	2	2	
25.2 Other services .....	17	35	
25.3 Other purchases of goods and services from Government accounts .....	102	100	
41.0 Grants, subsidies, and contributions .....	2,561	854	
99.0 Direct obligations .....	2,684	992	
99.0 Reimbursable obligations .....	132	926	
99.9 Total new obligations .....	2,816	1,918	

WEED AND SEED PROGRAM FUND

Program and Financing (in millions of dollars)

Identification code 15-0334-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	62	61	
09.01 Reimbursable program .....	6	4	
10.00 Total new obligations .....	68	65	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	4	
22.00 New budget authority (gross) .....	69	59	
22.10 Resources available from recoveries of prior year obligations .....	3	2	
23.90 Total budgetary resources available for obligation	73	65	
23.95 Total new obligations .....	-68	-65	
24.40 Unobligated balance carried forward, end of year .....	4		

<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	59	59	
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	13		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
68.90 Spending authority from offsetting collections (total discretionary) .....	10		
70.00 Total new budget authority (gross) .....	69	59	

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	53	72	105
73.10 Total new obligations .....	68	65	
73.20 Total outlays (gross) .....	-50	-30	
73.31 Obligated balance transferred to other accounts .....			-105
73.45 Recoveries of prior year obligations .....	-3	-2	
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	3		
74.40 Obligated balance, end of year .....	72	105	

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	13	13	
86.93 Outlays from discretionary balances .....	37	17	
87.00 Total outlays (gross) .....	50	30	

<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources	-13		
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	3		

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	59	59	
90.00 Outlays .....	37	30	

Note.—Excludes \$59 million in budget authority in 2004 for activities transferred to: Justice Assistance.

Object Classification (in millions of dollars)

Identification code 15-0334-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons .....		1	
25.2 Other services .....	3	5	
25.3 Other purchases of goods and services from Government accounts .....	3	2	
41.0 Grants, subsidies, and contributions .....	56	53	
99.0 Direct obligations .....	62	61	
99.0 Reimbursable obligations .....	6	4	
99.9 Total new obligations .....	68	65	

COMMUNITY ORIENTED POLICING SERVICES

For activities authorized by the Violent Crime Control and Law Enforcement Act of 1994, Public Law 103-322 ("the 1994 Act") (includ-

ing administrative costs), \$163,755,000, to remain available until expended: Provided, That section 1703 (b) and (c) of the 1968 Act shall not apply to non-hiring grants made pursuant to part Q of title I thereof (42 U.S.C. 3796dd et seq.).

Of the amounts provided, \$20,662,000 for community policing development initiatives; \$30,000,000 to improve tribal law enforcement including equipment and training; \$20,000,000 for policing initiatives to combat methamphetamine production and trafficking and to enhance policing initiatives in "drug hot spots"; \$50,000,000 for the COPS InfoTech grant program, of which \$3,000,000 is for the Law Enforcement Online (LEO) Program; \$16,963,000 for a police integrity program; and not to exceed \$26,130,000 for program management and administration.

Of the unobligated balances available under this heading, \$6,378,000 are cancelled.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 15-0406-0-1-754	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Public Safety and Community Policing Grants .....	612	126	88
00.02 Crime Fighting Technologies .....	351	282	50
00.03 Community Based Prosecutors .....	100	50	
00.04 Southwest Border Prosecutors .....		50	
00.05 Crime Prevention Efforts .....	75	47	
00.06 Justice Assistance Grants .....		800	
00.07 Management and Administration .....	32	26	26
09.00 Reimbursable program .....	122		
10.00 Total new obligations .....	1,292	1,381	164

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	57	9	9
22.00 New budget authority (gross) .....	1,172	1,381	158
22.10 Resources available from recoveries of prior year obligations .....	73		
23.90 Total budgetary resources available for obligation	1,302	1,390	167
23.95 Total new obligations .....	-1,292	-1,381	-164
24.40 Unobligated balance carried forward, end of year .....	9	9	3

<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	1,050	1,381	164
40.36 Unobligated balance rescinded .....			-6
43.00 Appropriation (total discretionary) .....	1,050	1,381	158
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	122		
70.00 Total new budget authority (gross) .....	1,172	1,381	158

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,509	2,281	2,648
73.10 Total new obligations .....	1,292	1,381	164
73.20 Total outlays (gross) .....	-1,447	-1,014	-1,322
73.45 Recoveries of prior year obligations .....	-73		
74.40 Obligated balance, end of year .....	2,281	2,648	1,490

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	175	69	8
86.93 Outlays from discretionary balances .....	1,272	945	1,314
87.00 Total outlays (gross) .....	1,447	1,014	1,322

<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources	-122		

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,050	1,381	158
90.00 Outlays .....	1,325	1,014	1,322

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

This program provides grants to states, units of local government, Indian Tribal governments, and other public and

**General and special funds—Continued**

**COMMUNITY ORIENTED POLICING SERVICES—Continued**

private entities to advance community policing, expand co-operation between law enforcement agencies and members of the community, and enhance public safety. Grants may be used for police integrity strategies, procuring equipment and technology, and funding additional grant projects that advance community policing. Funding also supports training and technical assistance, methamphetamine lab clean-up, as well as research and evaluations related to community policing strategies and efforts.

**Object Classification (in millions of dollars)**

Identification code 15-0406-0-1-754	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	12	14	15
12.1 Civilian personnel benefits .....	3	3	4
21.0 Travel and transportation of persons .....	1		
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	6	2	2
<b>Other purchases of goods and services from Government accounts:</b>			
25.3 Other purchases of goods and services from Government accounts .....	457	1,210	
25.3 Rental payments to GSA .....	3	3	4
31.0 Equipment .....	1		
41.0 Grants, subsidies, and contributions .....	686	148	138
99.0 Direct obligations .....	1,170	1,381	164
99.0 Reimbursable obligations .....	122		
99.9 Total new obligations .....	1,292	1,381	164

**Personnel Summary**

Identification code 15-0406-0-1-754	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	180	235	235

**JUVENILE JUSTICE PROGRAMS**

**Program and Financing (in millions of dollars)**

Identification code 15-0405-0-1-754	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Title II—Juvenile justice and delinquency prevention .....	141	159	
00.02 Part D—Gang-free schools and communities .....	13	18	
00.03 Part E—State challenge activities .....	9	16	
00.04 Part G—Mentoring .....	24	17	
00.05 Title V—Incentive grants for local delinquency prevention .....	101	108	
00.06 Victims of child abuse .....	9	9	
00.07 Drug reduction program .....	10	24	
09.01 Reimbursable program .....	60	35	
10.00 Total new obligations .....	367	386	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	83	90	
22.00 New budget authority (gross) .....	358	286	
22.10 Resources available from recoveries of prior year obligations .....	15	10	
23.90 Total budgetary resources available for obligation .....	456	386	
23.95 Total new obligations .....	—367	—386	
24.40 Unobligated balance carried forward, end of year .....	90		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	306	258	
41.00 Transferred to other accounts .....	—7	—7	
43.00 Appropriation (total discretionary) .....	299	251	

68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	59	35	
70.00 Total new budget authority (gross) .....	358	286	

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	562	622	751
73.10 Total new obligations .....	367	386	
73.20 Total outlays (gross) .....	—291	—247	
73.31 Obligated balance transferred to other accounts .....			—751
73.40 Adjustments in expired accounts (net) .....	—1		
73.45 Recoveries of prior year obligations .....	—15	—10	
74.40 Obligated balance, end of year .....	622	751	

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	127	90	
86.93 Outlays from discretionary balances .....	164	157	
87.00 Total outlays (gross) .....	291	247	

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	—59	—35	

**Net budget authority and outlays:**

89.00 Budget authority .....	299	251	
90.00 Outlays .....	232	212	

Note.—Excludes \$236 million in budget authority in 2004 for activities transferred to: Justice Assistance.

**Object Classification (in millions of dollars)**

Identification code 15-0405-0-1-754	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
23.3 Communications, utilities, and miscellaneous charges .....			1
24.0 Printing and reproduction .....			1
25.1 Advisory and assistance services .....			2
25.2 Other services .....	13	12	
25.3 Other purchases of goods and services from Government accounts .....	2	4	
41.0 Grants, subsidies, and contributions .....	292	331	
99.0 Direct obligations .....	307	351	
99.0 Reimbursable obligations .....	60	35	
99.9 Total new obligations .....	367	386	

**PUBLIC SAFETY OFFICERS BENEFITS**

**Program and Financing (in millions of dollars)**

Identification code 15-0403-0-1-754	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	165	57	
10.00 Total new obligations .....	165	57	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	4	
22.00 New budget authority (gross) .....	202	53	
23.90 Total budgetary resources available for obligation .....	205	57	
23.95 Total new obligations .....	—165	—57	
23.98 Unobligated balance expiring or withdrawn .....	—36		
24.40 Unobligated balance carried forward, end of year .....	4		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	4	4	
<b>Mandatory:</b>			
60.00 Appropriation .....	198	49	
70.00 Total new budget authority (gross) .....	202	53	

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	3	4	
73.10 Total new obligations .....	165	57	
73.20 Total outlays (gross) .....	—164	—61	

74.40	Obligated balance, end of year .....	4		
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	4		
86.93	Outlays from discretionary balances .....	4	8	
86.97	Outlays from new mandatory authority .....	160	49	
87.00	Total outlays (gross) .....	164	61	
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	202	53	
90.00	Outlays .....	164	61	

Note.—Excludes \$59 million in budget authority in 2004 for activities transferred to Justice Assistance.

This program provides payment of death benefits to eligible survivors of public safety officers who die in the line of duty, disability payments to public safety officers who are permanently disabled as a result of injury incurred in the line of duty, and educational assistance to children or spouses of officers who are killed or permanently disabled in the line of duty. Legislation provides for an annual cost of living escalator tied to the Consumer Price Index (CPI) for death benefit payments. The USA Patriot Act of 2001 (P.L. 107-56) increased the base death and disability payments to \$250,000 retroactively to January 1, 2001.

**Object Classification** (in millions of dollars)

Identification code 15-0403-0-1-754	2002 actual	2003 est.	2004 est.
41.0 Grants, subsidies, and contributions .....	3	2	
42.0 Insurance claims and indemnities .....	162	55	
99.9 Total new obligations .....	165	57	

**CRIME VICTIMS FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 15-5041-0-2-754	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	1,330	1,311	1,206
<b>Receipts:</b>			
02.00 Fines, penalties, and forfeitures .....	519	500	500
02.40 Payment from the general fund, Crime victims fund .....	68		
02.99 Total receipts and collections .....	587	500	500
04.00 Total: Balances and collections .....	1,917	1,811	1,706
<b>Appropriations:</b>			
05.00 Crime victims fund .....	-606	-605	-625
05.99 Total appropriations .....	-606	-605	-625
07.99 Balance, end of year .....	1,311	1,206	1,081

**Program and Financing** (in millions of dollars)

Identification code 15-5041-0-2-754	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	666	625	625
10.00 Total new obligations .....	666	625	625
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	20	
22.00 New budget authority (gross) .....	674	605	625
22.10 Resources available from recoveries of prior year obligations .....	7		
23.90 Total budgetary resources available for obligation .....	686	625	625
23.95 Total new obligations .....	-666	-625	-625
24.40 Unobligated balance carried forward, end of year .....	20		
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	68		
40.20 Appropriation (special fund) .....			-1,081

43.00	Appropriation (total discretionary) .....	68		-1,081
<b>Mandatory:</b>				
60.20	Appropriation (special fund) .....	587	500	500
60.28	Appropriation (unavailable balances) .....	1,330	1,311	1,206
60.45	Portion precluded from obligation .....	-1,311	-1,206	
62.50	Appropriation (total mandatory) .....	606	605	1,706
70.00	Total new budget authority (gross) .....	674	605	625
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	763	806	872
73.10	Total new obligations .....	666	625	625
73.20	Total outlays (gross) .....	-615	-559	-655
73.45	Recoveries of prior year obligations .....	-7		
74.40	Obligated balance, end of year .....	806	872	842

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	50		-649
86.97	Outlays from new mandatory authority .....		63	724
86.98	Outlays from mandatory balances .....	565	496	580
87.00	Total outlays (gross) .....	615	559	655
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	674	605	625
90.00	Outlays .....	615	559	655

The Victims of Crime Act of 1984 (Public Law 98-473), as amended, established a special fund in the Treasury entitled "The Crime Victims Fund." This fund is credited with criminal fines that are collected from persons convicted of offenses against the United States. Annual grants are made to eligible crime victims compensation and assistance programs.

The 2004 Budget treats amounts deposited into the Fund as available in the year collected, subject to the limitations included in authorizing or appropriations language.

**Object Classification** (in millions of dollars)

Identification code 15-5041-0-2-754	2002 actual	2003 est.	2004 est.
25.2 Other services .....	10	10	10
25.3 Other purchases of goods and services from Government accounts .....	26	33	33
41.0 Grants, subsidies, and contributions .....	630	582	582
99.9 Total new obligations .....	666	625	625

**VIOLENT CRIME REDUCTION TRUST FUND**

**VIOLENT CRIME REDUCTION TRUST FUND (VCRTF)**

**Program and Financing** (in millions of dollars)

Identification code 15-8585-0-1-754	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	7	
23.98 Unobligated balance expiring or withdrawn .....		-7	
24.40 Unobligated balance carried forward, end of year .....	7		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The Violent Crime Reduction Trust Fund was established by the Violent Crime Control and Law Enforcement Act of 1994, Public Law 103-322. The VCRTF authorization expired at the end of 2000. Former VCRTF programs are now funded through general appropriations.

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Governmental receipts:			
15-083400 Breached bond penalties .....	8	8	8
15-085400 Registration fees, DEA .....	16	15	15
General Fund Governmental receipts .....	24	23	23

**GENERAL PROVISIONS—DEPARTMENT OF JUSTICE**

*SEC. 101. In addition to amounts otherwise made available in this title for official reception and representation expenses, a total of not to exceed \$55,000 from funds appropriated to the Department of Justice in this title shall be available to the Attorney General for official reception and representation expenses.*

*SEC. 102. Authorities contained in the 21st Century Department of Justice Appropriations Authorization Act (Public Law 107-273; 116 Stat. 1758 (2002)), shall remain in effect until the effective date of a subsequent Department of Justice Appropriations Authorization Act.*

*SEC. 103. None of the funds appropriated by this title shall be available to pay for an abortion, except where the life of the mother would be endangered if the fetus were carried to term, or in the*

*case of rape: Provided, That should this prohibition be declared unconstitutional by a court of competent jurisdiction, this section shall be null and void.*

*SEC. 104. None of the funds appropriated under this title shall be used to require any person to perform, or facilitate in any way the performance of, any abortion.*

*SEC. 105. Nothing in the preceding section shall remove the obligation of the Director of the Bureau of Prisons to provide escort services necessary for a female inmate to receive such service outside the Federal facility: Provided, That nothing in this section in any way diminishes the effect of section 104 intended to address the philosophical beliefs of individual employees of the Bureau of Prisons.*

*SEC. 106. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of Justice in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: Provided, That any transfer pursuant to this section shall be treated as a re-programming of funds under section 605 of this Act and shall not be available for obligation except in compliance with the procedures set forth in that section.*

*SEC. 107. Notwithstanding any other provision of law, \$1,000,000 shall be available for technical assistance from the funds appropriated for part G of title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.*

*SEC. 108. Section 114 of Public Law 107-77 shall remain in effect during fiscal year 2004.*

# DEPARTMENT OF LABOR

## EMPLOYMENT AND TRAINING ADMINISTRATION

### Federal Funds

#### General and special funds:

#### TRAINING AND EMPLOYMENT SERVICES

For necessary expenses of the Workforce Investment Act of 1998 (the "Act"), including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Act; \$2,488,986,000 plus reimbursements, of which \$1,457,805,000 is available for obligation for the period July 1, 2004 through June 30, 2005, except that amounts determined by the Secretary to be necessary pursuant to sections 173(a)(4)(A) and 174(c) of the Act shall be available from October 1, 2003 until expended; of which \$1,000,965,000 is available for obligation for the period April 1, 2004 through June 30, 2005; and of which \$30,216,000 is available for the period July 1, 2004 through June 30, 2007 for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers: Provided, That notwithstanding the transfer limitation under section 133(b)(4) of the Act, up to 40 percent of such funds may be transferred by a local board if approved by the Governor: Provided further, That notwithstanding sections 127(b)(1)(A) and 174(a)(2)(B) of such Act, no funds provided herein shall be available to carry out section 167 of such Act: Provided further, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers: Provided further, That notwithstanding sections 127(C) and 132(C) of the Act for program year 2003, the Secretary shall reallocate from States for the youth, adult, and dislocated worker formula fund programs under title I of the Act, the amounts by which the unexpended balance in a State for any such program at the end of program year 2002 exceeds 30 percent of the total amount available for such program in such State for such year (including funds appropriated for previous program years that were available during program year 2002), to those States that did not have such unexpended balances for such program at the end of such year. Such reallocations shall be made using the formula applicable to such program for fiscal year 2003 except that such formula shall only be applied to those States receiving reallocations for such program under this proviso: Provided further, That notwithstanding sections 128(C) and 133(C) of the Act for program year 2003, the Governor may reallocate from local workforce investment areas for the youth, adult, and dislocated worker formula fund programs under title I of the Act, the amounts by which the unexpended balance in a local workforce investment area for any such program at the end of program year 2002 exceeds 30 percent of the total amount available for such program in such local workforce investment area for such year (including funds appropriated for previous program years that were available during program year 2002), to those local workforce investment areas that did not have such unexpended balances for such program at the end of such year. Such reallocations shall be made using the formula applicable to such program for fiscal year 2003 except that such formula shall only be applied to those local workforce investment areas receiving reallocations for such program under this proviso.

For necessary expenses of the Act, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Act; \$2,463,000,000 plus reimbursements, of which \$2,363,000,000 is available for obligation for the period October 1, 2004 through June 30, 2005, and of which \$100,000,000 is available for the period October 1, 2004 through June 30, 2007, for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Unavailable Collections (in millions of dollars)

Identification code 16-0174-0-1-504	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....		- 91	- 189
Appropriations:			
05.98 Appropriations .....	- 91	- 98	
07.99 Balance, end of year .....	- 91	- 189	- 189

#### Program and Financing (in millions of dollars)

Identification code 16-0174-0-1-504	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Adult employment and training activities .....	951	900	900
00.03 Dislocated worker employment and training activities .....	1,520	1,433	1,469
00.05 Youth activities .....	1,133	1,001	1,001
00.06 Youth opportunity grants .....	229	225	44
00.07 Job corps .....	1,467	1,511	1,573
00.08 Responsible reintegration for young offenders .....	85	25	
00.10 Native Americans .....	55	55	55
00.11 Migrant and seasonal farmworkers .....	117	1	
00.13 National programs .....	261	243	180
09.01 Reimbursable program .....	16	4	4
10.00 Total new obligations .....	5,834	5,398	5,226
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1,011	985	725
22.00 New budget authority (gross) .....	5,651	5,138	4,956
22.10 Resources available from recoveries of prior year obligations .....	161		
23.90 Total budgetary resources available for obligation .....	6,823	6,123	5,681
23.95 Total new obligations .....	- 5,834	- 5,398	- 5,226
23.98 Unobligated balance expiring or withdrawn .....	- 4		
24.40 Unobligated balance carried forward, end of year .....	985	725	455
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3,199	2,573	2,489
40.36 Unobligated balance rescinded .....	- 178		
43.00 Appropriation (total discretionary) .....	3,021	2,573	2,489
55.00 Advance appropriation .....	2,463	2,463	2,463
Mandatory:			
60.00 Appropriation .....	60		
60.20 Appropriation (special fund) .....	91	98	
62.50 Appropriation (total mandatory) .....	151	98	
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	16	4	4
70.00 Total new budget authority (gross) .....	5,651	5,138	4,956
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5,117	4,928	4,251
73.10 Total new obligations .....	5,834	5,398	5,226
73.20 Total outlays (gross) .....	- 5,875	- 6,075	- 5,513
73.40 Adjustments in expired accounts (net) .....	13		
73.45 Recoveries of prior year obligations .....	- 161		
74.40 Obligated balance, end of year .....	4,928	4,251	3,964
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,810	1,712	1,717
86.93 Outlays from discretionary balances .....	4,021	4,156	3,641
86.97 Outlays from new mandatory authority .....	3		
86.98 Outlays from mandatory balances .....	44	204	155
87.00 Total outlays (gross) .....	5,875	6,075	5,513
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	- 16	- 2	- 2
88.40 Non-Federal sources .....	- 2	- 2	- 2

**General and special funds—Continued**

**TRAINING AND EMPLOYMENT SERVICES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 16-0174-0-1-504	2002 actual	2003 est.	2004 est.
88.90 Total, offsetting collections (cash) .....	-16	-4	-4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5,635	5,134	4,952
90.00 Outlays .....	5,859	6,071	5,509
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	6	6	6
99.01 Outlays .....	6	6	6

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	5,635	5,134	4,952
Outlays .....	5,859	6,071	5,509
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			797
Outlays .....			36
<b>Total:</b>			
Budget Authority .....	5,635	5,134	5,749
Outlays .....	5,859	6,071	5,545

Enacted in 1998, the Workforce Investment Act (WIA), is the primary authorization for this appropriation account. The act is intended to revitalize the Nation's job training system to provide workers with the information, advice, job search assistance, and training they need to get and keep good jobs, and to provide employers with skilled workers. Funds appropriated for this account generally are available on a July to June program year basis, but for 2000 through 2003 substantial advance appropriation amounts were provided.

*Adult employment and training activities.*—Grants to provide financial assistance to States and territories to design and operate training and employment assistance programs for adults, including low-income individuals and public assistance recipients.

*Dislocated worker employment and training activities.*—Grants to provide reemployment services and retraining assistance to individuals dislocated from their employment.

*Youth activities.*—Grants to support a wide range of activities and services to prepare low-income youth for academic and employment success, including summer jobs. The program links academic and occupational learning with youth development activities.

*Job corps.*—A system of primarily residential centers offering basic education, training, work experience, and other support, typically to economically disadvantaged youth.

*Native Americans.*—Grants to Indian tribes and other Native American groups to provide training, work experience, and other employment-related services to Native Americans.

*National programs.*—Provides program support for WIA activities and nationally administered programs for segments of the population that have special disadvantages in the labor market.

*Expired programs.*—Includes programs previously funded in this account for which no budget authority is requested for 2003.

**Object Classification (in millions of dollars)**

Identification code 16-0174-0-1-504	2002 actual	2003 est.	2004 est.
Direct obligations:			
23.1 Rental payments to GSA .....	1	2	1
23.3 Communications, utilities, and miscellaneous charges .....	6	5	5
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	393	361	351

25.3 Other purchases of goods and services from Government accounts .....	8	8	8
25.5 Research and development contracts .....	3	3	3
26.0 Supplies and materials .....	3	3	3
31.0 Equipment .....	4	4	3
41.0 Grants, subsidies, and contributions .....	5,207	4,822	4,658
94.0 Financial transfers .....	1	1	1
99.0 Direct obligations .....	5,627	5,210	5,034
99.0 Reimbursable obligations .....	16	4	4
Allocation Account:			
Personnel compensation:			
11.1 Full-time permanent .....	57	59	60
11.3 Other than full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	4	4	4
11.9 Total personnel compensation .....	64	66	67
12.1 Civilian personnel benefits .....	18	19	19
21.0 Travel and transportation of persons .....	2	2	2
22.0 Transportation of things .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	7	5	6
25.2 Other services .....	46	45	45
25.4 Operation and maintenance of facilities .....	1	1	1
25.6 Medical care .....	1	1	1
25.7 Operation and maintenance of equipment .....	1		
26.0 Supplies and materials .....	34	28	29
31.0 Equipment .....	2	2	2
32.0 Land and structures .....	1	1	1
41.0 Grants, subsidies, and contributions .....	13	13	14
99.0 Allocation account .....	191	184	188
99.9 Total new obligations .....	5,834	5,398	5,226

Obligations are distributed as follows:

Department of Labor .....	5,642	5,213	5,038
Department of Agriculture .....	121	115	115
Department of the Interior .....	70	70	74

**TRAINING AND EMPLOYMENT SERVICES**  
(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 16-0174-2-1-504	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Adult employment and training activities .....			-188
00.03 Dislocated worker employment and training activities .....			-275
00.05 Youth activities .....			-1,001
00.15 Consolidated adult and dislocated worker state grants .....			1,190
00.16 Youth grants .....			890
10.00 Total new obligations (object class 41.0) .....			616
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			797
23.95 Total new obligations .....			-616
24.40 Unobligated balance carried forward, end of year .....			182
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			797
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			616
73.20 Total outlays (gross) .....			-36
74.40 Obligated balance, end of year .....			580

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....			36
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**Net budget authority and outlays:**

89.00 Budget authority .....			797
90.00 Outlays .....			36

Legislation will be proposed for 2004 to reauthorize the Workforce Investment Act (WIA). The reauthorization pro-

posal will increase State flexibility and target resources more effectively. For adults, the proposal will consolidate the Adult, Dislocated Worker and Employment Service State Grants into a single block grant to facilitate coordination and eliminate duplication in the provision of services to adults. For youth, the proposal will minimize overlap between the Departments of Labor (DOL) and Education by targeting all of DOL's formula resources to out-of-school youth programs and national grant resources to non-school and out-of-school youth programs that have proven effective.

WELFARE-TO-WORK JOBS

Program and Financing (in millions of dollars)

Identification code 16-0177-0-1-504	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	1,237	688	501
73.20 Total outlays (gross)	-500	-187	-114
73.40 Adjustments in expired accounts (net)	-49		
74.40 Obligated balance, end of year	688	501	387
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances	500	187	114
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	500	187	114

This account provides funding for activities of the Welfare-to-Work Grants program, which was established by the Balanced Budget Act of 1997 (P.L. 105-33) appropriating funding for 1998 and 1999. Funds are available for expenditure for up to 5 years after they are provided. This program provides formula grants to States and federally administered competitive grants to local workforce boards, political subdivisions of States, and private entities to assist hard-to-employ welfare recipients to secure lasting, unsubsidized employment.

REEMPLOYMENT ACCOUNTS

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 16-0328-4-1-504	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants to states for individual reemployment accounts		3,600	
10.00 Total new obligations (object class 41.0)		3,600	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)		3,600	
23.95 Total new obligations		-3,600	
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation		3,600	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year			2,000
73.10 Total new obligations		3,600	
73.20 Total outlays (gross)		-1,600	-2,000
74.40 Obligated balance, end of year			2,000
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority		1,600	
86.98 Outlays from mandatory balances			2,000
87.00 Total outlays (gross)		1,600	2,000
<b>Net budget authority and outlays:</b>			
89.00 Budget authority		3,600	
90.00 Outlays		1,600	2,000

Legislation will be proposed to authorize grants to States for Re-employment Accounts for unemployed workers. These accounts would provide certain unemployed workers up to \$3,000 per person to purchase job training, child care, transportation, or moving services, or to finance other expenses of finding a job. As an additional incentive to find work, an individual who gets a job within thirteen weeks of establishing the account would receive any funds remaining in the account as a re-employment bonus.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out title V of the Older Americans Act of 1965, as amended, \$440,200,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 16-0175-0-1-504	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 National programs	345	343	343
00.02 State programs	100	97	97
10.00 Total new obligations (object class 41.0)	445	440	440
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	445	440	440
23.95 Total new obligations	-445	-440	-440
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	445	440	440
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	398	384	380
73.10 Total new obligations	445	440	440
73.20 Total outlays (gross)	-454	-444	-442
73.40 Adjustments in expired accounts (net)	-5		
74.40 Obligated balance, end of year	384	380	378
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	70	84	84
86.93 Outlays from discretionary balances	384	360	358
87.00 Total outlays (gross)	454	444	442
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	445	440	440
90.00 Outlays	454	444	442

This program provides part-time work experience in community service activities to unemployed, low-income persons aged 55 and over.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of trade adjustment benefit payments and allowances under part I; and for training, allowances for job search and relocation, and related State administrative expenses under part II of chapter 2, title II of the Trade Act of 1974 (including the benefits and services described under sections 123(c)(2) and 151(b) and (c) of the Trade Adjustment Assistance Reform Act of 2002, P.L. 107-210), \$1,338,200,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General and special funds—Continued****FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES—Continued****Program and Financing (in millions of dollars)**

Identification code 16-0326-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Trade adjustment assistance benefits .....	254	561	1,062
00.02 Trade adjustment assistance training .....	94	222	258
00.03 North American Free Trade Agreement adjustment assistance benefits .....	32	51	7
00.04 North American Free Trade Agreement adjustment assistance training .....	37	37	1
00.05 Wage insurance demonstration .....			10
09.01 Reimbursable program .....	15	40	40
10.00 Total new obligations .....	432	911	1,378
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	434	911	1,378
23.95 Total new obligations .....	-432	-911	-1,378
23.98 Unobligated balance expiring or withdrawn .....	-2		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	416	871	1,338
69.00 Offsetting collections (cash) .....	18	40	40
70.00 Total new budget authority (gross) .....	434	911	1,378
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	168	181	250
73.10 Total new obligations .....	432	911	1,378
73.20 Total outlays (gross) .....	-406	-842	-1,352
73.40 Adjustments in expired accounts (net) .....	-13		
74.40 Obligated balance, end of year .....	181	250	276
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	312	748	1,215
86.98 Outlays from mandatory balances .....	94	94	137
87.00 Total outlays (gross) .....	406	842	1,352
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-15	-40	-40
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	-3		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	416	871	1,338
90.00 Outlays .....	391	802	1,312

The Trade Adjustment Assistance Reform Act of 2002 (Division A of Public Law 107-210) was signed into law on August 6, 2002. This Act amended the Trade Act of 1974 to consolidate the previous Trade Adjustment Assistance (TAA) and NAFTA Transitional Adjustment Assistance (NAFTA-TAA) programs into a single, enhanced TAA program with expanded eligibility, services, and benefits. Additionally, the act provides for a program of Alternative Trade Adjustment Assistance for Older Workers. The amendments generally apply only to those workers covered by a petition for certification filed on or after November 4, 2002. Sections 123(c) and 151(b) and (c) of the Trade Adjustment Assistance Reform Act provide that workers certified under a petition filed before November 4 will continue to be eligible for services and benefits in accordance with the requirements that were applicable to the previous TAA and NAFTA-TAA programs, until such time as their eligibility under those requirements is exhausted. Therefore, the amounts appropriated to the Federal Unemployment Benefits and Allowances (FUBA) account are to provide for services and benefits to workers certified under the amended program, as well as the predecessor programs.

*Trade adjustment assistance.*—Adjustment assistance, including cash weekly benefits, training, job search and reloca-

tion allowances, is paid to workers as authorized by the Trade Act of 1974, as amended.

*North American Free Trade Agreement (NAFTA) transitional adjustment assistance.*—Adjustment assistance, including weekly cash benefits, training, job search and relocation allowances, is paid to workers determined to be adversely affected as a result of trade with Canada and Mexico as authorized by the Trade Act of 1974, as amended.

**Object Classification (in millions of dollars)**

Identification code 16-0326-0-1-999	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	417	871	1,338
99.0 Reimbursable obligations: Reimbursable obligations .....	15	40	40
99.9 Total new obligations .....	432	911	1,378

**STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS**

*For authorized administrative expenses, \$144,452,000, together with not to exceed \$3,502,331,000 (including not to exceed \$1,228,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980), which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund including the cost of administering section 51 of the Internal Revenue Code of 1986, as amended, section 7(d) of the Wagner-Peyser Act, as amended, the Trade Act of 1974, as amended, the Immigration Act of 1990, and the Immigration and Nationality Act, as amended, and of which the sums available in the allocation for activities authorized by title III of the Social Security Act, as amended (42 U.S.C. 502-504), and the sums available in the allocation for necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, shall be available for obligation by the States through December 31, 2004, except that funds used for automation acquisitions shall be available for obligation by the States through September 30, 2006; of which \$144,452,000, together with not to exceed \$773,283,000 of the amount which may be expended from said trust fund, shall be available for obligation for the period July 1, 2004 through June 30, 2005, to fund activities under the Act of June 6, 1933, as amended, including the cost of penalty mail authorized under 39 U.S.C. 3202(a)(1)(E) made available to States in lieu of allotments for such purpose: Provided, That to the extent that the Average Weekly Insured Unemployment (AWIU) for fiscal year 2004 is projected by the Department of Labor to exceed 3,227,000, an additional \$28,600,000 shall be available for obligation for every 100,000 increase in the AWIU level (including a pro rata amount for any increment less than 100,000) from the Employment Security Administration Account of the Unemployment Trust Fund: Provided further, That funds appropriated in this Act which are used to establish a national one-stop career center system, or which are used to support the national activities of the Federal-State unemployment insurance programs, may be obligated in contracts, grants or agreements with non-State entities: Provided further, That funds appropriated under this Act for activities authorized under the Wagner-Peyser Act, as amended, and title III of the Social Security Act, may be used by the States to fund integrated Employment Service and Unemployment Insurance automation efforts, notwithstanding cost allocation principles prescribed under Office of Management and Budget Circular A-87.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 16-0179-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
Unemployment compensation:			
00.01 State administration .....	2,860	2,794	2,640
00.02 National activities .....	10	10	11
Employment service:			
00.10 Grants to States .....	805	773	773
00.11 National activities .....	51	29	79

00.12	One-stop career centers .....	113	113	101
00.13	Work incentive grants .....	20	20	20
09.01	Reimbursable program .....	2	10	10
10.00	Total new obligations .....	3,861	3,749	3,634
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	100	104	284
22.00	New budget authority (gross) .....	3,864	3,929	3,656
23.90	Total budgetary resources available for obligation .....	3,964	4,033	3,940
23.95	Total new obligations .....	-3,861	-3,749	-3,634
24.40	Unobligated balance carried forward, end of year .....	104	284	306
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	167	156	144
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	2,978	3,551	3,512
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	573		
68.90	Spending authority from offsetting collections (total discretionary) .....	3,551	3,551	3,512
Mandatory:				
69.00	Offsetting collections (cash) .....	146	222	
70.00	Total new budget authority (gross) .....	3,864	3,929	3,656
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	320	323	34
73.10	Total new obligations .....	3,861	3,749	3,634
73.20	Total outlays (gross) .....	-3,622	-4,038	-3,652
73.40	Adjustments in expired accounts (net) .....	-4		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-573		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	341		
74.40	Obligated balance, end of year .....	323	34	16
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	2,386	2,915	2,837
86.93	Outlays from discretionary balances .....	1,189	801	815
86.97	Outlays from new mandatory authority .....	47	222	
86.98	Outlays from mandatory balances .....		100	
87.00	Total outlays (gross) .....	3,622	4,038	3,652
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Federal sources .....	-343	-10	-10
88.00	Trust Fund sources .....	-3,122	-3,763	-3,502
88.90	Total, offsetting collections (cash) .....	-3,465	-3,773	-3,512
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-573		
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	341		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	167	156	144
90.00	Outlays .....	157	265	140

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	167	156	144
Outlays .....	157	265	140
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			-23
Outlays .....			-5
Total:			
Budget Authority .....	167	156	121
Outlays .....	157	265	135

**Unemployment compensation.**—State administration amounts provide administrative grants to State agencies which pay unemployment compensation to eligible workers and collect State unemployment taxes from employers. These

agencies also pay unemployment benefits to former Federal personnel as well as trade adjustment assistance to eligible individuals. State administration amounts also provide administrative grants to State agencies to improve the integrity and financial stability of the unemployment compensation program through a comprehensive program, UI Performs. The purpose is to effect continuous improvement in State performance and related activities designed to assess and reduce errors and prevent fraud, waste, and abuse in the payment of unemployment compensation benefits and the collection of unemployment taxes. National activities relating to the Federal-State unemployment insurance programs are conducted through contracts or agreements with the State agencies or with non-state entities. A workload reserve is included in State administration to meet increases in the costs of administration resulting from changes in State law, or increases in the number of claims filed and claims paid. The appropriation automatically provides additional funds whenever unemployment increases above budgeted levels.

**PROGRAM STATISTICS**

	2001 actual	2002 estimate	2003 estimate	2004 estimate
Staff years .....	33,090	36,716	52,102	50,967
Basic workload (in thousands):				
Employer tax accounts .....	6,839	6,933	7,045	7,098
Employee wage items recorded .....	609,371	609,096	621,867	636,510
Initial claims taken .....	20,274	22,606	23,221	22,587
Eligibility interviews .....	2,918	2,005	14,182	12,688
Weeks claimed .....	139,948	190,442	182,383	163,978
Nonmonetary determinations .....	7,851	8,521	8,305	7,798
Appeals .....	1,107	1,365	1,468	1,392
Covered employment .....	128,460	127,110	128,220	129,900

**Employment service.**—The public employment service is a nationwide system providing no-fee employment services to individuals who are seeking employment and employers who are seeking workers. State employment service activities are financed by allotments to States distributed under a demographically based funding formula established under the Wagner-Peyser Act, as amended. Employment service allotments are funded on a program year basis running from July 1 through June 30 of the following year. The reemployment needs of unemployed workers who lose their jobs through no fault of their own and who need extra job finding help are financed by Reemployment Services grants. These funds are distributed to States on a program year basis running from July 1 through June 30 the following year.

Employment service activities serving national needs, which includes certification of aliens for employment-based visas, are conducted through specific reimbursable agreements between the States and the Federal Government under the Wagner-Peyser Act, as amended and other legislation. Funding is also provided for amortization payments for States which had independent retirement plans prior to 1980 in their State employment service agencies.

**One-stop career centers.**—These funds will be used to support the joint Federal-State efforts to improve the comprehensive One-Stop system created under the Workforce Investment Act (WIA). This system provides workers and employers with quick and easy access to a wide array of enhanced career development and labor market information services. In this activity, funds will be used to implement the emerging e-government strategy for the WIA workforce system, which will improve accessibility, update the one-stop technology infrastructure, and improve the efficiency of the labor exchange and other services.

**Work incentive grants.**—These funds provide competitive grants to improve access to and coordination of information, benefits, and services to enable individuals with disabilities to return to work.

## General and special funds—Continued

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE  
OPERATIONS—Continued

## PROGRAM STATISTICS

(In thousands)

Total applicants .....	19,016	17,000	17,000	17,000
Entered employment .....	3,924	9,860	9,860	9,860

<sup>1</sup> For the program year, July 1, 2001–June 30, 2002.<sup>2</sup> For the program year, July 1, 2002–June 30, 2003.<sup>3</sup> For the program year, July 1, 2003–June 30, 2004.<sup>4</sup> For the program year, July 1, 2004–June 30, 2005.

## Object Classification (in millions of dollars)

Identification code 16–0179–0–1–999	2002 actual	2003 est.	2004 est.
Direct obligations:			
23.3 Communications, utilities, and miscellaneous charges .....	153	125	125
41.0 Grants, subsidies, and contributions .....	3,706	3,614	3,499
99.0 Direct obligations .....	3,859	3,739	3,624
99.0 Reimbursable obligations .....	2	10	10
99.9 Total new obligations .....	3,861	3,749	3,634

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE  
OPERATIONS

(Legislative proposal, not subject to PAYGO)

## Program and Financing (in millions of dollars)

Identification code 16–0179–2–1–999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
Employment service:			
00.10 Grants to States .....			–797
10.00 Total new obligations .....			–797
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			–797
23.95 Total new obligations .....			797
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			–23
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....			–774
70.00 Total new budget authority (gross) .....			–797
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			–797
73.20 Total outlays (gross) .....			779
74.40 Obligated balance, end of year .....			–19
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			–779
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Trust Fund sources .....			774
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			–23
90.00 Outlays .....			–5

Legislation will be proposed for 2004 to amend the Wagner-Peyser Act and the Workforce Investment Act to consolidate the Employment Service State Grants with the Adult and Dislocated Worker programs into a single block grant to increase state flexibility, facilitate coordination, and eliminate duplication in the provision of employment services to adults.

## Object Classification (in millions of dollars)

Identification code 16–0179–2–1–999	2002 actual	2003 est.	2004 est.
23.3 Communications, utilities, and miscellaneous charges .....			–16
41.0 Grants, subsidies, and contributions .....			–781
99.9 Total new obligations .....			–797

## PAYMENTS TO THE UNEMPLOYMENT TRUST FUND

## Program and Financing (in millions of dollars)

Identification code 16–0178–0–1–603	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.10 Payments to EUCA .....	270	644	103
10.00 Total new obligations (object class 41.0) .....	270	644	103
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	38	
22.00 New budget authority (gross) .....	303	606	103
23.90 Total budgetary resources available for obligation .....	308	644	103
23.95 Total new obligations .....	–270	–644	–103
24.40 Unobligated balance carried forward, end of year .....	38		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	303	606	103
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	270	644	103
73.20 Total outlays (gross) .....	–270	–644	–103
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	270	606	103
86.98 Outlays from mandatory balances .....		38	
87.00 Total outlays (gross) .....	270	644	103
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	303	606	103
90.00 Outlays .....	270	644	103

This account was initiated as a result of the amendments to the Emergency Unemployment Compensation law (P.L. 102–164, as amended) which currently provides for general fund financing for administrative costs related to extended benefits under the optional, total unemployment rate trigger. This account is also used to make reimbursements for a portion of benefits paid under the Temporary Extended Unemployment Compensation Act of 2002 (P.L. 107–147). These funds are transferred to a receipt account in the Unemployment Trust Fund (UTF) so that resources may be transferred to the Employment Security Administration Account in the UTF for administrative costs or to the Extended Unemployment Compensation Account for benefit costs.

## ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended; and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, and to the “Federal unemployment benefits and allowances” account, to remain available until September 30, 2005, \$467,000,000.

In addition, for making repayable advances to the Black Lung Disability Trust Fund in the current fiscal year after September 15, 2004, for costs incurred by the Black Lung Disability Trust Fund in the current fiscal year, such sums as may be necessary.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 16-0327-0-1-600	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 North American Free Trade Agreement adjustment assistance benefits .....	3		
10.00 Total new obligations (object class 41.0) .....	3		
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	3		
23.95 Total new obligations .....	-3		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	3		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	3		
73.20 Total outlays (gross) .....	-3		
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	3		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3		
90.00 Outlays .....	3		

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	3		
Outlays .....	3		
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			2,318
Outlays .....			2,318
<b>Total:</b>			
Budget Authority .....	3		2,318
Outlays .....	3		2,318

This account provides repayable advances to the Black Lung Disability Trust Fund for making payments from that fund whenever its balances prove insufficient. The funding requested in this appropriation for 2004 is entirely for Black Lung. This spending authority is presented as authority to borrow in the Black Lung Disability Trust Fund.

This account may also provide advances to several other accounts to pay unemployment compensation to eligible individuals under various Federal and State unemployment compensation laws whenever the balances in the funds prove insufficient or whenever reimbursements to certain accounts, as allowed by law, are to be made. Advances made to the Federal employees compensation account in the Unemployment Trust Fund and to the Federal unemployment benefits and allowances account are nonrepayable. All other advances made to the Federal unemployment account and to the Extended unemployment compensation account (both in the Unemployment Trust Fund) are repaid, with interest, to the general fund of the Treasury.

**ADVANCES TO THE UNEMPLOYMENT TRUST FUND**  
(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 16-0327-2-1-600	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 One-time prepayment premium to Treasury .....			2,318
10.00 Total new obligations (object class 41.0) .....			2,318
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			2,318
23.95 Total new obligations .....			-2,318

**New budget authority (gross), detail:**

60.00	2002 actual	2003 est.	2004 est.
Mandatory:			
60.00 Appropriation .....			2,318
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			2,318
73.20 Total outlays (gross) .....			-2,318
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			2,318
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			2,318
90.00 Outlays .....			2,318

The Black Lung Disability Trust Fund (BLDTF) revenues, which consist primarily of excise taxes on coal, are not sufficient to repay its \$9 billion debt to the Treasury or to service the interest on that debt. See discussion in the Black Lung Disability Trust Fund for a full description of the Administration's proposal to remedy this problem. As a part of this proposal, the Administration will propose legislation that will provide for a one-time appropriation to permit the BLDTF to compensate the General Fund for lost interest income.

**PROGRAM ADMINISTRATION**

*For expenses of administering employment and training programs, \$115,824,000, of which \$2,393,000 is to administer welfare-to-work grants together with not to exceed \$67,541,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 16-0172-0-1-504	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Adult services .....	37	44	46
00.02 Youth services .....	38	39	39
00.03 Workforce security .....	50	52	65
00.04 Apprenticeship training, employer and labor services .....	21	21	21
00.05 Executive direction .....	9	10	10
00.06 Welfare-to-work .....	6	5	2
10.00 Total new obligations .....	161	171	183
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	161	171	183
23.95 Total new obligations .....	-161	-171	-183
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	113	116	116
40.71 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	112	116	116
68.00 Spending authority from offsetting collections: Trust Fund sources .....	49	55	67
70.00 Total new budget authority (gross) .....	161	171	183
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	18	23	18
73.10 Total new obligations .....	161	171	183
73.20 Total outlays (gross) .....	-155	-175	-184
74.40 Obligated balance, end of year .....	23	18	18
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	144	160	172
86.93 Outlays from discretionary balances .....	11	15	12
87.00 Total outlays (gross) .....	155	175	184

**General and special funds—Continued**

**PROGRAM ADMINISTRATION—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 16-0172-0-1-504	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Trust fund sources .....	-49	-55	-67
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	112	116	116
90.00 Outlays .....	106	120	117
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	6	6	6
99.01 Outlays .....	6	6	6

*Adult services.*—Provides leadership, policy direction and administration for a decentralized system of grants to State and local governments as well as federally administered programs for job training and employment assistance for low income adults and dislocated workers; provides for training and employment services to special targeted groups; provides for the settlement of trade adjustment petitions; and includes related program operations support activities.

*Youth services.*—Provides leadership, policy direction and administration for a decentralized system of grants to State and local governments as well as federally administered programs for job training and employment assistance for youth, including youth grants, the Job Corps, and Youth Opportunity Grants.

*Workforce security.*—Provides leadership and policy direction for the administration of the comprehensive nationwide public employment service system; oversees unemployment insurance programs in each State; administers foreign labor certification programs; supports a one-stop career center network, including a comprehensive system of collecting, analyzing and disseminating labor market information; and includes related program operations support activities.

*Apprenticeship training, employer and labor services.*—Promotes and provides leadership and policy direction for the administration of apprenticeship as a method of skill acquisition through a Federal-State apprenticeship structure. Employer and labor services will facilitate the understanding and responsiveness of workforce development systems to the training needs of employers and the interest of labor organizations in training programs.

*Executive direction.*—Provides leadership and policy direction for all training and employment services programs and activities and provides for related program operations support, including research, evaluations, and demonstrations.

*Welfare-to-work.*—Provides leadership, policy direction, technical assistance, and administration for a decentralized system of grants to States and federally administered competitive grants to Workforce Investment Boards, political subdivisions of States, and private entities to assist hard-to-employ welfare recipients and certain noncustodial parents to secure lasting, unsubsidized employment.

**Object Classification (in millions of dollars)**

Identification code 16-0172-0-1-504	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	85	85	92
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	89	89	96
12.1 Civilian personnel benefits .....	20	22	24
21.0 Travel and transportation of persons .....	5	5	5
23.1 Rental payments to GSA .....	11	12	14

23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	4	11	11
25.2 Other services .....	3	3	3
25.3 Other purchases of goods and services from Government accounts .....	13	14	15
25.7 Operation and maintenance of equipment .....	8	9	9
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	3	2	2
99.0 Direct obligations .....	160	171	183
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	161	171	183

**Personnel Summary**

Identification code 16-0172-0-1-504	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,292	1,257	1,357
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	3	3	3
<b>Allocation account:</b>			
Total compensable workyears:			
3001 Civilian full-time equivalent employment .....	49	110	

**WORKERS COMPENSATION PROGRAMS**

**Program and Financing (in millions of dollars)**

Identification code 16-0170-0-1-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Workers compensation programs .....		175	
10.00 Total new obligations (object class 41.0) .....		175	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		175	
22.00 New budget authority (gross) .....	175		
23.90 Total budgetary resources available for obligation .....	175	175	
23.95 Total new obligations .....		-175	
24.40 Unobligated balance carried forward, end of year .....	175		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	175		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		175	
73.20 Total outlays (gross) .....		-175	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....		175	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	175		
90.00 Outlays .....		175	

**UNEMPLOYMENT TRUST FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 20-8042-0-7-999	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	88,302	67,271	48,998
<b>Receipts:</b>			
General taxes, FUTA .....			
02.00 State accounts, deposits by States .....	6,613	6,777	6,872
02.01 Deposits by Railroad Retirement Board .....	20,911	27,312	33,195
02.02 CMA interest, Unemployment trust fund .....	95	141	139
02.40 Deposits by Federal agencies to the Federal Employees Compensation Account .....	5	3	3
02.41 Interest and profits on investments in public debt securities .....	448	544	538
02.42 Payments from the general fund for administrative cost for exten .....	5,445	3,460	2,711
	270	644	103

02.80	Offsetting collections, Railroad unemployment insurance trust fund .....	30	26	26
02.99	Total receipts and collections .....	33,817	38,907	43,587
04.00	Total: Balances and collections .....	122,119	106,178	92,585
Appropriations:				
Appropriations:				
05.00	Unemployment trust fund .....	-54,700	-57,031	-43,675
05.00	Legislative proposal not subject to PAYGO, Employment Service consolidation .....			774
05.01	Railroad unemployment insurance trust fund .....	-148	-149	-142
05.99	Total appropriations .....	-54,848	-57,180	-43,043
07.99	Balance, end of year .....	67,271	48,998	49,542

**Program and Financing** (in millions of dollars)

Identification code 20-8042-0-7-999	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Federal-State unemployment insurance:				
Withdrawals:				
00.01	Benefit payments by States .....	50,175	52,345	39,269
00.02	Federal employees' unemployment compensation .....	524	567	520
00.03	State administrative expenses .....	3,689	3,835	3,578
Federal administrative expenses:				
00.10	Direct expenses .....	54	60	74
00.11	Reimbursements to the Department of the Treasury .....	69	35	38
00.20	Veterans employment and training .....	186	186	193
00.21	Interest on refunds .....	3	3	3
10.00	Total new obligations .....	54,700	57,031	43,675
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	54,700	57,031	43,675
23.95	Total new obligations .....	-54,700	-57,031	-43,675
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.26	Appropriation (trust fund) .....	3,859	3,859	3,845
Mandatory:				
Appropriation (trust fund):				
60.26	Appropriation (trust fund)[UI Benefits] .....	50,695	52,950	39,830
60.26	Appropriation (trust fund)[TEUC Admin] .....	146	222	
62.50	Appropriation (total mandatory) .....	50,841	53,172	39,830
70.00	Total new budget authority (gross) .....	54,700	57,031	43,675
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1,029	1,257	1,114
73.10	Total new obligations .....	54,700	57,031	43,675
73.20	Total outlays (gross) .....	-54,471	-57,174	-43,661
74.40	Obligated balance, end of year .....	1,257	1,114	1,128
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	2,964	2,815	2,785
86.93	Outlays from discretionary balances .....	666	1,187	1,046
86.97	Outlays from new mandatory authority .....	50,841	53,172	39,830
87.00	Total outlays (gross) .....	54,471	57,174	43,661
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	54,700	57,031	43,675
90.00	Outlays .....	54,471	57,174	43,661
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities: Par value .....	88,638	68,523	49,821
92.02	Total investments, end of year: Federal securities: Par value .....	68,523	49,821	50,639
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	4	4	4
99.01	Outlays .....	4	4	4

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	54,700	57,031	43,675
Outlays .....	54,471	57,174	43,661
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			-774

Outlays .....			-774
Total:			
Budget Authority .....	54,700	57,031	42,901
Outlays .....	54,471	57,174	42,887

The financial transactions of the Federal-State and railroad unemployment insurance systems are made through the Unemployment Trust Fund. All State and Federal unemployment tax receipts are deposited in the trust fund and invested in Government securities until needed for benefit payments or administrative costs. States may receive repayable advances from the fund when their balances in the fund are insufficient to pay benefits. The fund may receive repayable advances from the general fund when it has insufficient balances to make advances to States or to pay the Federal share of extended benefits.

State payroll taxes pay for all regular State benefits. During periods of high State unemployment, extended benefits, financed one-half by State payroll taxes and one-half by the Federal unemployment payroll tax, are also paid. The Federal tax pays the costs of Federal and State administration of unemployment insurance and veterans employment services and 97% of the costs of the employment service. The Federal tax also pays for benefits under the Temporary Extended Unemployment Compensation program.

The Federal employees compensation account provides funds to States for unemployment compensation benefits paid to eligible former Federal civilian personnel, Postal Service employees, and ex-servicemembers. Benefits paid are reimbursed to the Federal employees compensation account by the various Federal agencies. Any additional resources necessary to assure that the account can make the required payments to States will be provided from the Advances to the Unemployment Trust Fund and other funds account.

Both the benefit payments and administrative expenses of the separate unemployment insurance program for railroad employees are paid from the Unemployment Trust Fund and receipts from the tax on railroad payrolls are deposited in the fund to meet expenses.

**Status of Funds** (in millions of dollars)

Identification code 20-8042-0-7-999	2002 actual	2003 est.	2004 est.	
Unexpended balance, start of year:				
0100	Treasury balance .....	660	-22	260
0101	Federal securities: Par value .....	88,638	68,523	49,821
0199	Total balance, start of year .....	89,298	68,501	50,081
Cash income during the year:				
Current law:				
Receipts:				
1200	General taxes, FUTA, Unemployment trust fund .....	6,613	6,777	6,872
1201	Unemployment trust fund, State accounts, Deposits by States .....	20,911	27,312	33,195
1202	Deposits by Railroad Retirement Board .....	95	141	139
Offsetting receipts (proprietary):				
1220	CMA interest, Unemployment trust fund .....	5	3	3
Offsetting receipts (intragovernmental):				
1240	Deposits by Federal agencies to the Federal Employees Compensation Account, Unemployment trust fund .....	448	544	538
1241	Unemployment trust fund, Interest and profits on investments in public debt securities .....	5,445	3,460	2,711
1242	Offsetting receipts (intragovernmental) .....	270	644	103
Offsetting collections:				
1280	Railroad unemployment insurance trust fund, Offsetting collections .....	30	26	26
1299	Income under present law .....	33,817	38,907	43,587
Cash outgo during year:				
Current law:				
4500	Unemployment trust fund .....	-54,471	-57,174	-43,661
4501	Railroad unemployment insurance trust fund .....	-129	-136	-126
4599	Outgo under current law (-) .....	-54,600	-57,310	-43,787
Proposed legislation:				
5500	Legislative proposal not subject to PAYGO .....			774

**General and special funds—Continued**

**UNEMPLOYMENT TRUST FUND—Continued**

**Status of Funds (in millions of dollars)—Continued**

Identification code 20-8042-0-7-999	2002 actual	2003 est.	2004 est.
6599 Total cash outgo (—)	–54,600	–57,310	–43,013
7645 Transfers, net	–14	–16	–16
Unexpended balance, end of year:			
8700 Uninvested balance	–22	260	
8701 Federal securities: Par value	68,523	49,821	50,639
8799 Total balance, end of year	68,501	50,081	50,639

**Object Classification (in millions of dollars)**

Identification code 20-8042-0-7-999	2002 actual	2003 est.	2004 est.
25.3 Reimbursements to Department of the Treasury	69	35	38
Insurance claims and indemnities:			
42.0 Federal unemployment benefits	524	567	520
42.0 State unemployment benefits	50,175	52,345	39,269
43.0 Interest and dividends	3	3	3
Financial transfers:			
94.0 Employment and Training Administration	49	54	68
94.0 Veterans employment and training	186	186	193
94.0 Payments to States for administrative expenses	3,689	3,835	3,578
94.0 Departmental management	5	6	6
99.0 Direct obligations	54,700	57,031	43,675
99.9 Total new obligations	54,700	57,031	43,675

**UNEMPLOYMENT TRUST FUND**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 20-8042-2-7-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 State administrative expenses			–774
10.00 Total new obligations (object class 94.0)			–774
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			–774
23.95 Total new obligations			774
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund)			–774
<b>Change in obligated balances:</b>			
73.10 Total new obligations			–774
73.20 Total outlays (gross)			774
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority			–774
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			–774
90.00 Outlays			–774
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value			
92.02 Total investments, end of year: Federal securities:			
Par value			

Legislation will be proposed for 2004 to amend the Wagner-Peyser Act and the Workforce Investment Act to consolidate the Employment Service State Grants with the Adult and Dislocated Worker programs into a single block grant to increase state flexibility, facilitate coordination, and eliminate duplication in the provision of employment services to adults.

In addition to the legislative proposal to consolidate the Employment Service and Workforce Investment Act Adult and

Dislocated Worker grant programs, legislation will also be proposed to reform unemployment insurance (UI) administration. The proposal is designed to make the UI system more responsive to the needs of workers and employers by giving states flexibility and control. It would reduce current Federal payroll taxes on employers by 25 percent in 2005 and 75 percent in 2009. These changes would not affect workers' UI benefits, which are paid by State, not Federal funds.

**EMPLOYEE BENEFITS SECURITY ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses for the Employee Benefits Security Administration, \$128,605,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 16-1700-0-1-601	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Enforcement and participant assistance	90	97	107
00.02 Policy and compliance assistance	15	16	17
00.03 Executive leadership, program oversight and administration	5	4	5
09.01 Reimbursable program	8	17	17
10.00 Total new obligations	118	134	146
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year		1	
22.00 New budget authority (gross)	118	134	146
23.90 Total budgetary resources available for obligation	118	135	146
23.95 Total new obligations	–118	–134	–146
24.40 Unobligated balance carried forward, end of year	1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	111	117	129
40.71 Reduction pursuant to P.L. 107-116	–1		
43.00 Appropriation (total discretionary)	110	117	129
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	8	17	17
70.00 Total new budget authority (gross)	118	134	146
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	40	41	42
73.10 Total new obligations	118	134	146
73.20 Total outlays (gross)	–116	–133	–143
74.40 Obligated balance, end of year	41	42	46
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	90	111	120
86.93 Outlays from discretionary balances	26	22	23
87.00 Total outlays (gross)	116	133	143
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	–8	–17	–17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	110	117	129
90.00 Outlays	108	116	126
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority	4	5	5
99.01 Outlays	4	5	5

With this budget transmittal, the Pension and Welfare Benefits Administration (PWBA) is renamed the Employee Benefits Security Administration (EBSA). The transmittal also includes new budget activities to strengthen the link between resources, workload, and results.

**Enforcement and participant assistance.**—Conducts criminal and civil investigations and performs reviews to ensure compliance with the fiduciary provisions of the Employee Retirement Income Security Act (ERISA) and the Federal Employees' Retirement System Act. Provides information and assistance to benefit plan participants and to the general public. Assures compliance with applicable reporting requirements, as well as accounting, auditing and actuarial standards. Supplies required reports to the public. The 2004 estimates include enhancing enforcement and better coordination nationwide.

	2002 actual	2003 est.	2004 est.
Plan reviews conducted .....	2,261	2,000	2,000
Investigations conducted .....	5,079	4,698	5,450
Investigations closed that restored or protected assets .....	2,877	2,300	2,668
Benefit recoveries from customer assistance .....	\$48,700,000	\$48,000,000	\$48,000,000
Inquiries received .....	182,025	193,840	193,840

**Policy and compliance assistance.**—Conducts policy, research, and legislative analyses on pension, health, and other employee benefit issues. Provides compliance assistance especially to employers and plan officials. Writes regulations and interpretations. Issues individual and class exemptions from regulations. The 2004 estimates include an initiative to enhance compliance assistance programs.

	2002 actual	2003 est.	2004 est.
Exemptions, determinations, interpretations, and regulations issued .....	1,050	1,233	1,261
Average days to process exemption requests .....	329	312	296

**Executive leadership, program oversight, and administration.**—Provides leadership, policy direction, strategic planning, and administrative guidance in the management of employee benefit programs. Provides analytical and administrative support for financial and human capital management and other administrative functions related to coordination and implementation of government-wide management initiatives. Manages the technical program training for the agency's enforcement, policy, legislative and regulatory functions.

**Object Classification (in millions of dollars)**

Identification code 16-1700-0-1-601	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	55	57	63
12.1 Civilian personnel benefits .....	13	14	15
21.0 Travel and transportation of persons .....	3	3	3
23.1 Rental payments to GSA .....	6	6	7
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	7	7	7
25.3 Other purchases of goods and services from Government accounts .....	8	7	9
25.5 Research and development contracts .....	2	2	3
25.7 Operation and maintenance of equipment .....	11	16	17
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	2	2	2
99.0 Direct obligations .....	110	117	129
99.0 Reimbursable obligations .....	8	17	17
99.9 Total new obligations .....	118	134	146

**Personnel Summary**

Identification code 16-1700-0-1-601	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	848	861	930

**PENSION BENEFIT GUARANTY CORPORATION**

**Federal Funds**

**Public enterprise funds:**

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation is authorized to make such expenditures, including financial assistance authorized by section 104 of Public Law 96-364, within limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program, including associated administrative expenses, through September 30, 2004 for such Corporation: Provided, That none of the funds available to the Corporation for fiscal year 2004 shall be available for obligations for administrative expenses in excess of \$228,772,000: Provided further, That obligations in excess of such amount may be incurred only after approval by the Office of Management and Budget and 15 days after notice thereof is transmitted to the Committees on Appropriations of the House and the Senate.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 16-4204-0-3-601	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Single-employer benefit payment .....	1,878	2,350	2,961
09.02 Multi-employer financial assistance .....	5	6	14
09.03 Pension insurance activities .....	10	12	17
09.04 Pension plan termination .....	139	132	132
09.05 Operational support .....	76	81	80
10.00 Total new obligations .....	2,108	2,581	3,204
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	11,456	12,460	12,626
22.00 Budget authority from offsetting collections .....	3,058	2,748	3,303
22.10 Resources available from recoveries of prior year obligations .....	53		
23.90 Total budgetary resources available for obligation .....	14,567	15,208	15,929
23.95 Total new obligations .....	-2,108	-2,581	-3,204
24.40 Unobligated balance carried forward, end of year .....	12,460	12,626	12,724
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	12	13	17
Mandatory:			
69.00 Offsetting collections (cash) .....	3,046	2,735	3,286
70.00 Total new budget authority (gross) .....	3,058	2,748	3,303
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	125	86	125
73.10 Total new obligations .....	2,108	2,581	3,204
73.20 Total outlays (gross) .....	-2,093	-2,542	-3,204
73.45 Recoveries of prior year obligations .....	-53		
74.40 Obligated balance, end of year .....	86	125	125
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	12	13	17
86.97 Outlays from new mandatory authority .....	2,081	2,529	3,187
87.00 Total outlays (gross) .....	2,093	2,542	3,204
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities .....	-676	-922	-925
Non-Federal sources:			
88.40 Premium income .....	-864	-853	-841
88.40 Benefit payment reimbursements .....	-1,178	-748	-1,308
88.40 Reimbursements from trust funds for services related to terminations .....	-335	-225	-229
88.40 Other Income .....	-5		
88.90 Total, offsetting collections (cash) .....	-3,058	-2,748	-3,303

## Public enterprise funds—Continued

## PENSION BENEFIT GUARANTY CORPORATION FUND—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 16-4204-0-3-601	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-965	-206	-99
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	11,575	12,834	13,039
92.02 Total investments, end of year: Federal securities:			
Par value .....	12,834	13,039	13,137
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

## Status of Direct Loans (in millions of dollars)

Identification code 16-4204-0-3-601	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1231 Disbursements: Direct loan disbursements .....	5	6	14
1263 Write-offs for default: Direct loans .....	-5	-6	-14

This wholly owned government corporation administers mandatory insurance programs to prevent loss of pension benefits under covered private, defined-benefit pension plans if single-employer plans terminate or if multiemployer plans are unable to pay benefits.

The 2004 Budget proposes the elimination of a discretionary limit on administrative expenditures for the Pension Benefit Guaranty Corporation (PBGC). In 2004 and beyond, the Budget will provide permanent authority to finance the PBGC's administrative expenditures through revised appropriations language. This proposal will increase the PBGC's ability to manage effectively its fluctuating workload of plan terminations, while ensuring accountability. The request also includes new budget activities to strengthen the link between resources, workload, and results.

**Single employer benefit payment.**—The single-employer program protects about 34 million participants in about 35,000 pension plans. Under this program, a company may voluntarily seek to terminate its plan, or PBGC may seek termination under certain circumstances. The PBGC must seek termination when a plan cannot pay current benefits.

In a "standard" termination, plan assets must be sufficient to pay all benefits before the plan is allowed to end. That payment is in the form of an annuity purchased from an insurance company or a lump sum payment. After the payment is made, the PBGC guarantee ends. A plan that cannot pay all benefits may be ended by a "distress" termination, but only if the employer meets tests proving severe financial distress, for example, the likelihood that continuing the plan would force the company to shut down. If the terminated plan cannot pay at least the PBGC-guaranteed benefits, the PBGC uses its funds to ensure guaranteed benefits are paid.

	2002 actual	2003 est.	2004 est.
Government trusteeships at end of year .....	3,087	3,197	3,307
Participants in government trusteeships owed benefits .....	690,000	872,000	922,000
Retirees receiving monthly benefits .....	403,000	500,000	525,000

**Multi-employer financial assistance.**—The multiemployer insurance program protects about 8.8 million participants in about 1,700 plans. Multiemployer pension plans are maintained under collectively bargained agreements involving unrelated employers, generally in the same industry. If a PBGC-insured multiemployer plan is unable to pay guaranteed benefits when due, the PBGC will provide the plan with financial assistance to continue paying guaranteed benefits, ordinarily

in the form of a loan to the plan. Thirty plans are expected to receive assistance in 2004.

**Pension insurance activities.**—Includes pension plan premium collections, premium investments, technical assistance, and new pension plan promotion activities.

**Pension plan termination.**—Includes all activities related to plan termination and trusteeship; plan asset management, investment and accounting; and benefit administration services.

**Operational support.**—Includes the administrative, information technology infrastructure, and other shared program support for both PBGC's insurance and plan termination activities.

Plans terminated during the year:	2002 actual	2003 est.	2004 est.
With sufficient assets .....	1,214	1,200	1,200
Without sufficient assets .....	157	110	110
Average time to replace initial with final benefit levels .....	3.3 yrs	3.0 yrs	2.9 yrs

**Financing.**—The primary source of financing is annual premiums paid by sponsors of ongoing covered plans, which vary according to the plans' funding level. Other sources of financing include assets from terminated plans, investment income, and amounts due PBGC from the sponsors of terminating plans. Also, PBGC is authorized to borrow up to \$100 million from the U.S. Treasury.

**Operating results.**—The following tables show the status of PBGC's trust funds and PBGC's operating results.

## STATUS OF TRUST FUNDS

(In thousands of dollars)

Assets:	2001 actual	2002 actual	2003 est.	2004 est.
Cash .....	424,800	679,510	679,510	679,510
Investments .....	7,092,060	8,484,020	15,821,880	16,524,910
Receivables:				
Due from Pension Benefit Guaranty Corporation .....	6,310,860	19,357,400	19,849,030	20,658,980
Due from employers—terminated plans .....	1,305,770	6,070,120	29,010	0
Assets of pretrustered plans .....	577,640	324,810	9,210	270
Other assets .....	257,140	309,340	284,900	299,060
<b>Total assets .....</b>	<b>15,968,270</b>	<b>35,225,200</b>	<b>36,673,540</b>	<b>38,162,730</b>
Liabilities:				
Estimate of future benefits—terminated plans .....	13,667,660	22,614,960	36,346,190	37,944,140
Estimate of probable terminations (net claims for) .....	1,349,670	12,391,650	108,750	0
Other liabilities .....	950,940	218,590	218,600	218,590
<b>Total liabilities .....</b>	<b>15,968,270</b>	<b>35,225,200</b>	<b>36,673,540</b>	<b>38,162,730</b>

## CHANGE IN PBGC'S LIABILITY UNDER TERMINATED PLANS

(In thousands of dollars)

	2001 actual	2002 actual	2003 est.	2004 est.
Liability, beginning of year .....	1,053,060	5,627,170	19,357,400	19,849,030
Liability incurred due to plan terminations .....	1,070,580	9,923,540	1,065,200	1,070,870
(New liabilities assumed) .....	3,625,510	14,863,250	8,339,160	2,412,560
(Plan assets acquired) .....	-2,733,170	-4,688,490	-7,217,900	-1,285,330
(Recoveries from employers, net) .....	178,240	-251,220	-56,060	-56,360
Operating loss of trust fund .....	3,763,400	4,779,910	1,009,010	1,352,380
Benefit payments .....	-259,870	-973,220	-1,582,580	-1,613,300
<b>Liability, end of year .....</b>	<b>5,627,170</b>	<b>19,357,400</b>	<b>19,849,030</b>	<b>20,658,980</b>

## Statement of Operations (in millions of dollars)

Identification code 16-4204-0-3-601	2001 actual	2002 actual	2003 est.	2004 est.
<b>Revenue:</b>				
0101 Premium income .....	845	812	866	841
0101 Investment income .....	1,703	2,120	924	927
<b>Expense:</b>				
0102 Trust fund operating loss .....	-3,763	-4,780	-1,009	-1,352
0102 Net liability due to plan terminations .....	-1,197	-3,402	-7,306	-1,151
0102 Provision for probable terminations .....	491	-5,911	6,134	80
0102 Change in allowance for uncollectible financial assistance .....	-269	-101	-44	-46

0102	Administrative expenses .....	-12	-66	-12	.....
0105	Net income or loss (-) .....	-2,202	-11,328	-447	-701
0191	Total revenues .....	2,548	2,932	1,790	1,768
0192	Total expenses .....	-4,750	-14,260	-2,237	-2,469
0199	Total comprehensive income .....	-2,202	-11,328	-447	-701

**Balance Sheet** (in millions of dollars)

Identification code 16-4204-0-3-601	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101	Fund balances with Treasury .....			
	Investments in US securities:			
	Treasury securities, par:			
1102	Treasury securities, par .....	11,574	12,834	13,040
1102	Treasury securities, unamortized discount (-)/premium (+) .....	2,346	3,739	3,520
1106	Receivables, net .....	154	196	196
1206	Non-Federal assets: Receivables, net .....	437	120	164
	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:			
1601	Direct loans, gross .....	47	52	58
1602	Interest receivable .....	51		
1603	Allowance for estimated uncollectible loans and interest (-) .....	-98	-52	-58
1699	Value of assets related to direct loans .....			
	Other Federal assets:			
1801	Cash and other monetary assets .....	296	40	40
1803	Property, plant and equipment, net .....	3	4	4
1901	Other assets .....	182		
1999	Total assets .....	14,992	16,933	16,964
<b>LIABILITIES:</b>				
	Non-Federal liabilities:			
2201	Accounts payable .....	227	279	227
2206	Pension and other actuarial liabilities .....	6,990	20,132	20,662
2999	Total liabilities .....	7,217	20,411	20,889
<b>NET POSITION:</b>				
3300	Cumulative results of operations .....	7,775	-3,478	-3,925
3999	Total net position .....	7,775	-3,478	-3,925
4999	Total liabilities and net position .....	14,992	16,933	16,964

**Object Classification** (in millions of dollars)

Identification code 16-4204-0-3-601	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1	Full-time permanent .....	52	55
11.3	Other than full-time permanent .....	2	2
11.5	Other personnel compensation .....	2	2
11.9	Total personnel compensation .....	56	59
12.1	Civilian personnel benefits .....	13	14
21.0	Travel and transportation of persons .....	1	1
23.2	Rental payments to others .....	14	14
23.3	Communications, utilities, and miscellaneous charges .....	3	4
24.0	Printing and reproduction .....	1	1
25.2	Other services .....	125	124
25.3	Other purchases of goods and services from Government accounts .....	1	1
26.0	Supplies and materials .....	1	1
31.0	Equipment .....	10	6
33.0	Investments and loans .....	5	6
42.0	Insurance claims and indemnities .....	1,878	2,350
99.0	Reimbursable obligations .....	2,108	2,581
99.9	Total new obligations .....	2,108	2,581

**Personnel Summary**

Identification code 16-4204-0-3-601	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001	Total compensable workyears: Civilian full-time equivalent employment .....	741	752

**EMPLOYMENT STANDARDS ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, \$308,124,000, together with \$2,056,000 which may be expended from the Special Fund in accordance with sections 39(c), 44(d) and 44(j) of the Longshore and Harbor Workers' Compensation Act; and \$87,573,000, to be transferred from the Administrative Expenses Account of the Employees' Compensation Fund, as authorized by 5 U.S.C. 8147, as amended by section 630 of the Treasury and General Government Appropriations Act, 2003: Provided, That \$1,250,000 shall be for the development of an alternative system for the electronic submission of reports required to be filed under the Labor-Management Reporting and Disclosure Act of 1959, as amended, and for a computer database of the information for each submission by whatever means, that is indexed and easily searchable by the public via the Internet: Provided further, That the Secretary of Labor is authorized to accept, retain, and spend, until expended, in the name of the Department of Labor, all sums of money ordered to be paid to the Secretary of Labor, in accordance with the terms of the Consent Judgment in Civil Action No. 91-0027 of the United States District Court for the District of the Northern Mariana Islands (May 21, 1992): Provided further, That the Secretary of Labor is authorized to establish and, in accordance with 31 U.S.C. 3302, collect and deposit in the Treasury fees for processing applications and issuing certificates under sections 11(d) and 14 of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 211(d) and 214) and for processing applications and issuing registrations under title I of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1801 et seq.).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 16-0105-0-1-505	2002 actual	2003 est.	2004 est.
01.99	Balance, start of year .....		-7
	Appropriations:		
05.98	Appropriations .....	-7	-7
07.99	Balance, end of year .....	-7	-14

**Program and Financing** (in millions of dollars)

Identification code 16-0105-0-1-505	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Enforcement of wage and hour standards .....	161	171
00.02	Federal contractor EEO standards enforcement .....	77	78
00.03	Federal programs for workers' compensation .....	124	44
00.04	Program direction and support .....	13	15
00.05	Labor-management standards .....	31	35
09.01	Reimbursable program .....	3	4
09.41	Reimbursable program—Federal Employees' Compensation Act .....		86
10.00	Total new obligations .....	409	433
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	8	8
22.00	New budget authority (gross) .....	411	423
23.90	Total budgetary resources available for obligation .....	419	431
23.95	Total new obligations .....	-409	-433
23.98	Unobligated balance expiring or withdrawn .....	-1	
24.40	Unobligated balance carried forward, end of year .....	8	

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00	Appropriation .....	369	292
40.71	Reduction pursuant to P.L. 107-206 .....	-1	
43.00	Appropriation (total discretionary) .....	368	292
<b>Mandatory:</b>			
60.20	Appropriation (special fund) .....	7	7

## General and special funds—Continued

## SALARIES AND EXPENSES—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 16-0105-0-1-505	2002 actual	2003 est.	2004 est.
Spending authority from offsetting collections:			
Discretionary:			
68.00			
	36	38	37
68.62		86	88
68.90			
	36	124	125
70.00			
	411	423	433
<b>Change in obligated balances:</b>			
72.40	36	36	35
73.10	409	433	433
73.20	-409	-434	-432
74.40	36	35	36
<b>Outlays (gross), detail:</b>			
86.90	375	390	406
86.93	28	29	26
86.97		7	
86.98	6	8	
87.00	409	434	432
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	-34	-36	-35
88.40	-2	-2	-2
88.90	-36	-38	-37
<b>Net budget authority and outlays:</b>			
89.00	375	385	396
90.00	372	396	395
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00	20	20	22
99.01	20	20	22

*Enforcement of wage and hour standards.*—The Wage and Hour Division works to obtain and encourage compliance with the minimum wage, overtime, child labor, and other employment standards under the Fair Labor Standards Act, the Migrant and Seasonal Agricultural Worker Protection Act (MSPA), the Family and Medical Leave Act, certain provisions of the Immigration and Nationality Act, the wage garnishment provisions in Title III of the Consumer Credit Protection Act, and the Employee Polygraph Protection Act. Prevailing wages are determined and employment standards enforced under various Government contract wage standards. In 2004, approximately 241,500 persons are expected to be aided under the Fair Labor Standards Act through securing agreements with firms to pay back wages owed to their workers. In government contract compliance actions, about 23,500 persons will be aided through securing agreements to pay wages owed to workers. Under MSPA, approximately 2,000 investigations and 900 housing inspections will be completed. In the course of all on-site investigations, investigators will routinely check for employer compliance with child labor standards and, in all “directed” (non-complaint) investigations, for compliance with the employment eligibility verification recordkeeping requirements of the Immigration and Nationality Act. The Budget maintains resources for the Wage and Hour Division which are assigned to areas where employment of illegal immigrants is most prevalent. The targeting of labor standards enforcement efforts in those industries and geographic areas where unauthorized workers are most prevalent will help to reduce the economic incentive for such illegal employment practices and will, in turn, help reduce illegal immigration.

*Federal contractor Equal Employment Opportunity (EEO) standards enforcement.*—The Office of Federal Contract Compliance Programs (OFCCP) enforces equal employment opportunity and nondiscrimination requirements of Federal contractors and subcontractors. In particular, OFCCP enforces: Executive Order 11246, which prohibits employment discrimination on the basis of race, sex, religion, color, and national origin; Section 503 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 (through a memorandum of understanding with the Equal Employment Opportunity Commission), which prohibit employment discrimination against individuals with disabilities; and the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended, which prohibits employment discrimination against certain protected veterans. OFCCP programs cover close to 200,000 work-sites with a total workforce of 26 million persons.

OFCCP monitors contractors’ compliance through various levels of reviews and reporting requirements. In 2004, approximately 2,060,000 individuals will be aided through 6,250 compliance reviews, 279 complaint investigations, and 2,934 other compliance actions.

OFCCP also encourages and supports voluntary compliance by providing compliance assistance to covered contractors. OFCCP has implemented a compliance assistance program available to all Federal contractors and subcontractors. For example, as part of its compliance assistance program, OFCCP provides technical assistance in understanding regulatory requirements to contractors through Industrial Liaison Groups. In addition, OFCCP has placed important compliance assistance information on the Internet. OFCCP also ensures that Federal contractors and subcontractors are provided linkages to recruitment sources for hiring and advancement of minorities, women, protected veterans and individuals with disabilities. OFCCP honors Federal contractors and linkage organizations through the Secretary of Labor Opportunity Awards and the EVE/EPIC program for their outstanding compliance initiatives.

*Federal programs for workers’ compensation.*—Under this activity, the Employment Standards Administration administers the Federal Employees’ Compensation Act, the Longshore and Harbor Workers’ Compensation Act, the Energy Employees Occupational Illness Compensation Program Act, and the benefit provisions of the Federal Mine Safety and Health Act of 1977. These programs ensure that eligible disabled and injured workers or their survivors receive compensation and medical benefits and a range of services including rehabilitation, supervision of medical care, and technical and advisory counseling to which they are entitled. OWCP also monitors State workers’ compensation laws.

The Administration has included in the 2004 Budget, an amendment to the Federal Employees’ Compensation Act (FECA) that would allow the Department of Labor to add an administrative surcharge to the amount billed to Federal agencies for their FECA compensation costs, thereby shifting FECA administrative costs to agencies in proportion to their program usage. This proposal is discussed in further detail in the Special Benefits account narrative.

*Program direction and support.*—This activity directs the various units that support the Employment Standards Administration’s operating programs and helps ensure effective management of these programs through planning, personnel management, financial management, and Federal/State liaison programs. Major goals in 2004 will include continued efforts to eliminate internal fraud, waste, and mismanagement; improvement of management information, automated data processing, and program and fiscal accountability; and legislative and regulatory improvements.

*Labor-management standards.*—The Office of Labor-Management Standards (OLMS) receives and discloses statutorily

required reports required of unions and others, including union financial reports; audits union financial records and investigates possible embezzlements of union funds; conducts union officer election investigations; supervises reruns of union officer elections pursuant to voluntary settlements or after court determinations that elections were not conducted in accordance with the Labor-Management Reporting and Disclosure Act; and administers the statutory program to certify employee protection provisions under various federally-sponsored transportation programs. In 2004, OLMS plans enhanced efforts to advance union financial integrity protections, primarily through increased union audits and compliance assistance efforts. OLMS expects to process 36,000 reports and conduct a total of 4,582 investigations, audits, and supervised elections.

Object Classification (in millions of dollars)			
Identification code 16-0105-0-1-505	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	221	187	191
11.3 Other than full-time permanent .....	2		
11.5 Other personnel compensation .....	5	2	2
11.9 Total personnel compensation .....	228	189	193
12.1 Civilian personnel benefits .....	54	45	46
21.0 Travel and transportation of persons .....	7	8	8
23.1 Rental payments to GSA .....	26	21	23
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	7	5	5
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	2		
25.2 Other services .....	3	6	6
25.3 Other purchases of goods and services from Government accounts .....	36	25	28
25.7 Operation and maintenance of equipment .....	28	27	25
26.0 Supplies and materials .....	3	1	1
31.0 Equipment .....	4	4	5
99.0 Direct obligations .....	400	333	342
99.0 Reimbursable obligations .....	2	89	91
<b>Allocation Account:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	2	4	
11.3 Other than full-time permanent .....		1	
11.9 Total personnel compensation .....	2	5	
12.1 Civilian personnel benefits .....	1	1	
25.1 Advisory and assistance services .....	1		
25.2 Other services .....		2	
25.3 Other purchases of goods and services from Government accounts .....	1	1	
25.7 Operation and maintenance of equipment .....	1	2	
99.0 Allocation account .....	6	11	
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	409	433	433

**Personnel Summary**

Identification code 16-0105-0-1-505	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	3,756	2,913	2,991
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	16	843	839

**SPECIAL BENEFITS**

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title 5, chapter 81 of the United States Code; continuation of benefits as provided for under the heading "Civilian War Benefits" in the Federal Security Agency Appropriation

Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and 50 percent of the additional compensation and benefits required by section 10(h) of the Longshore and Harbor Workers' Compensation Act, as amended, \$163,000,000, together with such amounts as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to August 15 of the current year: Provided, That amounts appropriated may be used under section 8104 of title 5, United States Code, by the Secretary of Labor to reimburse an employer, who is not the employer at the time of injury, for portions of the salary of a reemployed, disabled beneficiary: Provided further, That balances of reimbursements unobligated on September 30, 2003, shall remain available until expended for the payment of compensation, benefits, and expenses: Provided further, That in addition there shall be transferred to this appropriation from the Postal Service and from any other corporation or instrumentality required under section 8147(c) of title 5, United States Code, to pay an amount for its fair share of the cost of administration, such sums as the Secretary determines to be the cost of administration for employees of such fair share entities through September 30, 2004: Provided further, That of those funds transferred to this account from the fair share entities to pay the cost of administration of the Federal Employees' Compensation Act, \$39,315,000 shall be made available to the Secretary as follows: (1) for enhancement and maintenance of the automated data processing and telecommunications systems, \$11,618,000; (2) for automated workload processing operations, including document imaging, centralized mail intake, and medical bill processing, \$14,496,000; (3) for periodic roll management and medical review, \$13,201,000; and (4) the remaining funds shall be paid into the Treasury as miscellaneous receipts: Provided further, That the Secretary may require that any person filing a notice of injury or a claim for benefits under chapter 81 of title 5, United States Code, or 33 U.S.C. 901 et seq., provide as part of such notice and claim, such identifying information (including Social Security account number) as such regulations may prescribe.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 16-1521-0-1-600	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Longshore and harbor workers' compensation benefits		3	3
00.02 Federal Employees' Compensation Act benefits .....	2,337	2,376	2,532
10.00 Total new obligations .....	2,340	2,379	2,535
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	991	981	970
22.00 New budget authority (gross) .....	2,328	2,368	2,479
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation	3,320	3,349	3,449
23.95 Total new obligations .....	-2,340	-2,379	-2,535
24.40 Unobligated balance carried forward, end of year .....	981	970	914
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
60.00 Appropriation .....	121	163	163
<b>Spending authority from offsetting collections:</b>			
<b>Discretionary:</b>			
68.00 Offsetting collections (cash) .....		86	88
68.61 Transferred to other accounts .....		-86	-88
68.90 Spending authority from offsetting collections (total discretionary) .....			
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	2,207	2,205	2,316
70.00 Total new budget authority (gross) .....	2,328	2,368	2,479
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	122	80	80
73.10 Total new obligations .....	2,340	2,379	2,535
73.20 Total outlays (gross) .....	-2,381	-2,379	-2,535
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	80	80	80

## General and special funds—Continued

## SPECIAL BENEFITS—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 16-1521-0-1-600	2002 actual	2003 est.	2004 est.
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1,390	1,398	1,565
86.98 Outlays from mandatory balances .....	991	981	970
87.00 Total outlays (gross) .....	2,381	2,379	2,535
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Federal sources .....	-1,389	-1,435	-1,462
88.00 Federal sources .....		-86	-88
88.40 Non-Federal sources .....	-818	-770	-854
88.90 Total, offsetting collections (cash) .....	-2,207	-2,291	-2,404
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	121	77	75
90.00 Outlays .....	174	88	131
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

## Summary of Budget Authority and Outlays

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	121	77	75
Outlays .....	174	88	131
Legislative proposal, subject to PAYGO:			
Budget Authority .....			-8
Outlays .....			-10
Total:			
Budget Authority .....	121	77	67
Outlays .....	174	88	121

**Federal Employees' Compensation Act benefits.**—The Federal Employees' Compensation Act program provides monetary and medical benefits to Federal workers who sustain work-related injury or disease. Not all benefits are paid by the program, since the first 45 days of disability are usually covered by keeping injured workers in pay status with their employing agencies (the continuation-of-pay period). In 2004, 155,000 injured federal workers or their survivors will file claims; 55,500 will receive long-term wage replacement benefits for job-related injuries, diseases, or deaths. Most of the costs of this account are charged back to the beneficiaries' employing agencies.

The Administration has included in the 2004 Budget an amendment to the Federal Employees' Compensation Act that would allow the Department of Labor to add an administrative surcharge to the amount billed to Federal agencies for their FECA compensation costs, thereby shifting FECA administrative costs from the Department to federal agencies in proportion to their program usage. The 2004 level for each affected agency includes funding for the estimated 2004 surcharge. In subsequent years, agencies dependent upon an annual appropriation would include in their annual budget estimates the total amount of the Chargeback bills, which would include the surcharge amounts. The Chargeback bills are sent by ESA to Federal agencies in mid-August of each year covering each agency's workers' compensation costs from July 1 of the previous year through June 30 of the current year. The legislation would produce estimated government-wide benefit savings of more than \$80 million over ten years.

## FEDERAL EMPLOYEES' COMPENSATION WORKLOAD

	2002 actual	2003 est.	2004 est.
Wage-loss claims received .....	23,193	23,000	21,000
Compensation and medical payments .....	3,548,511	3,500,000	3,500,000
Cases received .....	158,118	158,000	155,000
Periodic payment cases .....	56,797	56,000	55,500

**Longshore and harbor workers' compensation benefits.**—Under the Longshore and Harbor Workers' Compensation Act, as amended, the Federal Government pays from direct appropriations one-half of the increased benefits provided by the amendments for persons on the rolls prior to 1972. The remainder is provided from the special fund which is financed by private employers assessed at the beginning of each calendar year for their proportionate share of these payments.

## Object Classification (in millions of dollars)

Identification code 16-1521-0-1-600	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	7	8	8
12.1 Civilian personnel benefits .....	2	2	2
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....		1	1
25.2 Other services .....			5
25.3 Other purchases of goods and services from Government accounts .....	3	21	5
25.7 Operation and maintenance of equipment .....	14	14	14
31.0 Equipment .....	2	3	3
42.0 Insurance claims and indemnities .....	2,311	2,329	2,496
99.9 Total new obligations .....	2,340	2,379	2,535

## Personnel Summary

Identification code 16-1521-0-1-600	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	124	133	133

## SPECIAL BENEFITS

(Legislative proposal, subject to PAYGO)

## Program and Financing (in millions of dollars)

Identification code 16-1521-4-1-600	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Federal Employees' Compensation Act benefits .....			-13
10.00 Total new obligations (object class 42.0) .....			-13
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			-11
23.95 Total new obligations .....			13
24.40 Unobligated balance carried forward, end of year .....			2
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....			-8
69.00 Offsetting collections (cash) .....			-3
70.00 Total new budget authority (gross) .....			-11
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			-13
73.20 Total outlays (gross) .....			13
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			-13
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....			3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			-8
90.00 Outlays .....			-10

The Administration will propose legislation to strengthen program integrity and make the Act more equitable and easier to administer by: 1) converting compensation for new injuries or new claims for disability to a lower retirement-level benefit at age 65; 2) moving the 3-day waiting period, during which an injured worker is not entitled to compensation, to the point immediately after an injury; 3) changing the way schedule awards are paid to allow uniform lump-sum payments to federal employees eligible for such awards; 4) replacing augmented compensation for dependents with a slightly higher basic benefit level for all claimants; 5) allowing OWCP to recover the costs of continuation of pay (COP), a large annual expenditure for federal agencies, from responsible third parties; and 6) updating benefit levels for funeral expenses and disfigurement resulting from work injury.

## ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION FUND

## Program and Financing (in millions of dollars)

Identification code 16-1523-0-1-053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Benefits for energy employees .....	259	645	359
00.02 RECA supplemental benefits .....	92	37	26
09.00 Reimbursable program .....	1		
10.00 Total new obligations .....	352	682	385
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	357	31	
22.00 New budget authority (gross) .....	27	651	385
23.90 Total budgetary resources available for obligation	384	682	385
23.95 Total new obligations .....	-352	-682	-385
24.40 Unobligated balance carried forward, end of year .....	31		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	26	651	385
69.00 Offsetting collections (cash) .....	1		
70.00 Total new budget authority (gross) .....	27	651	385
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		6	6
73.10 Total new obligations .....	352	682	385
73.20 Total outlays (gross) .....	-348	-682	-385
74.40 Obligated balance, end of year .....	6	6	6
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1	651	385
86.98 Outlays from mandatory balances .....	347	31	
87.00 Total outlays (gross) .....	348	682	385
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.20 Offsetting collections (cash) from: Interest on Federal securities .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	26	651	385
90.00 Outlays .....	347	682	385
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	302		

*Energy Employees' Compensation Act benefits.*—The Department of Labor is delegated responsibility to adjudicate and administer claims for benefits under the Energy Employees Occupational Illness Compensation Program Act of 2000. In July 2001, the Program began accepting claims from employees or survivors of employees of the Department of Energy (DOE) and of private companies under contract with DOE who suffer from a radiation-related cancer, beryllium-related disease, or chronic silicosis as a result of their work in pro-

ducing or testing nuclear weapons. The Act authorizes a lump-sum payment of \$150,000 and reimbursement of medical expenses.

## Object Classification (in millions of dollars)

Identification code 16-1523-0-1-053	2002 actual	2003 est.	2004 est.
42.0 Direct obligations: Insurance claims and indemnities	351	682	385
99.0 Reimbursable obligations: Reimbursable obligations .....	1		
99.9 Total new obligations .....	352	682	385

## ADMINISTRATIVE EXPENSES, ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION FUND

## (INCLUDING TRANSFER OF FUNDS)

*For necessary expenses to administer the Energy Employees Occupational Illness Compensation Act, \$55,074,000, to remain available until expended: Provided, That the Secretary of Labor is authorized to transfer to any Executive agency with authority under the Energy Employees Occupational Illness Compensation Act, including within the Department of Labor, such sums as may be necessary in fiscal year 2004 to carry out those authorities: Provided further, That the Secretary may require that any person filing a claim for benefits under the Act provide as part of such claim, such identifying information (including Social Security account number) as may be prescribed.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 16-1524-0-1-053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	73	119	134
10.00 Total new obligations .....	73	119	134
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	34	93	79
22.00 New budget authority (gross) .....	131	105	55
23.90 Total budgetary resources available for obligation	165	198	134
23.95 Total new obligations .....	-73	-119	-134
24.40 Unobligated balance carried forward, end of year .....	93	79	
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	136	105	55
60.76 Reduction pursuant to P.L. 107-206 .....	-5		
62.50 Appropriation (total mandatory) .....	131	105	55
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10	49	40
73.10 Total new obligations .....	73	119	134
73.20 Total outlays (gross) .....	-34	-128	-146
74.40 Obligated balance, end of year .....	49	40	28
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	24	84	44
86.98 Outlays from mandatory balances .....	10	44	102
87.00 Total outlays (gross) .....	34	128	146
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	131	105	55
90.00 Outlays .....	34	128	146
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

*Energy Employees Occupational Illness Compensation Program Act of 2000 (EEOICPA) administration.*—Under Executive Order 13179 the Secretary of Labor is assigned primary responsibility for administering the Energy Employees Com-

**General and special funds—Continued**

**ADMINISTRATIVE EXPENSES, ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION FUND—Continued**  
(INCLUDING TRANSFER OF FUNDS)—Continued

pensation program, while other responsibilities have been delegated to the Departments of Health and Human Services (HHS), Energy (DOE), and Justice (DOJ). The Office of Workers' Compensation Programs (OWCP) in the Department of Labor is responsible for claims adjudication, and award and payment of compensation and medical benefits. The Office of the Solicitor provides legal support and represents the Department in claimant appeals of OWCP decisions. HHS is responsible for developing individual dose reconstructions to estimate occupational radiation exposure, and developing regulations to guide DOL's determination of whether an individual's cancer was caused by radiation exposure at a DOE or atomic weapons facility. DOE is responsible for providing exposure histories at employment facilities covered under the Act, as well as other employment information. DOJ assists claimants who have been awarded compensation under the Radiation Exposure Compensation Act (RECA) to file for additional compensation, including medical benefits, under EEOICPA.

**Object Classification** (in millions of dollars)

Identification code 16-1524-0-1-053	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	11	21	21
12.1 Civilian personnel benefits .....	3	6	6
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	2	3	3
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	1	4	4
25.3 Other purchases of goods and services from Government accounts .....	46	68	83
25.7 Operation and maintenance of equipment .....	6	7	7
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	6	6
99.0 Direct obligations .....	73	118	133
99.5 Below reporting threshold .....		1	1
99.9 Total new obligations .....	73	119	134

**Personnel Summary**

Identification code 16-1524-0-1-053	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	191	380	380

**SPECIAL BENEFITS FOR DISABLED COAL MINERS**

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, as amended by P.L. 107-275, (the "Act"), \$300,000,000, to remain available until expended.

For making after July 31 of the current fiscal year, benefit payment to individuals under title IV of the Act, for costs incurred in the current fiscal year, such amounts as may be necessary.

For making benefit payments under title IV of the first quarter of fiscal year 2005, \$88,000,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 16-0169-0-1-601	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	451	432	397

10.00	Total new obligations .....	451	432	397
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**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	13	11	11
22.00	New budget authority (gross) .....	447	432	397
22.10	Resources available from recoveries of prior year obligations .....	2		
23.90	Total budgetary resources available for obligation	462	443	408
23.95	Total new obligations .....	-451	-432	-397
24.40	Unobligated balance carried forward, end of year .....	11	11	11

**New budget authority (gross), detail:**

<b>Mandatory:</b>				
60.00	Appropriation .....	333	324	300
65.00	Advance appropriation .....	114	108	97
70.00	Total new budget authority (gross) .....	447	432	397

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	41	38	38
73.10	Total new obligations .....	451	432	397
73.20	Total outlays (gross) .....	-452	-432	-399
73.45	Recoveries of prior year obligations .....	-2		
74.40	Obligated balance, end of year .....	38	38	35

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority .....	414	397	364
86.98	Outlays from mandatory balances .....	38	35	35
87.00	Total outlays (gross) .....	452	432	399

**Net budget authority and outlays:**

89.00	Budget authority .....	447	432	397
90.00	Outlays .....	452	432	399

Title IV of the Federal Mine Safety and Health Act authorizes monthly benefits to coal miners disabled from coal workers' pneumoconiosis (black lung) and to their widows and certain other dependents. Part B of the Act assigned the processing and paying of claims filed between December 30, 1969 (when the program originated) and June 30, 1973 to the Social Security Administration (SSA). P.L. 107-275 transferred Part B claims processing and payment operations from SSA to the Department of Labor's (DOL) Employment Standards Administration (ESA), Office of Workers' Compensation Programs, with an effective date of February 1, 2003.

**Object Classification** (in millions of dollars)

Identification code 16-0169-0-1-601	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.5 Personnel compensation: Other personnel compensation .....	1	2	2
25.2 Other services .....		4	4
25.3 Other purchases of goods and services from Government accounts .....	3		
42.0 Insurance claims and indemnities .....	446	426	391
99.0 Direct obligations .....	450	432	397
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	451	432	397

**Personnel Summary**

Identification code 16-0169-0-1-601	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....		13	17

**PANAMA CANAL COMMISSION COMPENSATION FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 16-5155-0-2-602	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			

Receipts:				
02.41	Interest on investments, Panama Canal Comm., Labor Appropriations:	6	7	6
05.00	Panama Canal Commission compensation fund	-6	-7	-6
07.99	Balance, end of year			

**Program and Financing** (in millions of dollars)

Identification code 16-5155-0-2-602	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct program activity	6	7	6
10.00	Total new obligations (object class 42.0)	6	7	6
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	77	77	77
22.00	New budget authority (gross)	6	7	6
23.90	Total budgetary resources available for obligation	83	84	83
23.95	Total new obligations	-6	-7	-6
24.40	Unobligated balance carried forward, end of year	77	77	77
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.20	Appropriation (special fund)	6	7	6
<b>Change in obligated balances:</b>				
73.10	Total new obligations	6	7	6
73.20	Total outlays (gross)	-6	-7	-6
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority	6	7	6
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	6	7	6
90.00	Outlays	6	7	6
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities: Par value	77	77	77
92.02	Total investments, end of year: Federal securities: Par value	77	77	77

This fund was established to provide for the accumulation of funds to meet the Panama Canal Commission's obligations to defray costs of workers' compensation which will accrue pursuant to the Federal Employees' Compensation Act (FECA). On December 31, 1999, the Commission was dissolved as set forth in the Panama Canal Treaty of 1977, and the liability of the Commission for payments beyond that date did not end with its termination. The establishment of this fund, into which funds were deposited on a regular basis by the Commission, was in conjunction with the transfer of the administration of the FECA program from the Commission to the Department of Labor effective January 1, 1989.

**Trust Funds**

**BLACK LUNG DISABILITY TRUST FUND**  
(INCLUDING TRANSFER OF FUNDS)

Beginning in fiscal year 2004 and thereafter, such sums as may be necessary from the Black Lung Disability Trust Fund, to remain available until expended, for payment of all benefits authorized by section 9501(d)(1), (2), (4), and (7) of the Internal Revenue Code of 1954, as amended; and interest on advances, as authorized by section 9501(c)(2) of that Act. In addition, the following amounts shall be available from the Fund for fiscal year 2004 for expenses of operation and administration of the Black Lung Benefits program, as authorized by section 9501(d)(5): \$32,004,000 for transfer to the Employment Standards Administration, "Salaries and Expenses"; \$23,401,000 for transfer to Departmental Management, "Salaries and Expenses"; \$338,000 for transfer to Departmental Management, "Office of Inspector General"; and \$356,000 for payments into miscellaneous receipts for the expenses of the Department of Treasury.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 20-8144-0-7-601	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year	38	39	
Receipts:				
02.00	Transfer from general fund, Black Lung Benefits Revenue Act taxes	567	561	574
02.20	Miscellaneous interest	1	2	2
02.40	Payment from the general fund for prepayment premium, legislative proposal			2,318
02.99	Total receipts and collections	568	563	2,894
04.00	Total: Balances and collections	606	602	2,894
Appropriations:				
Appropriations:				
05.00	Administrative Expenses	-567	-602	-576
05.00	Legislative proposal not subject to PAYGO			-2,318
05.99	Total appropriations	-567	-602	-2,894
07.99	Balance, end of year	39		

**Program and Financing** (in millions of dollars)

Identification code 20-8144-0-7-601	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Disabled coal miners benefits	382	367	347
00.02	Administrative expenses	54	55	56
00.03	Interest on advances	596	621	640
10.00	Total new obligations	1,032	1,043	1,043
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross)	1,032	1,043	1,043
23.95	Total new obligations	-1,032	-1,043	-1,043
<b>New budget authority (gross), detail:</b>				
Mandatory:				
Appropriation (trust fund):				
60.26	Appropriation (trust fund, definite)	55	55	56
60.26	Appropriation (trust fund, indefinite)	512	547	520
62.50	Appropriation (total mandatory)	567	602	576
67.10	Authority to borrow	465	441	467
70.00	Total new budget authority (gross)	1,032	1,043	1,043
<b>Change in obligated balances:</b>				
73.10	Total new obligations	1,032	1,043	1,043
73.20	Total outlays (gross)	-1,032	-1,043	-1,043
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority	1,032	1,043	1,043
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	1,032	1,043	1,043
90.00	Outlays	1,032	1,043	1,043
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	3	3	3
99.01	Outlays	3	3	3

**Summary of Budget Authority and Outlays**

(in millions of dollars)			
Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority	1,032	1,043	1,043
Outlays	1,032	1,043	1,043
Legislative proposal, not subject to PAYGO:			
Budget Authority			1,851
Outlays			1,851
Total:			
Budget Authority	1,032	1,043	2,894
Outlays	1,032	1,043	2,894

The trust fund consists of all moneys collected from the coal mine industry under the provisions of the Black Lung

BLACK LUNG DISABILITY TRUST FUND—Continued  
(INCLUDING TRANSFER OF FUNDS)—Continued

Benefits Revenue Act of 1981, as amended by the Consolidated Omnibus Budget Reconciliation Act of 1985, in the form of an excise tax on mined coal. These moneys are expended to pay compensation, medical, and survivor benefits to eligible miners and their survivors, where mine employment terminated prior to 1970 or where no mine operator can be assigned liability. In addition, the fund pays all administrative costs incurred in the operation of part C of the Black Lung program. The fund is administered jointly by the Secretaries of Labor, the Treasury, and Health and Human Services. The Benefits Revenue Act provides for repayable advances to the fund in the event fund resources will not be adequate to meet program obligations. Such advances are to be repaid with interest. The outstanding debt at the end of each year was: 1981, \$1,510 million; 1982, \$1,793 million; 1983, \$2,151 million; 1984, \$2,497 million; 1985, \$2,833 million; 1986, \$2,884 million; 1987, \$2,952 million; 1988, \$2,993 million; 1989, \$3,049 million; 1990, \$3,049 million; 1991, \$3,266 million; 1992, \$3,606 million; 1993, \$3,949 million; 1994, \$4,363 million; 1995, \$4,738 million; 1996, \$5,112 million; 1997, \$5,487 million; 1998, \$5,857 million; 1999, \$6,259 million; and 2000, \$6,749 million; 2001, \$7,254 million; and 2002, \$7,719 million. It is estimated to be \$8,160 million in 2003 and \$8,627 million in 2004 if the refinancing proposal is not enacted.

BLACK LUNG DISABILITY TRUST FUND WORKLOAD

	2002 actual	2003 est.	2004 est.
Claims received .....	8,060	6,500	6,100
Claims in payment status .....	45,567	43,250	40,750
Medical benefits only recipients .....	6,285	5,750	3,750

Status of Funds (in millions of dollars)

Identification code 20-8144-0-7-601	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100 Treasury balance .....	38	39	
0105 Outstanding debt to Treasury .....	-7,254	-7,719	-8,160
0199 Total balance, start of year .....	-7,216	-7,680	-8,160
Cash income during the year:			
Current law:			
Receipts:			
1200 Transfer from general fund, Black Lung Benefits Revenue Act taxes .....	567	561	574
Offsetting receipts (proprietary):			
1220 Miscellaneous interest, Black Lung fund .....	1	2	2
1299 Income under present law .....	568	563	576
Proposed legislation:			
Offsetting receipts (intragovernmental):			
2240 Payment from the general fund for prepayment premium, legislative proposal not subject to PAYGO .....			2,318
3299 Total cash income .....	568	563	2,894
Cash outgo during year:			
Current law:			
4500 Black lung disability trust fund .....	-1,032	-1,043	-1,043
Proposed legislation:			
5500 Legislative proposal, not subject to PAYGO .....			-1,851
6599 Total cash outgo (-) .....	-1,032	-1,043	-2,894
Unexpended balance, end of year:			
8700 Uninvested balance .....	39		
8705 Outstanding debt to Treasury .....	-7,719	-8,160	-8,160
8799 Total balance, end of year .....	-7,680	-8,160	-8,160

Object Classification (in millions of dollars)

Identification code 20-8144-0-7-601	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts .....	54	55	56
42.0 Insurance claims and indemnities .....	382	367	347

43.0 Interest and dividends .....	596	621	640
99.9 Total new obligations .....	1,032	1,043	1,043

BLACK LUNG DISABILITY TRUST FUND  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 20-8144-2-7-601	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 Interest on advances .....			-640
00.04 Repayment of debt principal .....			173
00.05 One-time prepayment premium .....			2,318
10.00 Total new obligations (object class 43.0) .....			1,851
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			1,851
23.95 Total new obligations .....			-1,851
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....			2,318
67.10 Authority to borrow .....			-467
70.00 Total new budget authority (gross) .....			1,851
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			1,851
73.20 Total outlays (gross) .....			-1,851
<b>Outlays (gross), detail:</b>			
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority .....			1,851
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			1,851
90.00 Outlays .....			1,851

The Black Lung Disability Trust Fund (BLDTF) revenues, which consist primarily of excise taxes on coal, are not sufficient to repay the over \$8 billion debt it owes to the Treasury or to service the interest on that debt. Under current conditions, this indebtedness will continue to grow, with the BLDTF never becoming solvent, even when benefit outlays have declined to a level approaching zero. To solve this problem, the Administration will propose legislation that will: (1) authorize a refinancing (debt restructuring) of the outstanding BLDTF debt, (2) extend at current rates BLDTF excise tax levels (set to expire in January 2014) until solvency is attained, and (3) provide for a one-time appropriation to compensate the General Fund for the lost interest income.

SPECIAL WORKERS' COMPENSATION EXPENSES

Unavailable Collections (in millions of dollars)

Identification code 16-9971-0-7-601	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Longshoremen's & harbor workers compensation act, receipts, special worker .....	136	137	138
02.01 Workmen's compensation act within district of Columbia, receipts, special .....	12	11	11
02.40 Longshoremen's & harbor workers compensation act, earnings on investments, .....	1	3	3
02.99 Total receipts and collections .....	149	151	152
Appropriations:			
05.00 Special workers' compensation expenses .....	-149	-151	-152
05.99 Total appropriations .....	-149	-151	-152
07.99 Balance, end of year .....			

## Program and Financing (in millions of dollars)

Identification code 16-9971-0-7-601	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Longshore and harbor workers' compensation act, as amended .....	133	136	137
00.02 District of Columbia compensation act .....	11	11	11
10.00 Total new obligations .....	144	147	148
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	63	68	72
22.00 New budget authority (gross) .....	149	151	152
23.90 Total budgetary resources available for obligation .....	212	219	224
23.95 Total new obligations .....	-144	-147	-148
24.40 Unobligated balance carried forward, end of year .....	68	72	76
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	2	2	2
Mandatory:			
60.26 Appropriation (trust fund) .....	147	149	150
70.00 Total new budget authority (gross) .....	149	151	152
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	2
73.10 Total new obligations .....	144	147	148
73.20 Total outlays (gross) .....	-144	-147	-148
74.40 Obligated balance, end of year .....	2	2	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	2	2
86.97 Outlays from new mandatory authority .....	79	77	74
86.98 Outlays from mandatory balances .....	63	68	72
87.00 Total outlays (gross) .....	144	147	148
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	149	151	152
90.00 Outlays .....	144	147	148
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	65	69	73
92.02 Total investments, end of year: Federal securities: Par value .....	69	73	77

The trust funds consist of amounts received from employers for the death of an employee where no person is entitled to compensation for such death, for fines and penalty payments, and pursuant to an annual assessment of the industry, for the general expenses of the fund under the Longshore and Harbor Workers' Compensation Act, as amended.

These trust funds are available for payments of additional compensation for second injuries. When a second injury is combined with a previous disability and results in increased permanent partial disability, permanent total disability, or death, the employer's liability for benefits is limited to a specified period of compensation payments after which the fund provides continuing compensation benefits. In addition, the fund pays one-half of the increased benefits provided under the Longshore and Harbor Workers' Compensation Act, as amended, for persons on the rolls prior to 1972. Maintenance payments are made to disabled employees undergoing vocational rehabilitation to enable them to return to remunerative occupations, and the costs of necessary rehabilitation services not otherwise available to disabled workers are defrayed. Payments are made in cases where other circumstances preclude payment by an employer and to provide medical, surgical, and other treatment in disability cases where there has been a default by the insolvency of an uninsured employer.

## Object Classification (in millions of dollars)

Identification code 16-9971-0-7-601	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts .....	2	2	2
42.0 Insurance claims and indemnities .....	142	145	146
99.9 Total new obligations .....	144	147	148

OCCUPATIONAL SAFETY AND HEALTH  
ADMINISTRATION

## Federal Funds

## General and special funds:

## SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, \$450,008,000, including not to exceed \$91,747,000 which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act (the "Act"), which grants shall be no less than 50 percent of the costs of State occupational safety and health programs required to be incurred under plans approved by the Secretary under section 18 of the Act; and, in addition, notwithstanding 31 U.S.C. 3302, the Occupational Safety and Health Administration may retain up to \$750,000 per fiscal year of training institute course tuition fees, otherwise authorized by law to be collected, and may utilize such sums for occupational safety and health training and education grants: Provided, That, notwithstanding 31 U.S.C. 3302, the Secretary of Labor is authorized, during the fiscal year ending September 30, 2004, to collect and retain fees for services provided to Nationally Recognized Testing Laboratories, and may utilize such sums, in accordance with the provisions of 29 U.S.C. 9a, to administer national and international laboratory recognition programs that ensure the safety of equipment and products used by workers in the workplace: Provided further, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Act which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees: Provided further, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Act with respect to any employer of 10 or fewer employees who is included within a category having an occupational injury lost workday case rate, at the most precise Standard Industrial Classification Code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics, in accordance with section 24 of that Act (29 U.S.C. 673), except—

(1) to provide, as authorized by such Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies;

(2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

(3) to take any action authorized by such Act with respect to imminent dangers;

(4) to take any action authorized by such Act with respect to health hazards;

(5) to take any action authorized by such Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of two or more employees, and to take any action pursuant to such investigation authorized by such Act; and

(6) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act:

Provided further, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## General and special funds—Continued

## SALARIES AND EXPENSES—Continued

## Program and Financing (in millions of dollars)

Identification code 16-0400-0-1-554	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Safety and health standards .....	16	14	14
00.02 Federal enforcement .....	162	161	165
00.03 State programs .....	90	90	92
00.04 Technical support .....	20	20	22
00.05 Federal compliance assistance .....	59	60	67
00.06 State consultation grants .....	51	53	53
00.07 Training grants .....	11	4	4
00.08 Safety and health statistics .....	26	26	23
00.09 Executive direction and administration .....	9	9	10
09.01 Reimbursable program .....	2	2	4
10.00 Total new obligations .....	446	439	454
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		
22.00 New budget authority (gross) .....	445	439	454
23.90 Total budgetary resources available for obligation .....	446	439	454
23.95 Total new obligations .....	-446	-439	-454
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	445	437	450
40.71 Reduction pursuant to P.L. 107-116 .....	-1		
43.00 Appropriation (total discretionary) .....	444	437	450
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	2	4
70.00 Total new budget authority (gross) .....	445	439	454
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	98	99	98
73.10 Total new obligations .....	446	439	454
73.20 Total outlays (gross) .....	-437	-440	-452
73.40 Adjustments in expired accounts (net) .....	-7		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	1		
74.40 Obligated balance, end of year .....	99	98	99
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	367	369	382
86.93 Outlays from discretionary balances .....	70	71	70
87.00 Total outlays (gross) .....	437	440	452
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-1	-1	-3
88.40 Non-Federal sources .....	-1	-1	-1
88.90 Total, offsetting collections (cash) .....	-2	-2	-4
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	444	437	450
90.00 Outlays .....	436	438	448
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	14	12	14
99.01 Outlays .....	14	12	14

**Safety and health standards.**—This activity provides for the development, promulgation, review and evaluation of feasible occupational safety and health standards and guidance. Before any standard is proposed or promulgated, a determination is made that: (1) a significant risk of serious injury or health impairment exists; (2) the standard will reduce this risk; (3) the standard is economically and technologically feasible; and (4) the standard is economically and technologically feasible when compared with alternative regulatory proposals providing equal levels of protection. Regulatory reform efforts

include consensus-based rulemaking, development of common sense regulations, rewriting existing standards so they are understandable to those affected by them, and regulatory and non-regulatory process improvements.

**Enforcement.**—This activity provides for the enforcement of workplace standards promulgated under the Occupational Safety and Health (OSHA) Act of 1970 through the physical inspection of worksites, and by fostering the voluntary cooperation of employers and employees. Programs are targeted to the investigation of claims of imminent danger and employee complaints, investigation of fatal and catastrophic accidents, programmed inspections of firms with injury-illness rates that are above the national average, and special emphasis inspections for serious safety and health hazards. OSHA's enforcement strategy includes a selective targeting of inspections and related compliance activities to specific high hazard industries and worksites.

**State programs.**—This activity assists states in assuming responsibility for administering occupational safety and health programs under State plans approved by the Secretary. Under section 23 of the OSHA Act, matching grants of up to fifty percent of total program costs are made to States that meet the Act's criteria for establishing and implementing State programs which are at least as effective as the Federal program. State programs, like their Federal counterpart, provide a mix of enforcement, outreach, training and compliance assistance activities.

**Technical support.**—This activity provides specialized technical expertise and advice in support of a wide range of program areas, including construction, standards setting, variance determinations, compliance assistance, and enforcement. Areas of expertise include laboratory accreditation, industrial hygiene, occupational health nursing, occupational medicine, chemical analysis, equipment calibration, and safety engineering.

**Compliance assistance—Federal.**—This activity supports a range of cooperative programs, training, and outreach that provide compliance assistance in improving workplace safety and health, with particular emphasis on small business. OSHA works with employers and employees through Voluntary Protection Programs recognizing and promoting effective safety and health management; partnerships focusing on the development of extended cooperative relationships; and alliances committing organizations to collaborative efforts and improving their job safety and health programs. Occupational safety and health training is provided at the OSHA Training Institute and associated Education Centers throughout the country. Compliance and technical assistance materials are prepared and disseminated to the public through various means, including the Internet.

**State consultation grants.**—This activity supports 90 percent Federally-funded cooperative agreements with designated State agencies to provide free on-site consultation to employers upon request. State agencies tailor workplans to specific needs in each State while maximizing their impact on injury and illness rates in smaller establishments. These projects offer a variety of services, including safety and health program assessment and assistance, hazard identification and control, and training of employers and their employees.

**Training grants.**—This activity supports safety and health training grants to organizations that provide training and education and develop educational materials for employers and employees. Grants address safety and health education needs related to specific topics and industries identified by the agency.

**Safety and health statistics.**—This activity supports the information technology infrastructure, management information, and statistical basis for OSHA's programs and field operations. These are provided through an integrated data net-

work, and statistical analysis and review. OSHA administers and maintains the recordkeeping system that serves as the foundation for the BLS survey on occupational injuries and illnesses and provides guidance on recordkeeping requirements to both the public and private sectors.

*Executive direction and administration.*—This activity supports executive direction, planning and evaluation, management support, legislative liaison, interagency affairs, administrative services, and budgeting and financial control.

**PROGRAM STATISTICS**

	2002 actual	2003 est.	2004 est.
Standards promulgated .....	2	4	3
Inspections:			
Federal inspections .....	37,493	37,700	37,700
State program inspections .....	58,074	57,500	57,500
Training and consultations:			
Consultation visits .....	27,726	32,500	32,500
Voluntary protection program participants .....	637	715	775
New strategic partnerships .....	30	35	40
Web site hits (millions) .....	561	730	949

**Object Classification (in millions of dollars)**

Identification code 16-0400-0-1-554	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	145	146	150
11.3 Other than full-time permanent .....	1	2	2
11.5 Other personnel compensation .....	5	3	3
11.9 Total personnel compensation .....	151	151	155
12.1 Civilian personnel benefits .....	36	38	39
21.0 Travel and transportation of persons .....	14	11	11
23.1 Rental payments to GSA .....	16	18	19
23.3 Communications, utilities, and miscellaneous charges .....	5	6	6
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	5	3	4
25.2 Other services .....	65	65	71
25.3 Other purchases of goods and services from Government accounts .....	21	21	24
25.7 Operation and maintenance of equipment .....	15	17	13
26.0 Supplies and materials .....	4	4	3
31.0 Equipment .....	8	8	8
41.0 Grants, subsidies, and contributions .....	101	94	96
99.0 Direct obligations .....	442	437	450
99.0 Reimbursable obligations .....	2	2	4
99.5 Below reporting threshold .....	2		
99.9 Total new obligations .....	446	439	454

**Personnel Summary**

Identification code 16-0400-0-1-554	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	2,248	2,217	2,220
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	7	13	13
Allocation account:			
Total compensable workyears:			
3001 Civilian full-time equivalent employment .....	2	3	3

**ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS**

*Note.*—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:  
Environmental Protection Agency: Hazardous Substance Response Trust Fund.

**MINE SAFETY AND HEALTH ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses for the Mine Safety and Health Administration, \$266,767,000, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the hire of passenger motor vehicles; including up to \$1,000,000 for mine rescue and recovery activities, which shall be available only to the extent that fiscal year 2004 obligations for these activities exceed \$1,000,000; in addition, not to exceed \$750,000 may be collected by the National Mine Health and Safety Academy for room, board, tuition, and the sale of training materials, otherwise authorized by law to be collected, to be available for mine safety and health education and training activities, notwithstanding 31 U.S.C. 3302; and, in addition, the Mine Safety and Health Administration may retain up to \$1,000,000 from fees collected for the approval and certification of equipment, materials, and explosives for use in mines, and may utilize such sums for such activities; the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private; the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations; and any funds available to the department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of a major disaster.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 16-1200-0-1-554	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Coal .....	116	112	114
00.02 Metal/non-metal .....	62	64	66
00.03 Standards development .....	2	2	2
00.04 Assessments .....	5	5	4
00.05 Educational policy and development .....	28	28	31
00.06 Technical support .....	28	29	25
00.07 Program administration .....	12	14	11
00.08 Program Evaluation & Information Resources .....			14
00.09 Reimbursable program .....	1	2	2
10.00 Total new obligations .....	254	256	269
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	254	256	269
23.95 Total new obligations .....	-254	-256	-269
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	255	254	267
40.71 Reduction pursuant to P.L. 107-116 .....	-1		
40.76 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	253	254	267
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	2	2
70.00 Total new budget authority (gross) .....	254	256	269
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	21	23	27
73.10 Total new obligations .....	254	256	269
73.20 Total outlays (gross) .....	-254	-253	-266
73.40 Adjustments in expired accounts (net) .....	1		
74.40 Obligated balance, end of year .....	23	27	30
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	238	234	245
86.93 Outlays from discretionary balances .....	16	19	21

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 16-1200-0-1-554	2002 actual	2003 est.	2004 est.
87.00 Total outlays (gross) .....	254	253	266
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-3	-2	-2
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	253	254	267
90.00 Outlays .....	249	251	264
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	14	10	15
99.01 Outlays .....	14	10	15

Note: The Program Evaluation and Information Resources (PEIR) activity, added in the FY 2004 Budget, consists of funds formerly spread among other MSHA activities. Comparative funding for PEIR is as follows: in fiscal year 2002, \$14 million; and in fiscal year 2003, \$17 million.

**Enforcement.**—The Enforcement strategy in 2004 will be an integrated approach that links all actions to preventing occupational injuries and illness. These include inspection of mines as mandated by the Federal Mine Safety and Health Act of 1977, special emphasis initiatives that focus on persistent safety and health hazards, promulgation of safety and health standards, investigation of serious accidents, and on-site education and training. The desired outcome of these enforcement efforts is to lower fatality and injury rates.

**Assessments.**—This activity assesses and collects civil monetary penalties for violations of safety and health standards.

**Educational policy and development.**—This activity develops and coordinates MSHA's mine safety and health education and training policies, and provides classroom instruction at the National Academy for MSHA personnel, other governmental personnel, and the mining industry. States provide mine health and safety training materials, and provide technical assistance through the State Grants program.

**Technical support.**—This activity applies engineering and scientific expertise through field and laboratory forensic investigations to resolve technical problems associated with implementation of the Mine Act. Technical support administers a fee program to approve equipment, materials, and explosives for use in mines and performs field and laboratory audits of equipment previously approved by MSHA. It also collects and analyzes data relative to the cause, frequency, and circumstances of accidents.

**Program evaluation and information resources (PEIR).**—This new activity provides program evaluation and information technology resource management services for the agency. Additionally, PEIR is responsible for meeting the requirements of the Government Performance and Results Act (GPRA) and developing MSHA's performance plan and Annual Performance Report.

**Program administration.**—This activity performs general administrative functions.

**PROGRAM STATISTICS**

	2002 actual	2003 est.	2004 est.
<b>Enforcement:</b>			
<b>Fatality Rates:</b>			
Coal mines .....	.032	.027	.023
Metal/non-metal mines .....	.020	.017	.014
<b>All Injury Rates</b>			
Coal mines .....	5.99	4.91	4.03
Metal/non-metal mines .....	3.81	3.16	2.62
Regulations promulgated .....	5.00	5.00	3.00
<b>Assessments:</b>			
Violations assessed .....	114,844	126,000	133,000

**Educational policy and development:**

Course days .....	1,925	1,925	1,925
<b>Technical support:</b>			
Equipment approvals .....	796	750	750
Field investigations .....	368	512	522
Laboratory samples analyzed .....	30,981	41,560	41,560

Note.—Rates have been adjusted to reflect revised categories.

**Object Classification (in millions of dollars)**

Identification code 16-1200-0-1-554	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	134	139	146
11.3 Other than full-time permanent .....		1	1
11.5 Other personnel compensation .....	5	5	5
11.9 Total personnel compensation .....	139	145	152
12.1 Civilian personnel benefits .....	41	40	42
21.0 Travel and transportation of things .....	10	11	11
22.0 Transportation of things .....	4	3	3
23.1 Rental payments to GSA .....	10	10	11
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	1		
25.2 Other services .....	5	6	6
25.3 Other purchases of goods and services from Government accounts .....	13	10	11
25.4 Operation and maintenance of facilities .....		1	1
25.7 Operation and maintenance of equipment .....	7	6	6
26.0 Supplies and materials .....	4	3	4
31.0 Equipment .....	7	7	8
41.0 Grants, subsidies, and contributions .....	8	8	8
99.0 Direct obligations .....	253	254	267
99.0 Reimbursable obligations .....	1	2	2
99.9 Total new obligations .....	254	256	269

**Personnel Summary**

Identification code 16-1200-0-1-554	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	2,205	2,264	2,334

**BUREAU OF LABOR STATISTICS**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, \$437,152,000, together with not to exceed \$75,110,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 16-0200-0-1-505	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Labor force statistics .....	215	223	233
00.02 Prices and cost of living .....	148	161	168
00.03 Compensation and working conditions .....	74	76	80
00.04 Productivity and technology .....	10	10	10
00.06 Executive direction and staff services .....	27	28	29
09.01 Reimbursable program .....	13	16	10
10.00 Total new obligations .....	487	514	530
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	8	8	8
22.00 New budget authority (gross) .....	487	514	522

23.90	Total budgetary resources available for obligation	495	522	530
23.95	Total new obligations	-487	-514	-530
23.98	Unobligated balance expiring or withdrawn	-1		
24.40	Unobligated balance carried forward, end of year	8	8	

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation	407	426	437
40.71	Reduction pursuant to P.L. 107-116	-1		
40.76	Reduction pursuant to P.L. 107-206	-1		
43.00	Appropriation (total discretionary)	405	426	437
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	82	88	85
70.00	Total new budget authority (gross)	487	514	522

**Change in obligated balances:**

72.40	Obligated balance, start of year	87	60	63
73.10	Total new obligations	487	514	530
73.20	Total outlays (gross)	-510	-510	-524
73.40	Adjustments in expired accounts (net)	-2		
74.40	Obligated balance, end of year	60	63	69

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	440	428	439
86.93	Outlays from discretionary balances	70	82	85
87.00	Total outlays (gross)	510	510	524

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
<b>Offsetting collections (cash) from:</b>				
88.00	Federal sources	-81	-87	-84
88.40	Non-Federal sources	-1	-1	-1
88.90	Total, offsetting collections (cash)	-82	-88	-85

**Net budget authority and outlays:**

89.00	Budget authority	405	426	437
90.00	Outlays	428	422	439

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority	14	13	15
99.01	Outlays	14	13	15

*Note.*—The appropriations language above represents the first step in converting the financing for the Occupational Employment Survey from a program year to a fiscal year basis.

**Labor force statistics.**—Publishes monthly estimates of the labor force, employment, unemployment, and earnings for the nation, states, and local areas. Makes studies of the labor force. Publishes data on covered employment and wages, by industry. Provides economic projections, including changes in the level and structure of the economy, as well as employment projections by industry and by occupational category. Resources are requested in 2004 for two Current Population Survey supplements annually on volunteers, job turnover, and other key labor force issues.

Labor force statistics (selected items):	2002 actual	2003 est.	2004 est.
Covered employment and wages for SIC industries (quarterly series)	1,000,201	N/A	N/A
Covered employment and wages for NAICS industries (quarterly series)	N/A	2,079,977	2,079,977
Employment and unemployment estimates for States and local areas (monthly and annual series)	89,700	89,713	92,900
Occupational employment statistics (annual series)	57,040	57,040	57,420
Industry projections (2 yr. cycle)	92	92	92
Occupational Outlook Handbook statements (2 yr. cycle)	125	125	125

**Prices and cost of living.**—Publishes the Consumer Price Index (CPI), the Producer Price Index, U.S. Import and Export Price Indexes, estimates of consumers' expenditures, and studies of price change.

	2002 actual	2003 est.	2004 est.
Consumer price indexes published (monthly)	5,400	5,400	5,400
Percentage of CPI statistics released on schedule	100%	100%	100%
<b>Producer prices:</b>			
(a) Commodity indexes published (monthly)	3,017	3,017	3,017
(b) Mining and manufacturing indexes published (monthly)	5,828	5,600	5,600

International prices and price indexes:			
(a) Sample units initiated (annually)	3,200	3,200	3,200
(b) Price quotations collected (monthly)	23,000	23,000	23,000

**Compensation and working conditions.**—Publishes data on wages and benefits by occupation for major labor markets and industries as well as information on collective bargaining. Compiles annual information to estimate the incidence and number of work-related injuries, illnesses, and fatalities.

Compensation and working conditions (major items):	2002 actual	2003 est.	2004 est.
Employment cost index—number of schedules	14,400	15,600	16,800
Occupational safety and health—number of schedules	200,000	200,000	200,000
Federal pay reform—number of schedules	35,800	35,800	37,000

**Productivity and technology.**—Publishes trends in productivity and costs for major economic sectors and detailed industries. Also analyzes trends in order to examine the factors underlying productivity change. Publishes international comparisons of productivity, labor force and unemployment, and hourly compensation costs.

	2002 actual	2003 est.	2004 est.
Studies, articles, and special reports	29	29	29
Series maintained	6,383	6,404	6,428

**Executive direction and staff services.**—Provides planning and policy for the Bureau of Labor Statistics, operates the information technology, coordinates research, and publishes data and reports for government and public use.

**Object Classification (in millions of dollars)**

Identification code 16-0200-0-1-505	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent	139	148	154
11.3	Other than full-time permanent	10	8	8
11.5	Other personnel compensation	3	3	3
11.9	Total personnel compensation	152	159	165
12.1	Civilian personnel benefits	35	34	38
21.0	Travel and transportation of persons	7	7	7
23.1	Rental payments to GSA	32	34	36
23.3	Communications, utilities, and miscellaneous charges	6	8	8
24.0	Printing and reproduction	2	2	2
25.2	Other services	26	22	23
25.3	Other purchases of goods and services from Government accounts	88	92	97
25.5	Research and development contracts		12	12
25.7	Operation and maintenance of equipment	37	37	38
26.0	Supplies and materials	2	2	2
31.0	Equipment	12	12	12
41.0	Grants, subsidies, and contributions	74	77	80
99.0	Direct obligations	473	498	520
99.0	Reimbursable obligations	13	15	10
99.5	Below reporting threshold	1	1	
99.9	Total new obligations	487	514	530

**Personnel Summary**

Identification code 16-0200-0-1-505	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
<b>Total compensable workyears:</b>				
1001	Civilian full-time equivalent employment	2,506	2,468	2,468
<b>Reimbursable:</b>				
<b>Total compensable workyears:</b>				
2001	Civilian full-time equivalent employment	25	61	61

**DEPARTMENTAL MANAGEMENT**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses for Departmental Management, including the hire of three sedans; \$48,565,000 for the acquisition of Depart-*

General and special funds—Continued

SALARIES AND EXPENSES—Continued

mental information technology, architecture, infrastructure, equipment, software and related needs which will be allocated by the Department's Chief Information Officer in accordance with the Department's capital investment management process to assure a sound investment strategy; \$273,219,000; together with not to exceed \$317,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund: Provided, That no funds made available by this Act may be used by the Solicitor of Labor to participate in a review in any United States court of appeals of any decision made by the Benefits Review Board under section 21 of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 921) where such participation is precluded by the decision of the United States Supreme Court in *Director, Office of Workers' Compensation Programs v. Newport News Shipbuilding, 115 S. Ct. 1278 (1995)*, notwithstanding any provisions to the contrary contained in Rule 15 of the Federal Rules of Appellate Procedure: Provided further, That no funds made available by this Act may be used by the Secretary of Labor to review a decision under the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.) that has been appealed and that has been pending before the Benefits Review Board for more than 12 months: Provided further, That any such decision pending a review by the Benefits Review Board for more than 1 year shall be considered affirmed by the Benefits Review Board on the 1-year anniversary of the filing of the appeal, and shall be considered the final order of the Board for purposes of obtaining a review in the United States courts of appeals: Provided further, That these provisions shall not be applicable to the review or appeal of any decision issued under the Black Lung Benefits Act (30 U.S.C. 901 et seq.).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 16-0165-0-1-505	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Program direction and support .....	26	26	28
00.02 Legal services .....	84	85	89
00.03 International labor affairs .....	145	92	12
00.04 Administration and management .....	35	34	32
00.05 Adjudication .....	40	41	43
00.07 Women's bureau .....	10	8	9
00.08 Civil rights .....	6	6	6
00.09 Chief Financial Officer .....	5	6	5
00.10 Information technology activities .....	50	74	49
00.11 Management crosscut .....	7	7	24
09.01 Reimbursable program .....	21	14	14
10.00 Total new obligations .....	422	393	311
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	30	38	.....
22.00 New budget authority (gross) .....	425	355	311
22.10 Resources available from recoveries of prior year obligations .....	4	.....	.....
23.90 Total budgetary resources available for obligation .....	459	393	311
23.95 Total new obligations .....	-422	-393	-311
23.98 Unobligated balance expiring or withdrawn .....	-1	.....	.....
24.40 Unobligated balance carried forward, end of year .....	38	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	385	318	273
40.71 Reduction pursuant to P.L. 107-116 .....	-1	.....	.....
40.73 Reduction pursuant to P.L. 107-206 .....	-1	.....	.....
43.00 Appropriation (total discretionary) .....	383	318	273
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	42	37	38
70.00 Total new budget authority (gross) .....	425	355	311
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	200	297	252
73.10 Total new obligations .....	422	393	311

73.20 Total outlays (gross) .....	-319	-439	-348
73.45 Recoveries of prior year obligations .....	-4	.....	.....
74.40 Obligated balance, end of year .....	297	252	216
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	241	298	262
86.93 Outlays from discretionary balances .....	78	141	86
87.00 Total outlays (gross) .....	319	439	348
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-42	-37	-38
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	383	318	273
90.00 Outlays .....	279	402	310
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	10	9	9
99.01 Outlays .....	10	9	9

**Program direction and support.**—Provides leadership and direction for all programs and functions assigned to the Department. Provides guidance for the development and implementation of governmental policy to protect and promote the interests of the American worker, toward achieving better employment and earnings, promoting productivity and economic growth, safety, equity and affirmative action in employment, and collecting and analyzing statistics on the labor force.

**Legal services.**—Provides the Secretary of Labor and Departmental program officials with the legal services required to accomplish the Department's mission. The major services include litigating cases, providing assistance to the Department of Justice in case preparation and trials, reviewing rules, orders and written interpretations and opinions for DOL program agencies and the public, and coordinating the Department's legislative program. A provision has been added to fund legal services associated with extraordinary case enforcement activities.

**International labor affairs.**—Supports the President's international labor agenda and coordinates the international activities for the Department of Labor. Activities include coordination with other U.S. government agencies, intergovernmental organizations, and non-governmental organizations, as well as meeting the requirements of the Government Performance and Results Act (GPRA).

**Administration and management.**—Exercises leadership in all Departmental administrative and management programs and services and ensures efficient and effective operation of Departmental programs; provides policy guidance on matters of personnel management, information resource management and procurement; and provides for consistent and constructive internal labor-management relations throughout the Department.

**Adjudication.**—Conducts formal hearings and renders timely decisions on claims filed under the Black Lung Benefits Act, the Longshore and Harbor Workers' Compensation Act and its extensions, the Federal Employees' Compensation Act and other acts involving complaints to determine violations of minimum wage requirements, overtime payments, health and safety regulations and unfair labor practices.

**Women's bureau.**—Promotes the interests of wage earning women, and seeks to improve their working conditions and advance their opportunities for profitable employment.

**Civil rights.**—Ensures full compliance with title VI of the Civil Rights Act of 1964 and other regulatory nondiscrimination provisions in programs receiving financial assistance from the Department of Labor and promotes equal opportunity in these programs and activities; and ensures equal employment opportunity to all DOL employees and applicants for employment.

**Chief financial officer.**—Responsible for enhancing the level of knowledge and skills of Departmental staff working in financial management operations; developing comprehensive accounting and financial management policies; assuring that all DOL financial functions conform to applicable standards; providing leadership and coordination to DOL agencies' trust and benefit fund financial actions; monitoring the financial execution of the budget in relation to actual expenditures; and managing a comprehensive training program for budget, accounting, and financial support staff.

**Information technology activities.**—This activity represents a permanent, centralized IT investment fund for the Department of Labor (DOL) managed by the Chief Information Officer (CIO). As required by the Clinger Cohen Act, in 1996, the Department established a Chief Information Officer accountable for IT management in the DOL, and implemented an IT Capital Investment Management process for selecting, controlling, and evaluating IT investments. The Department established a baseline of existing information technologies and provides a target environment as a framework for future information technology investments.

**Management Crosscut.**—This activity addresses major management issues facing all DOL agencies including those in the President's Management Agenda. The FY 2004 request includes resources to address workforce restructuring, budget and performance integration, competitive sourcing, physical and personnel security, and space consolidation.

**Object Classification** (in millions of dollars)

Identification code 16-0165-0-1-505	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	112	118	120
11.3 Other than full-time permanent .....	2	1	1
11.5 Other personnel compensation .....	2	3	3
11.9 Total personnel compensation .....	116	122	124
12.1 Civilian personnel benefits .....	25	25	25
21.0 Travel and transportation of persons .....	4	3	3
23.1 Rental payments to GSA .....	16	17	19
23.3 Communications, utilities, and miscellaneous charges .....	3	2	2
24.0 Printing and reproduction .....	1		
25.1 Advisory and assistance services .....	17	8	8
25.2 Other services .....	29	23	29
25.3 Other purchases of goods and services from Government accounts .....	23	19	20
25.5 Research and development contracts .....	1	1	1
25.7 Operation and maintenance of equipment .....	30	48	33
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	18	37	26
41.0 Grants, subsidies, and contributions .....	117	72	5
99.0 Direct obligations .....	402	379	297
99.0 Reimbursable obligations .....	20	14	14
99.9 Total new obligations .....	422	393	311

**Personnel Summary**

Identification code 16-0165-0-1-505	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	1,510	1,506	1,500
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	10	17	17

**OFFICE OF DISABILITY EMPLOYMENT POLICY**  
**SALARIES AND EXPENSES**

For necessary expenses for the Office of Disability Employment Policy to provide leadership, develop policy and initiatives, and award grants furthering the objective of eliminating barriers to the training and employment of people with disabilities, \$47,333,000.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 16-0166-0-1-505	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Office of Disability Employment Policy .....	35	47	47
00.02 President's Task Force on the Employment of Adults with Disabilities .....	3		
10.00 Total new obligations .....	38	47	47
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	38	47	47
23.95 Total new obligations .....	-38	-47	-47
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	38	47	47
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		29	45
73.10 Total new obligations .....	38	47	47
73.20 Total outlays (gross) .....	-9	-31	-44
74.40 Obligated balance, end of year .....	29	45	48
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	9	12	12
86.93 Outlays from discretionary balances .....		19	32
87.00 Total outlays (gross) .....	9	31	44
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	38	47	47
90.00 Outlays .....	9	31	44

**Office of Disability Employment Policy.**—This office provides leadership to eliminate employment barriers to people with disabilities. It works within DOL to ensure that all DOL programs address the needs of people with disabilities and to increase participation of people with disabilities in DOL training programs—particularly those serving youth. The office also develops and implements innovative pilot programs while working to integrate effective approaches into mainstream programs. Finally, the office assists the Presidential Disability Partnership Board in developing public/private efforts needed to promote employment of persons with disabilities.

The Office of Disability Employment Policy brings a heightened and permanent long-term focus on increasing employment of persons with disabilities through policy analysis, technical assistance, development of best practices and outreach to persons with disabilities and employers. Funding is used to develop programs and policies designed to increase the number of youth and adults with disabilities who enter, re-enter, and remain in the workforce. Additionally, this office develops and implements innovative pilot programs to integrate people with significant disabilities into mainstream workforce programs.

**Object Classification** (in millions of dollars)

Identification code 16-0166-0-1-505	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	4	5	5
12.1 Civilian personnel benefits .....	1	1	1
21.0 Travel and transportation of persons .....		1	1
23.1 Rental payments to GSA .....	1	2	2
25.2 Other services .....	6	8	8
25.3 Other purchases of goods and services from Government accounts .....	2		
25.5 Research and development contracts .....		2	2
41.0 Grants, subsidies, and contributions .....	24	28	28
99.9 Total new obligations .....	38	47	47

**General and special funds—Continued**

OFFICE OF DISABILITY EMPLOYMENT POLICY—Continued  
SALARIES AND EXPENSES—Continued

**Personnel Summary**

Identification code 16-0166-0-1-505	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	36	65	65

OFFICE OF INSPECTOR GENERAL

For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$60,896,000, together with not to exceed \$5,899,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 16-0106-0-1-505	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	58	63	67
09.01 Reimbursable program .....	11	17	2
10.00 Total new obligations .....	69	80	69
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	67	80	69
23.95 Total new obligations .....	-69	-80	-69
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	52	57	61
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	15	23	8
70.00 Total new budget authority (gross) .....	67	80	69
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	15	10	11
73.10 Total new obligations .....	69	80	69
73.20 Total outlays (gross) .....	-72	-79	-69
73.40 Adjustments in expired accounts (net) .....	-1		
74.40 Obligated balance, end of year .....	10	11	13
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	56	73	62
86.93 Outlays from discretionary balances .....	16	6	7
87.00 Total outlays (gross) .....	72	79	69
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-15	-23	-8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	52	57	61
90.00 Outlays .....	57	56	61
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

**Program activities.**—Program activities within the Office of Inspector General (OIG) include audit, program fraud, labor racketeering, special evaluations and inspection of program activities, and executive direction and management. The Office of Audit performs audits of the Department's financial statements, programs, activities, and systems to determine whether information is reliable, controls are in place, resources are safeguarded, funds are expended in a manner

consistent with laws and regulations and managed economically and efficiently, and desired program results are achieved. The Office of Labor Racketeering and Fraud Investigations (OLRFI) administers an investigative program to detect and deter fraud, waste and abuse in Departmental programs; and to identify and reduce labor racketeering and corruption in employee benefit plans, labor management relations, and internal union affairs. The OIG also conducts DOL program evaluations, special reviews and inspections; analyzes complaints involving DOL programs, operations, or functions; and provides strategic planning and Congressional liaison services. The OIG carries out executive direction and management activities which include: management, legal counsel, administrative support, information technology, procurement, personnel, and financial functions. The OIG also provides technical assistance to DOL program agencies.

	2002 actual	2003 est.	2004 est.
Audit Reports Issued .....	80	84	94
Investigative Cases Opened .....	401	410	440
Investigative Cases Closed .....	589	600	620
Evaluation Reports Issues .....	11	15	16

**Object Classification (in millions of dollars)**

Identification code 16-0106-0-1-505	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	29	33	34
11.5 Other personnel compensation .....	3	4	4
11.9 Total personnel compensation .....	32	37	38
12.1 Civilian personnel benefits .....	8	8	9
21.0 Travel and transportation of persons .....	3	4	4
23.1 Rental payments to GSA .....	4	4	5
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	3	5	6
25.3 Other purchases of goods and services from Government accounts .....	6	3	3
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	58	63	67
99.0 Reimbursable obligations .....	11	17	2
99.9 Total new obligations .....	69	80	69

**Personnel Summary**

Identification code 16-0106-0-1-505	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	426	453	473

VETERANS EMPLOYMENT AND TRAINING

Not to exceed \$193,443,000 may be derived from the Employment Security Administration Account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 4100-4112, 4211-4215, and 4321-4327, and Public Law 103-353, and which shall be available for obligation by the States through December 31, 2004, of which \$2,000,000 is for the National Veterans' Employment and Training Services Institute. To carry out the Homeless Veterans' Reintegration Program (38 U.S.C. 2021), and the Veterans' Workforce Investment Programs (29 U.S.C. 2913), \$26,550,000, of which \$7,550,000 shall be available for obligation for the period July 1, 2004 through June 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 16-0164-0-1-702	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
State administration:			
00.01	82	82	
00.02	77	77	
00.03			162
00.04	26	27	29
00.05	2		2
00.06	18	18	19
00.07	8	7	8
10.00	213	211	220
<b>Budgetary resources available for obligation:</b>			
21.40	1	1	1
22.00	213	211	220
22.10	1		
23.90	215	212	221
23.95	-213	-211	-220
23.98	-1		
24.40	1	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00	8	7	8
40.00	18	18	19
43.00	26	25	27
68.00	187	186	193
70.00	213	211	220
<b>Change in obligated balances:</b>			
72.40	44	19	16
73.10	213	211	220
73.20	-238	-214	-218
73.45	-1		
74.40	19	16	20
<b>Outlays (gross), detail:</b>			
86.90	180	172	179
86.93	58	42	39
87.00	238	214	218
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00	-187	-186	-193
<b>Net budget authority and outlays:</b>			
89.00	26	25	27
90.00	51	28	25
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00	1	1	1
99.01	1	1	1

*State administration.*—The Disabled Veterans' Outreach Program specialists provide outreach services and intensive employment services to meet the employment needs of eligible veterans. Priority of service is given to special disabled veterans, disabled veterans, and other eligible veterans. In providing these services, the maximum emphasis is on meeting the employment needs of economically or educationally disadvantaged veterans. Local Veterans' Employment Representatives conduct outreach to area employers to develop employment opportunities for veterans. They also facilitate employment, training, and placement services to veterans. In addition, each Local Veterans' Employment Representative is administratively responsible to the manager of the employment service delivery system to provide quarterly reports to the manager of such office and to the Director of Veterans' Employment and Training regarding compliance with Federal

law and regulations with respect to special services and priorities for eligible veterans and eligible persons.

*Administration.*—Identifies policies and programs to serve and meet employment and training needs of veterans. Monitors the States' provision of priority of service to veterans. Evaluates job training and employment assistance services to veterans and provides technical assistance to States to ensure they meet negotiated performance goals. Works with States to provide incentive awards for outstanding performance. Coordinates a Transition Assistance Program with the Department of Defense and Veterans Affairs. That program ensures the provision of labor-market and employment-related information and other services to military service members separating from active duty to expedite and facilitate their transition from military to civilian employment. Administers programs designed to help homeless veterans become gainfully employed and to help veterans with service-connected disabilities and others with significant employment barriers obtain training and employment assistance. Promotes the concept of hiring veterans to employers, particularly Federal contractors. Provides information and investigates complaints to help veterans, reservists and members of the National Guard obtain employment and reemployment rights, including helping veterans obtain veterans' preference in Federal employment.

*National Veterans Employment and Training Services Institute.*—Administers the development of competency-based training courses and delivers training to Federal and State providers of services to veterans through a contract.

*Homeless veterans reintegration program.*—Provides grants to States or other public entities and non-profits, including faith-based organizations, to operate employment programs to reach out to homeless veterans and help them become employed. Coordinates with the Department of Veterans Affairs and Housing and Urban Development to promote multi-agency-funded programs and integration of the different services needed by homeless veterans. Grants are provided for both urban and rural areas.

*Veterans workforce investment program.*—Provides grants mostly to public entities for training, retraining and employment opportunities for veterans most at risk, including those with the service-connected disabilities, those with significant barriers to employment, and recently separated veterans. Provides smaller grant to non-profit organizations, including faith-based organizations, to conduct pilot or demonstration employment programs for hard-to-serve veterans.

Object Classification (in millions of dollars)

Identification code 16-0164-0-1-702	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1	15	17	17
12.1	4	4	5
21.0	2	1	1
23.1	1	1	1
23.3			
25.2	2	2	2
25.3	3	2	2
	5	2	2
41.0	181	181	189
99.0	213	210	219
99.5		1	1
99.9	213	211	220

Personnel Summary

Identification code 16-0164-0-1-702	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001	249	250	250

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

For the acquisition of a new core accounting system for the Department of Labor, including hardware and software infrastructure and the costs associated with implementation thereof, \$20,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 16-4601-0-4-505	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Financial and administrative services .....	75	67	92
09.02 Field services .....	30	32	34
09.04 Human resources services .....	9	10	10
09.05 Telecommunications .....	19	19	20
09.06 Investment in reinvention fund .....	.....	1	1
09.07 Non-DOL reimbursements .....	16	16	16
10.00 Total new obligations .....	149	145	173
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	5	4	4
22.00 New budget authority (gross) .....	142	145	173
22.10 Resources available from recoveries of prior year obligations .....	6	.....	.....
23.90 Total budgetary resources available for obligation	153	149	177
23.95 Total new obligations .....	-149	-145	-173
24.40 Unobligated balance carried forward, end of year .....	4	4	4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	.....	.....	20
Mandatory:			
63.00 Reappropriation .....	3	3	.....
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	139	142	153
70.00 Total new budget authority (gross) .....	142	145	173
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	14	9	9
73.10 Total new obligations .....	149	145	173
73.20 Total outlays (gross) .....	-149	-145	-156
73.45 Recoveries of prior year obligations .....	-6	.....	.....
74.40 Obligated balance, end of year .....	9	9	26
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	128	131	145
86.93 Outlays from discretionary balances .....	18	11	11
86.97 Outlays from new mandatory authority .....	3	3	.....
87.00 Total outlays (gross) .....	149	145	156
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-139	-142	-153
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	3	20
90.00 Outlays .....	9	3	3
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	4	4	4
99.01 Outlays .....	4	4	4

**Financial and administrative services.**—Provides support for financial systems on a Department-wide basis, financial services primarily for DOL national office staff, cost determination activities, maintenance of Departmental host computer systems, procurement and contract services, safety and health services, maintenance and operation of the Frances Perkins Building and general administrative support in the following areas: space and telecommunications, property and supplies, printing and reproduction and energy management.

**Field services.**—Provides full range of administrative and technical services to all agencies of the Department located

in its regional and field offices. These services are primarily in the personnel, financial, information technology and general administrative areas.

**Human resources services.**—Provides guidance to DOL agencies in Senior Executive Service resource management and in the management of Schedule "C" and expert and consultant services, development and administration of Departmental programs for personnel security and financial disclosure, direct staffing and position management services, and benefits counseling and services to DOL employees.

**Telecommunications.**—Provides for departmental telecommunications payments to the General Services Administration.

**Investment in reinvention fund.**—Finances agency reinvention proposals and other investment or capital acquisition projects in order to achieve savings and streamline work processes. The fund is self-sustaining, with agencies paying back the initial investment with savings generated through implementation of efficiencies and reinvention initiatives.

**Non-DOL reimbursements.**—Provides for services rendered to any entity or person for use of Departmental facilities and services, including associated utilities and security services, including support for regional consolidated administrative support unit activities. The income received from non-DOL agencies and organizations funds in full the costs of all services provided. This income is credited to and merged with other income received by the Working Capital Fund.

**Financing.**—The Working Capital Fund is funded by the agencies and organizations for which centralized services are performed at rates that return in full all expenses of operation, including reserves for accrued annual leave and depreciation of equipment.

**Object Classification (in millions of dollars)**

Identification code 16-4601-0-4-505	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	42	43	44
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	43	44	45
12.1 Civilian personnel benefits .....	14	15	16
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	8	8	9
23.3 Communications, utilities, and miscellaneous charges	28	28	28
25.1 Advisory and assistance services .....	5	4	4
25.2 Other services .....	28	15	35
25.3 Other purchases of goods and services from Government accounts .....	2	3	4
25.4 Operation and maintenance of facilities .....	1	8	11
25.7 Operation and maintenance of equipment .....	9	11	11
26.0 Supplies and materials .....	3	2	2
31.0 Equipment .....	7	6	7
99.9 Total new obligations .....	149	145	173

**Personnel Summary**

Identification code 16-4601-0-4-505	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	724	692	697

**ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS**

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows: Agency for International Development, Functional Development Assistance Program, Department of Education: Office of Vocational and Adult Education: "Vocational and Adult Education".

**GENERAL PROVISIONS**

SEC. 101. None of the funds appropriated in this title for the Job Corps shall be used to pay the compensation of an individual, either

as direct costs or any proration as an indirect cost, at a rate in excess of Executive Level II.

(TRANSFER OF FUNDS)

SEC. 102. Not to exceed 3 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) which are appropriated for the current fiscal year for the Department of Labor in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfer: Provided, That the Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of any transfer.

## TITLE V—GENERAL PROVISIONS

SEC. 501. The Secretaries of Labor, Health and Human Services, and Education are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: Provided, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

SEC. 502. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 503. (a) No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress or any State legislature, except in presentation to the Congress or any State legislature itself.

(b) No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any State legislature.

SEC. 504. The Secretaries of Labor and Education are authorized to make available not to exceed \$23,000 and \$20,000, respectively, from funds available for salaries and expenses under titles I and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed \$2,500 from the funds available for "Salaries and expenses, Federal Mediation and Conciliation Service"; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed \$2,500 from funds available for "Salaries and expenses, National Mediation Board".

SEC. 505. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

SEC. 506. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 507. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds included in this Act, including but not limited to State and local governments and recipients of Federal research

grants, shall clearly state: (1) the percentage of the total costs of the program or project which will be financed with Federal money; (2) the dollar amount of Federal funds for the project or program; and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

SEC. 508. (a) None of the funds appropriated under this Act, and none of the funds in any trust fund to which funds are appropriated under this Act, shall be expended for any abortion.

(b) None of the funds appropriated under this Act, and none of the funds in any trust fund to which funds are appropriated under this Act, shall be expended for health benefits coverage that includes coverage of abortion.

(c) The term "health benefits coverage" means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.

SEC. 509. (a) The limitations established in the preceding section shall not apply to an abortion—

(1) if the pregnancy is the result of an act of rape or incest; or

(2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

(b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds).

(c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider from offering abortion coverage or the ability of a State or locality to contract separately with such a provider for such coverage with State funds (other than a State's or locality's contribution of Medicaid matching funds).

SEC. 510. (a) None of the funds made available in this Act may be used for—

(1) the creation of a human embryo or embryos for research purposes; or

(2) research in which a human embryo or embryos are destroyed, discarded, or knowingly subjected to risk of injury or death greater than that allowed for research on fetuses in utero under 45 CFR 46.208(a)(2) and section 498(b) of the Public Health Service Act (42 U.S.C. 289g(b)).

(b) For purposes of this section, the term "human embryo or embryos" includes any organism, not protected as a human subject under 45 CFR 46 as of the date of the enactment of this Act, that is derived by fertilization, parthenogenesis, cloning, or any other means from one or more human gametes or human diploid cells.

SEC. 511. (a) None of the funds made available in this Act may be used for any activity that promotes the legalization of any drug or other substance included in schedule I of the schedules of controlled substances established by section 202 of the Controlled Substances Act (21 U.S.C. 812).

(b) The limitation in subsection (a) shall not apply when there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance or that federally sponsored clinical trials are being conducted to determine therapeutic advantage.

SEC. 512. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with an entity if—

(1) such entity is otherwise a contractor with the United States and is subject to the requirement in section 4212(d) of title 38, United States Code, regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and

(2) such entity has not submitted a report as required by that section for the most recent year for which such requirement was applicable to such entity.

SEC. 513. None of the funds made available in this Act may be used to promulgate or adopt any final standard under section 1173(b) of the Social Security Act (42 U.S.C. 1320d-2(b)) providing for, or providing for the assignment of, a unique health identifier for an individual (except in an individual's capacity as an employer or a health care provider), until legislation is enacted specifically approving the standard.



# DEPARTMENT OF STATE

## ADMINISTRATION OF FOREIGN AFFAIRS

### Federal Funds

#### General and special funds:

##### DIPLOMATIC AND CONSULAR PROGRAMS

For necessary expenses of the Department of State and the Foreign Service not otherwise provided for, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed \$700,000 of this appropriation), as authorized by section 801 of the United States Information and Educational Exchange Act of 1948, as amended; representation to certain international organizations in which the United States participates pursuant to treaties ratified pursuant to the advice and consent of the Senate or specific Acts of Congress; arms control, nonproliferation and disarmament activities as authorized; acquisition by exchange or purchase of passenger motor vehicles as authorized by law; and for expenses of general administration, \$3,516,843,000: Provided, That, of the amount made available under this heading, not to exceed \$4,000,000 may be transferred to, and merged with, funds in the "Emergencies in the Diplomatic and Consular Service" appropriations account, to be available only for emergency evacuations and terrorism rewards.

In addition, not to exceed \$1,371,000 shall be derived from fees collected from other executive agencies for lease or use of facilities located at the International Center in accordance with section 4 of the International Center Act, as amended; in addition, as authorized by section 5 of such Act, \$490,000, to be derived from the reserve authorized by that section, to be used for the purposes set out in that section; in addition, as authorized by section 810 of the United States Information and Educational Exchange Act, not to exceed \$6,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from English teaching, library, motion pictures, and publication programs and from fees from educational advising and counseling and exchange visitor programs; and, in addition, not to exceed \$15,000, which shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities.

In addition, for the costs of worldwide security upgrades, \$646,701,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Unavailable Collections (in millions of dollars)

Identification code 19-0113-0-1-153	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	11	11	11
Receipts:			
02.80 Diplomatic and consular programs, offsetting collections .....	829	1,286	1,482
04.00 Total: Balances and collections .....	840	1,297	1,493
Appropriations:			
05.00 Diplomatic and consular programs .....	-829	-1,286	-1,482
07.99 Balance, end of year .....	11	11	11

#### Program and Financing (in millions of dollars)

Identification code 19-0113-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Executive direction and policy formulation .....	240	247	248
00.02 Conduct of diplomatic relations .....	576	621	690
00.03 Conduct of public diplomacy .....	274	288	299
00.05 Conduct of consular relations .....	303	206	218
00.06 Professional development and training .....	84	85	97
00.07 Information management .....	496	515	535
00.08 Security .....	789	961	1,044

00.09 Medical .....	28	29	31
00.10 Administration and staff activities .....	1,043	1,227	1,154
09.01 Reimbursable program .....	1,028	1,286	1,286
10.00 Total new obligations .....	4,861	5,465	5,602

#### Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	383	356	114
22.00 New budget authority (gross) .....	4,701	5,223	5,646
22.10 Resources available from recoveries of prior year obligations .....	29		
22.22 Unobligated balance transferred from other accounts	104		
23.90 Total budgetary resources available for obligation	5,217	5,579	5,760
23.95 Total new obligations .....	-4,861	-5,465	-5,602
24.40 Unobligated balance carried forward, end of year .....	356	114	158

#### New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation .....	3,677	3,937	4,164
40.73 Reduction pursuant to P.L. 107-206 .....	-4		
43.00 Appropriation (total discretionary) .....	3,673	3,937	4,164
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	829	1,286	1,482
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	199		
68.90 Spending authority from offsetting collections (total discretionary) .....	1,028	1,286	1,482
70.00 Total new budget authority (gross) .....	4,701	5,223	5,646

#### Change in obligated balances:

72.40 Obligated balance, start of year .....	1,480	1,726	1,714
73.10 Total new obligations .....	4,861	5,465	5,602
73.20 Total outlays (gross) .....	-4,411	-5,477	-5,620
73.40 Adjustments in expired accounts (net) .....	-39		
73.45 Recoveries of prior year obligations .....	-29		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-199		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	63		
74.40 Obligated balance, end of year .....	1,726	1,714	1,696

#### Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	3,726	4,388	4,747
86.93 Outlays from discretionary balances .....	685	1,089	873
87.00 Total outlays (gross) .....	4,411	5,477	5,620

#### Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-435	-563	-545
88.40 Non-Federal sources .....	-426	-723	-937
88.90 Total, offsetting collections (cash) .....	-861	-1,286	-1,482
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-199		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	32		

#### Net budget authority and outlays:

89.00 Budget authority .....	3,673	3,937	4,164
90.00 Outlays .....	3,552	4,191	4,138

#### Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....	78	82	82
99.01 Outlays .....	78	82	82

The program described below is financed by this appropriation, by fees for services, and by reimbursements from other agencies. Those agencies are provided with most of their administrative services overseas by the Department of State. The programs and activities reflect the full integration of

**General and special funds—Continued**

**DIPLOMATIC AND CONSULAR PROGRAMS—Continued**

the Arms Control and Disarmament Agency and U.S. Information Agency (excluding broadcasting activities) into the Department beginning in 2000.

*Executive direction and policy formulation.*—This activity identifies resources which provide sound management through the direction of the Secretary and with the assistance of staff offices, specialized offices, and functional and regional bureaus, for policy formulation and in pursuit of regional and global foreign policy objectives including the hosting of various international conferences and meetings in the United States and abroad.

*Conduct of diplomatic relations.*—Resources of this activity are used to provide for: the political and economic reporting and analysis of interests to the United States; the representation of U.S. diplomatic and national interests to countries abroad; and the bilateral and multilateral negotiation of our foreign policy objectives, including the hosting of and participation in various international conferences, meetings and other multilateral activities in the United States and abroad. These resources also fund the conduct of U.S. diplomatic policy through political and multilateral affairs, economic and social affairs, international budgetary and management affairs, and participation in and hosting various international conferences. Resources also fund the management of U.S. participation in arms control, nonproliferation, and disarmament negotiations and other verification and compliance activities, in addition to funds otherwise available for such purposes.

*Conduct of consular relations.*—Activities included are: overseas and American citizen services; the issuance of passports to U.S. citizens both here and abroad; and, implementing a coordinated strategy to improve consular systems and processes in support of U.S. border security including sharing data with the Department of Homeland Security, the Department of Justice, the Intelligence Community and the Treasury Department. Visa services involve: the issuance, denial, and adjudication of immigrant and non-immigrant visas; refugee processing; and visa fraud detection and investigation. American citizen services include the issuance of passports, emergency and other assistance to American citizens abroad. Passport services include the issuance of passports in the United States and U.S. missions abroad and passport fraud detection and investigation.

*Conduct of Public Diplomacy.*—As a result of the merger of USIA into the Department of State in 2000, resources in this appropriation will support the conduct of international informational, educational, cultural and exchange programs of the United States and advising the President and the National Security Council on these matters. Formerly, these activities were carried out by the U.S. Information Agency. The resources in this activity are used to define, explain and advocate U.S. policies abroad and to seek to increase knowledge and understanding among foreign audiences of U.S. society and its values. Department posts also administer exchange-of-persons programs and conduct informational and cultural activities.

*Professional development and training.*—The professional development and training activity is a continuous process by which the Department ensures that its professionals have the skills, experience, and judgment to fulfill its functions at all levels. Training programs are designed to provide employees with the specific functional area and language skills needed for the conduct of foreign relations in the Department and abroad.

*Information management.*—This activity identifies resources that are used for the effective and efficient creation, collection, processing, transmission, dissemination, use, storage, and disposition of information required for the formulation and exe-

cutation of foreign policy and for the conduct of daily business. Its requirements are driven by the informational needs of the President, the Secretary of State, the Department and its 260 missions, and approximately fifty Government agencies. Components of the information management activity include: telecommunications; classified information handling; unclassified data and word processing; pouch, mail, and publishing services; administration of an electronic and archival records management program; document classification and declassification; information security; information technology capital planning; and, provision of information management services, as appropriate, to all branches of the Government and to the public.

In all of these programs, responsibilities range from policy setting to planning and design, implementation, operation, and maintenance. The Department manages large computer and communications centers to provide administrative, consular, economic, and political information. The computer systems support worldwide consular applications, financial management systems, management of building programs, and intelligence research systems.

*Security.*—This activity identifies resources that are used in meeting security and counter-terrorism responsibilities, including both foreign and domestic. Covered in this activity are: security operations; engineering services, which relate to the technical defense of U.S. Government personnel and establishments against electronic and physical attack; homeland security related activities; protection of dignitaries; and physical security operations.

*Medical.*—This activity encompasses medical programs for the Department of State, the Foreign Service, and other U.S. Government departments and agencies overseas. Services are provided in Washington as well as at missions worldwide and cover more than 90,000 employees, dependents and local hires.

*Administration and staff activities.*—These activities include normal domestic and overseas administrative services directly related to Department programs. They include:

- The direction and control of administration and management operations, representing and negotiating U.S. Government administrative matters with foreign officials, and reviewing and setting resource levels and priorities for various programs and bureaus financed by this appropriation.
- The budgeting, financial planning, and fiscal operations for bureaus and offices financed by this appropriation and most federal agencies resident abroad.
- The management, recruitment, and performance evaluation of Foreign and Civil Service employees (particularly the recruitment of qualified minorities, including Hispanics and African Americans) and Foreign Service National staff.
- The contracting and procurement of services and supplies, maintenance and repair of equipment and physical property (including the operation and routine maintenance of property directly leased or owned by the Department), vehicle operation, and shipping and customs services.
- Centralized funding for travel and transportation of effects associated with the assignment, transfer, home leave, and separation of the Department's personnel and dependents.

**Object Classification** (in millions of dollars)

Identification code 19-0113-0-1-153	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	1,118	1,130	1,178
11.3 Other than full-time permanent .....	101	105	109
11.5 Other personnel compensation .....	81	79	82
11.8 Special personal services payments .....	4	4	4

11.9	Total personnel compensation .....	1,304	1,318	1,373
12.1	Civilian personnel benefits .....	386	433	451
13.0	Benefits for former personnel .....	2	3	3
21.0	Travel and transportation of persons .....	156	198	204
22.0	Transportation of things .....	123	125	128
23.1	Rental payments to GSA .....	111	129	155
23.3	Communications, utilities, and miscellaneous charges .....	122	129	134
24.0	Printing and reproduction .....	14	19	20
25.1	Advisory and assistance services .....	18	18	18
25.2	Other services .....	578	658	625
	Other purchases of goods and services from Government accounts:			
25.3	Other purchases of goods and services from Government accounts .....	83	84	87
25.3	Purchases of goods and services from Government accounts (ICASS) .....	550	604	670
25.4	Operation and maintenance of facilities .....	41	42	42
25.6	Medical care .....	8	8	8
25.7	Operation and maintenance of equipment .....	4	5	5
26.0	Supplies and materials .....	81	99	102
31.0	Equipment .....	198	240	224
41.0	Grants, subsidies, and contributions .....	47	66	66
42.0	Insurance claims and indemnities .....	7	1	1
99.0	Direct obligations .....	3,833	4,179	4,316
99.0	Reimbursable obligations .....	1,028	1,286	1,286
99.9	Total new obligations .....	4,861	5,465	5,602

**Personnel Summary**

Identification code 19-0113-0-1-153	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	16,180	16,362	16,801
<b>Reimbursable:</b>				
Total compensable workyears:				
2001	Civilian full-time equivalent employment .....	3,253	3,635	3,873

**INTERNATIONAL INFORMATION PROGRAMS**

**Program and Financing (in millions of dollars)**

Identification code 19-0201-0-1-154	2002 actual	2003 est.	2004 est.	
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	16	11	6
73.20	Total outlays (gross) .....	-1	-5	-5
73.40	Adjustments in expired accounts (net) .....	-4		
74.40	Obligated balance, end of year .....	11	6	1
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	1	5	5
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	1	5	5

This appropriation provided for overseas information and cultural programs of the U.S. Information Agency designed to understand, inform, and influence foreign audiences. Starting in 2000, these activities are administered by the Department of State and funded from the Diplomatic and Consular programs and other accounts within the Department of State, except that such activities as are associated with international broadcasting functions are funded from the Broadcasting Board of Governors account. This schedule reflects the spend-out of prior year funds.

**ARMS CONTROL AND DISARMAMENT ACTIVITIES**

**Program and Financing (in millions of dollars)**

Identification code 94-0100-0-1-153	2002 actual	2003 est.	2004 est.	
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	2	2	

73.20	Total outlays (gross) .....		-2	
74.40	Obligated balance, end of year .....	2		
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....		2	
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....		2	

This appropriation provided for arms control, nonproliferation, and disarmament activities and participation in negotiations with other countries seeking international agreements to control, reduce, or eliminate arms. These activities are now funded from the Diplomatic and Consular Programs and other accounts within the Department of State. This schedule reflects the spend-out of prior year obligations.

**CAPITAL INVESTMENT FUND**

*For necessary expenses of the Capital Investment Fund, \$157,000,000, to remain available until expended, as authorized: Provided, That section 135(e) of Public Law 103-236 shall not apply to funds available under this heading.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing (in millions of dollars)**

Identification code 19-0120-0-1-153	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct Obligations .....	202	219	162
10.00	Total new obligations .....	202	219	162
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	35	47	5
22.00	New budget authority (gross) .....	203	177	157
22.10	Resources available from recoveries of prior year obligations .....	4		
22.22	Unobligated balance transferred from other accounts .....	8		
23.90	Total budgetary resources available for obligation .....	250	224	162
23.95	Total new obligations .....	-202	-219	-162
24.40	Unobligated balance carried forward, end of year .....	47	5	
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	203	177	157
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	81	141	181
73.10	Total new obligations .....	202	219	162
73.20	Total outlays (gross) .....	-138	-179	-185
73.45	Recoveries of prior year obligations .....	-4		
74.40	Obligated balance, end of year .....	141	181	158
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	88	89	79
86.93	Outlays from discretionary balances .....	50	90	107
87.00	Total outlays (gross) .....	138	179	185
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	203	177	157
90.00	Outlays .....	138	179	185

The Capital Investment Fund provides for the procurement of information technology and other related capital investments for the Department of State and is designed to ensure the efficient management, coordination, operation and utilization of such resources. The fund is used as a tool to acquire and maintain information technology and other related capital investments necessary to improve operational performance in light of the rapidly advancing technological environment.

The State Department has begun a comprehensive review of its IT investment process. The Department intends to col-

**General and special funds—Continued**

**CAPITAL INVESTMENT FUND—Continued**

laborate with USAID to complete an enterprise architecture to guide IT investments. State is working with USAID to identify IT systems where collaboration would be beneficial, beginning with financial management.

**Object Classification** (in millions of dollars)

Identification code 19-0120-0-1-153	2002 actual	2003 est.	2004 est.
25.2 Other services .....	130	141	104
31.0 Equipment .....	72	78	58
99.9 Total new obligations .....	202	219	162

**OFFICE OF INSPECTOR GENERAL**

*For necessary expenses of the Office of Inspector General, \$31,703,000, notwithstanding section 209(a)(1) of the Foreign Service Act of 1980, as amended (Public Law 96-465), as it relates to post inspections.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing** (in millions of dollars)

Identification code 19-0529-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Inspections and audits .....	21	23	24
00.03 Administration and staff activities .....	8	6	7
10.00 Total new obligations .....	29	29	31
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	29	29	32
23.95 Total new obligations .....	-29	-29	-31
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	29	29	32
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	5	5
73.10 Total new obligations .....	29	29	31
73.20 Total outlays (gross) .....	-29	-29	-31
74.40 Obligated balance, end of year .....	5	5	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	25	24	27
86.93 Outlays from discretionary balances .....	4	5	4
87.00 Total outlays (gross) .....	29	29	31
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	29	29	32
90.00 Outlays .....	29	29	31
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

This appropriation provides for the conduct or supervision of all audits, investigations, and inspections of the Department's programs and operations as mandated by the Inspector General Act of 1978, as amended, and the Foreign Service Act of 1980, as amended. The objectives of the Office of the Inspector General are to: (1) improve the economy, efficiency, and effectiveness of the Department's operations; (2) detect and prevent fraud, waste, abuse and mismanagement, and, (3) evaluate independently the formulation, applicability, and implementation of security standards at all U.S. diplomatic and consular posts. The Office also assesses the implementation of U.S. foreign policy, primarily through its inspection of all overseas posts and domestic offices on a cyclical basis.

The State Department's IG also serves as Inspector General of the Broadcasting Board of Governors, as mandated by law.

**Object Classification** (in millions of dollars)

Identification code 19-0529-0-1-153	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	19	19	20
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	20	20	21
12.1 Civilian personnel benefits .....	4	4	5
21.0 Travel and transportation of persons .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	2	2	2
99.9 Total new obligations .....	29	29	31

**Personnel Summary**

Identification code 19-0529-0-1-153	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	234	314	314

**EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS**

*For expenses of educational and cultural exchange programs, as authorized, \$345,346,000, to remain available until expended: Provided, That not to exceed \$2,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from or in connection with English teaching, educational advising and counseling programs, and exchange visitor programs as authorized.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing** (in millions of dollars)

Identification code 19-0209-0-1-154	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Academic Programs .....	140	150	141
00.02 Professional/Cultural Exchanges .....	76	86	73
00.03 Exchanges Support .....	29	31	31
00.04 Freedom Support Act Exchanges .....	101	34	92
00.05 SEED Exchanges .....	17	11	8
00.06 ESF Exchanges .....	8	4	.....
01.00 Subtotal, Direct Obligations .....	371	316	345
09.00 Reimbursable program .....	2	2	2
10.00 Total new obligations .....	373	318	347
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	40	71	.....
22.00 New budget authority (gross) .....	380	247	347
22.10 Resources available from recoveries of prior year obligations .....	11	.....	.....
22.22 Unobligated balance transferred from other accounts .....	13	.....	.....
23.90 Total budgetary resources available for obligation .....	444	318	347
23.95 Total new obligations .....	-373	-318	-347
23.98 Unobligated balance expiring or withdrawn .....	-1	.....	.....
24.40 Unobligated balance carried forward, end of year .....	71	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	252	245	345
40.35 Appropriation rescinded .....	-5	.....	.....
42.00 Transferred from other accounts .....	131	.....	.....
43.00 Appropriation (total discretionary) .....	378	245	345
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2	2	2
70.00 Total new budget authority (gross) .....	380	247	347
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	314	312	352

73.10	Total new obligations .....	373	318	347
73.20	Total outlays (gross) .....	-363	-278	-319
73.40	Adjustments in expired accounts (net) .....	-1		
73.45	Recoveries of prior year obligations .....	-11		
74.40	Obligated balance, end of year .....	312	352	380

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	121	125	175
86.93	Outlays from discretionary balances .....	242	153	144
87.00	Total outlays (gross) .....	363	278	319

**Offsets:**

88.00	Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources	-2	-2	-2
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**Net budget authority and outlays:**

89.00	Budget authority .....	378	245	345
90.00	Outlays .....	361	276	317

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	2	2	2
99.01	Outlays .....	2	2	2

This appropriation provides funding for international exchange programs authorized by the Mutual Educational and Cultural Exchange Act of 1961, as amended, to support U.S. foreign, economic, and security policy objectives and to assist in the development of friendly, sympathetic, and peaceful relations between the United States and other countries. These goals are addressed by fostering increased mutual understanding through international exchange and training activities. Programs under this appropriation include:

**Academic Exchanges.**—Includes the J. William Fulbright Educational Exchange Program for the exchange of students, scholars, and teachers between the United States and foreign countries; the Hubert H. Humphrey Fellowship Program of academic study and internships in the United States for mid-career professionals from developing countries; specially targeted graduate- and postdoctoral-level studies and research activities; U.S. overseas educational advising centers; American overseas research centers; programs in support of the study of the United States in other countries designed to promote better foreign understanding of the United States; and the Center for Cultural and Technical Interchange Between North and South (Dante B. Fascell North/South Center).

**Professional/Cultural Exchanges.**—Includes the International Visitor Program which supports professional development travel to the United States by current and emerging foreign leaders to obtain firsthand knowledge about the United States, its people, politics and culture; cooperative programs with non-governmental organizations, such as the Citizen Exchange Program which awards grants to U.S. non-profit organizations for professional, cultural, institutional, and grassroots community exchanges with foreign counterparts; and other programs.

**Interagency Appropriation Transfers.**—Includes primarily democracy and free-market development programs for the exchange of students, scholars, and professionals between the United States and the Newly Independent States of the former Soviet Union (NIS) and Central and Eastern Europe under the Freedom Support Act of 1992 and the Support for East European Democracy Act of 1989, through the end of 2003. At the beginning of 2004, all exchange programs will be consolidated into and administered by the State Department Bureau of Educational and Cultural Affairs program.

**Exchanges Support.**—Includes all domestic staff and support costs related to exchanges managed by the Bureau of Educational and Cultural Affairs; overseas staff and support costs related to English teaching abroad; government-wide exchanges coordination; and performance measurement of pro-

grams in accordance with the Government Performance and Results Act of 1993.

**Object Classification (in millions of dollars)**

Identification code 19-0209-0-1-154	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
11.1	Personnel compensation: Full-time permanent .....	20	20	20
12.1	Civilian personnel benefits .....	5	6	6
21.0	Travel and transportation of persons .....	2	2	2
25.2	Other services .....	4	3	3
41.0	Grants, subsidies, and contributions .....	340	285	314
99.0	Direct obligations .....	371	316	345
99.0	Reimbursable obligations .....	2	2	2
99.9	Total new obligations .....	373	318	347

**Personnel Summary**

Identification code 19-0209-0-1-154	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	318	309	309

**EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE**

*For necessary expenses for carrying out the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292-303), preserving, maintaining, repairing, and planning for buildings that are owned or directly leased by the Department of State, renovating, in addition to funds otherwise available, the Harry S Truman Building, and carrying out the Diplomatic Security Construction Program as authorized, \$653,000,000, to remain available until expended as authorized, of which not to exceed \$25,000 may be used for domestic and overseas representation as authorized: Provided, That none of the funds appropriated in this paragraph shall be available for acquisition of furniture, furnishings, or generators for other departments and agencies. In addition, for the costs of worldwide security upgrades, acquisition, and construction as authorized, \$861,400,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 19-0535-0-1-153	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Direct program:				
00.02	Worldwide Security Upgrades .....	1,044	755	862
00.03	Non-Security Capital Construction .....	33	50	128
00.05	Operations .....	536	494	517
00.06	Headquarters .....	7	7	7
00.09	Kosovo .....	8	11	4
01.00	Total direct program .....	1,628	1,317	1,518
09.01	Reimbursable program .....	127	205	175
10.00	Total new obligations .....	1,755	1,522	1,693
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	881	892	880
22.00	New budget authority (gross) .....	1,601	1,510	1,689
22.10	Resources available from recoveries of prior year obligations .....	121		
22.22	Unobligated balance transferred from other accounts	43		
23.90	Total budgetary resources available for obligation	2,646	2,402	2,569
23.95	Total new obligations .....	-1,755	-1,522	-1,693
24.40	Unobligated balance carried forward, end of year .....	892	880	876

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation .....	1,474	1,305	1,514
<b>Spending authority from offsetting collections:</b>				
Offsetting collections (cash):				
68.00	Offsetting collections from operations (cash) .....	62	120	120
68.00	Asset Management Program (cash) .....	43	85	55

**General and special funds—Continued****EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 19-0535-0-1-153	2002 actual	2003 est.	2004 est.
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	22		
68.90 Spending authority from offsetting collections (total discretionary) .....	127	205	175
70.00 Total new budget authority (gross) .....	1,601	1,510	1,689
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	872	1,522	1,741
73.10 Total new obligations .....	1,755	1,522	1,693
73.20 Total outlays (gross) .....	-961	-1,303	-1,380
73.45 Recoveries of prior year obligations .....	-121		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-22		
74.40 Obligated balance, end of year .....	1,522	1,741	2,053
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	335	423	431
86.93 Outlays from discretionary balances .....	626	880	949
87.00 Total outlays (gross) .....	961	1,303	1,380
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-76	-115	-115
88.40 Non-Federal sources .....	-29	-90	-60
88.90 Total, offsetting collections (cash) .....	-105	-205	-175
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-22		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,474	1,305	1,514
90.00 Outlays .....	856	1,098	1,205
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

Under the direction of the Secretary of State, the overall mission of the Bureau of Overseas Buildings Operations is to ensure that U.S. Diplomatic and Consular Missions abroad are provided safe, secure and functional facilities which will assist them in achieving the foreign policy objectives of the United States. Specific program functions in support of the mission include: providing guidance concerning overseas facilities to posts, regional bureaus and other foreign affairs agencies; providing expert space and facilities planning to posts; overseeing the design, construction and renovation of diplomatic facilities; incorporating security features into overseas and domestic facilities and ensuring the security of facilities during construction or renovation; establishing standards and policies for overseas housing; developing, in conjunction with posts, maintenance programs for post facilities and keeping inventory of maintenance requirements; ensuring the safety of the building occupants through the development of fire/life safety programs; and providing real property management that establishes priorities for the acquisition and disposal of real property, determines the best use for proceeds from the sale of real property, and maintains an inventory of U.S. Government real property holdings overseas. The Department intends to initiate a capital security cost sharing surcharge pilot program in 2004. The purpose of the program is to have all agencies (including State) contribute to the capital costs of constructing overseas facilities. By February 2003, OMB will, in consultation with the State Department, form a working group to review the proportionality of costs and space overseas. The Administration has tasked each Federal

agency with staff overseas to evaluate their current staffing levels and staffing plans for the future in order to assess a prospective charge per agency that is more fair and equitable in 2005. Each agency will then be charged this fee in 2005 based on their revised overseas staffing total and by the policies agreed to by the working group.

The objective of the Asset Management Program is to obtain the best use of diplomatic and consular properties overseas through sale, exchange, or redevelopment. Most often, this involves the sale of surplus or underutilized properties and reinvestment of the proceeds in properties that provide a greater return to the U.S. Government. Balances realized are slated for long-term capital investment that contains the growth of U.S. Government leasehold requirements (by acquiring property that reduces the need for leased facilities) or that addresses a high-priority need for new construction in lieu of appropriated resources.

This appropriation also provides for capital expenditures necessary to preserve, maintain, repair, and plan for buildings that are owned or directly leased by the Department of State in the United States and, in addition to funds otherwise made available, the renovation of the Main State building and Blair House.

**Object Classification (in millions of dollars)**

Identification code 19-0535-0-1-153	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	47	49	51
11.5 Other personnel compensation .....	25	26	27
11.9 Total personnel compensation .....	72	75	78
12.1 Civilian personnel benefits .....	24	25	26
21.0 Travel and transportation of persons .....	16	16	16
22.0 Transportation of objects .....	7	7	7
23.2 Rental payments to other entities .....	201	205	209
23.3 Communications, utilities, and miscellaneous charges .....	40	40	40
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	951	586	776
25.4 Operation and maintenance of facilities .....	74	76	78
25.7 Operation and maintenance of equipment .....	9	10	10
26.0 Supplies and materials .....	25	26	27
31.0 Equipment .....	41	41	41
32.0 Land and structures .....	164	205	205
41.0 Grants, subsidies, and contributions .....	3	4	4
99.0 Direct obligations .....	1,628	1,317	1,518
99.0 Reimbursable obligations .....	127	205	175
99.9 Total new obligations .....	1,755	1,522	1,693

**Personnel Summary**

Identification code 19-0535-0-1-153	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	623	787	787
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	10	10	10

**SECURITY AND MAINTENANCE OF UNITED STATES MISSIONS (SPECIAL FOREIGN CURRENCY PROGRAM)****Program and Financing (in millions of dollars)**

Identification code 19-0538-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Rents, M&R, Utilities .....			1
10.00 Total new obligations (object class 25.4) .....			1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	2	2

22.10	Resources available from recoveries of prior year obligations .....	1		
23.90	Total budgetary resources available for obligation .....	2	2	2
23.95	Total new obligations .....			-1
24.40	Unobligated balance carried forward, end of year .....	2	2	1
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1		
73.10	Total new obligations .....			1
73.20	Total outlays (gross) .....			-1
73.45	Recoveries of prior year obligations .....	-1		
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....			1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....			1

Amounts in this fund are used to acquire real property by lease, purchase, or construction; and to maintain, repair, or replace facilities in those localities where the U.S. Government owns excess foreign currency. This program will be terminated once balances from previous years have been expended.

REPRESENTATION ALLOWANCES

For representation allowances as authorized, \$9,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 19-0545-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	7	9	9
10.00 Total new obligations (object class 26.0) .....	7	9	9
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	7	9	9
23.95 Total new obligations .....	-7	-9	-9
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	7	9	9
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	1	1
73.10 Total new obligations .....	7	9	9
73.20 Total outlays (gross) .....	-7	-9	-9
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	6	8	8
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	7	9	9
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	7	9	9
90.00 Outlays .....	7	9	9

Amounts in this fund are used to reimburse, in part, State Department personnel for expenses incurred for official representation activities abroad and at missions to international organizations in the United States.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services, as authorized, \$10,000,000, to remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 19-0520-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Missions and officials to United Nations .....	8	9	8
00.02 Missions and officials in United States .....	1	2	2
10.00 Total new obligations (object class 41.0) .....	9	11	10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	9	11	10
23.95 Total new obligations .....	-9	-11	-10
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	9	11	10
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	12	20	21
73.10 Total new obligations .....	9	11	10
73.20 Total outlays (gross) .....	-1	-10	-17
74.40 Obligated balance, end of year .....	20	21	14
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	3	3
86.93 Outlays from discretionary balances .....		7	14
87.00 Total outlays (gross) .....	1	10	17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	9	11	10
90.00 Outlays .....	1	10	17

This appropriation provides for extraordinary protection: (1) in New York, of foreign missions and officials (including those accredited to the United Nations and other international organizations), and visiting foreign dignitaries under certain circumstances; and, (2) in certain other metropolitan areas in the United States, of international organizations, foreign missions and officials, and visiting foreign dignitaries under certain circumstances. Funds may also be used to: reimburse State or local authorities, contract for services by private security firms; or, to reimburse Federal agencies for extraordinary protective services.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, \$1,000,000, to remain available until expended as authorized, of which not to exceed \$1,000,000 may be transferred to and merged with the Repatriation Loans Program Account, subject to the same terms and conditions.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 19-0522-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Rewards .....	14	23	23
00.02 Other activities .....	9	18	18
10.00 Total new obligations (object class 91.0) .....	23	41	41
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	44	42	16
22.00 New budget authority (gross) .....	7	15	1
22.10 Resources available from recoveries of prior year obligations .....	5		
22.22 Unobligated balance transferred from other accounts .....	10		
23.90 Total budgetary resources available for obligation .....	66	57	17
23.95 Total new obligations .....	-23	-41	-41

**General and special funds—Continued****EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE—  
Continued****Program and Financing** (in millions of dollars)—Continued

Identification code 19-0522-0-1-153	2002 actual	2003 est.	2004 est.
24.40 Unobligated balance carried forward, end of year .....	42	16	-24
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	7	15	1
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	9	7	1
73.10 Total new obligations .....	23	41	41
73.20 Total outlays (gross) .....	-20	-48	-6
73.45 Recoveries of prior year obligations .....	-5		
74.40 Obligated balance, end of year .....	7	1	36
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	11	1
86.93 Outlays from discretionary balances .....	15	37	5
87.00 Total outlays (gross) .....	20	48	6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	7	15	1
90.00 Outlays .....	20	48	6

These funds are used primarily for purposes authorized by section 4 of the State Department Basic Authorities Act of 1956, as amended (22 U.S.C. 2671), for rewards authorized by section 36 of that Act, as amended (22 U.S.C. 2708), and for purposes authorized by section 804(3) of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1474(3)).

**BUYING POWER MAINTENANCE****Program and Financing** (in millions of dollars)

Identification code 19-0524-0-1-153	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	16	16	16
24.40 Unobligated balance carried forward, end of year .....	16	16	16
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

This account is available to offset losses due to exchange rate and overseas wage and price fluctuations unanticipated in the budget. Any gains due to fluctuations will be merged with this account to be available to offset future losses.

**PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN**

For necessary expenses to carry out the Taiwan Relations Act, Public Law 96-8, \$19,773,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 19-0523-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	19	19	20
10.00 Total new obligations .....	19	19	20
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	19	19	20

23.95 Total new obligations .....	-19	-19	-20
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**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	17	19	20
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	1		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	2		
70.00 Total new budget authority (gross) .....	19	19	20

**Change in obligated balances:**

73.10 Total new obligations .....	19	19	20
73.20 Total outlays (gross) .....	-19	-19	-20
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	1		

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	19	19	20
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**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-1		
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		

**Net budget authority and outlays:**

89.00 Budget authority .....	17	19	20
90.00 Outlays .....	18	19	20

**Object Classification** (in millions of dollars)

Identification code 19-0523-0-1-153	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.8 Personnel compensation: Special personal services payments .....	9	10	10
12.1 Civilian personnel benefits .....	2	2	3
23.2 Rental payments to others .....	3	3	3
25.2 Other services .....	2	3	3
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	17	19	20
99.0 Reimbursable obligations .....	2		
99.9 Total new obligations .....	19	19	20

The Taiwan Relations Act (Public Law 96-8) requires programs with respect to Taiwan to be carried out by or through the American Institute in Taiwan. AIT supports U.S. interests by promoting U.S. exports, economic and commercial services, cultural and information exchange, facilitating military sales, providing consular related services for Americans and the people on Taiwan, and on behalf of the Department of State and various U.S. Government agencies, carrying out liaison with Taiwan's counterpart organizations.

The Department will continue to contract with the Institute to conduct commercial, cultural, and other relations with the people on Taiwan.

**PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND**

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, \$134,979,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 19-0540-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	171	175	168
10.00 Total new obligations (object class 42.0) .....	171	175	168
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	171	175	168
23.95 Total new obligations .....	-171	-175	-168
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	171	175	168
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	171	175	168
73.20 Total outlays (gross) .....	-171	-175	-168
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	171	175	168
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	171	175	168
90.00 Outlays .....	171	175	168

The current appropriation finances, by 30 equal annual installments, any unfunded liability created by new or liberalized benefits, new groups of beneficiaries, and salary increases. In addition, the appropriation also finances the annual balance of the Foreign Service normal cost not met by employee and employer contributions.

The 2004 permanent appropriation provides a payment to the fund for disbursements attributable to liability from military service, the Foreign Service Pension System, and unfunded interest of the Foreign Service Retirement and Disability System.

FOREIGN SERVICE NATIONAL DEFINED CONTRIBUTIONS RETIREMENT FUND

Unavailable Collections (in millions of dollars)			
Identification code 19-5497-0-2-602	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			1
Receipts:			
02.40 Interest on investments, Foreign .....		1	1
02.41 Employing agency contributions .....		1	1
02.99 Total receipts and collections .....		2	2
04.00 Total: Balances and collections .....		2	3
Appropriations:			
05.00 Foreign service national defined contributions retirement fund .....		-1	-1
07.99 Balance, end of year .....		1	2

Program and Financing (in millions of dollars)			
Identification code 19-5497-0-2-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Retiree payments .....		1	1
10.00 Total new obligations (object class 42.0) .....		1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		1	1
23.95 Total new obligations .....		-1	-1
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....		1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		1	1

73.20 Total outlays (gross) .....	-1	-1
<b>Outlays (gross), detail:</b>		
86.98 Outlays from mandatory balances .....	1	1
<b>Net budget authority and outlays:</b>		
89.00 Budget authority .....	1	1
90.00 Outlays .....	1	1

This is a new retirement fund for Locally Employed Staff (LES) employed by the Department of State and other Foreign Affairs agencies. The purpose of the fund is to accumulate and distribute US Government contributions for end-of-service benefits for LES at overseas US missions where it has been determined that participation in the local social security system is not in the public interest. State will determine which countries will be eligible for participating in the fund. Upon separation, payments will be made from the fund as a lump sum paid directly to the employee.

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)			
Identification code 19-4519-0-4-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Publishing services .....	27	36	36
09.02 Supply services .....	6	5	5
09.03 Central support services .....	198	157	157
09.04 International cooperative administrative support services (ICASS) .....	1,180	1,006	1,104
10.00 Total new obligations .....	1,411	1,204	1,302
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	78	174	174
22.00 New budget authority (gross) .....	1,145	1,204	1,302
22.10 Resources available from recoveries of prior year obligations .....	362		
23.90 Total budgetary resources available for obligation .....	1,585	1,378	1,476
23.95 Total new obligations .....	-1,411	-1,204	-1,302
24.40 Unobligated balance carried forward, end of year .....	174	174	174
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	1,047	1,302	1,302
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	98	-98	
69.90 Spending authority from offsetting collections (total mandatory) .....	1,145	1,204	1,302
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	68	-41	37
73.10 Total new obligations .....	1,411	1,204	1,302
73.20 Total outlays (gross) .....	-1,060	-1,224	-1,292
73.45 Recoveries of prior year obligations .....	-362		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-98	98	
74.40 Obligated balance, end of year .....	-41	37	47
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	930	1,084	1,172
86.98 Outlays from mandatory balances .....	130	140	120
87.00 Total outlays (gross) .....	1,060	1,224	1,292
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1,047	-1,302	-1,302
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-98	98	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	13	-78	-10

## Intragovernmental funds—Continued

## WORKING CAPITAL FUND—Continued

This fund, authorized by section 13 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2684), finances on a reimbursable basis, certain administrative services, such as printing and reproduction, editorial material, motor pool operations and dispatch agencies operations, inter-agency cooperative administrative support services, and expenses of carrying out the Foreign Missions Act, including any acquisitions of property under section 204(f) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4304(f)).

Using the Working Capital Fund, the International Cooperative Administrative Support Services (ICASS) program was fully implemented in 1998. ICASS restructures overseas administrative support activities to allow more decision-making and managerial participation by all participating agencies, more equitable cost distribution, and incentives for efficient provision of services. Under ICASS, each agency represented at an overseas post chooses the services it wishes to receive and pays a proportional share of the cost of those services. Working through inter-agency councils at each overseas post, all agencies have a say in determining post administrative budgets and defining service standards, as well as reviewing costs and vendor performance.

## Object Classification (in millions of dollars)

Identification code 19-4519-0-4-153	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	314	311	311
11.3 Other than full-time permanent .....	145	148	148
11.5 Other personnel compensation .....	9	6	6
11.9 Total personnel compensation .....	468	465	465
12.1 Civilian personnel benefits .....	134	133	133
13.0 Benefits for former personnel .....	2	2	2
21.0 Travel and transportation of persons .....	28	23	23
22.0 Transportation of things .....	53	51	51
23.2 Rental payments to others .....	160	80	120
23.3 Communications, utilities, and miscellaneous charges .....	112	83	83
24.0 Printing and reproduction .....	14	10	10
25.2 Other services .....	232	200	244
26.0 Supplies and materials .....	92	79	79
31.0 Equipment .....	99	63	77
41.0 Grants, subsidies, and contributions .....	17	15	15
99.9 Total new obligations .....	1,411	1,204	1,302

## Personnel Summary

Identification code 19-4519-0-4-153	2002 actual	2003 est.	2004 est.
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	7,417	7,417	7,417

## Credit accounts:

## REPATRIATION LOANS PROGRAM ACCOUNT

For the cost of direct loans, \$612,000, as authorized: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974. In addition, for administrative expenses necessary to carry out the direct loan program, \$607,000, which may be transferred to and merged with the Diplomatic and Consular Programs account under Administration of Foreign Affairs.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 19-0601-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	1	1	1
10.00 Total new obligations (object class 41.0) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1	1	1
23.95 Total new obligations .....	-1	-1	-1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1

## Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 19-0601-0-1-153	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Repatriation Direct Loans .....	1	1	1
115901 Total direct loan levels .....	1	1	1
Direct loan subsidy (in percent):			
132001 Repatriation Direct Loans .....	80.00	80.00	70.75
132901 Weighted average subsidy rate .....	80.00	80.00	70.75
Direct loan subsidy budget authority:			
133001 Repatriation Direct Loans .....	1	1	1
133901 Total subsidy budget authority .....	1	1	1
Direct loan subsidy outlays:			
134001 Repatriation Direct Loans .....	1	1	1
134901 Total subsidy outlays .....	1	1	1

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs and administrative expenses associated with the direct loans. The subsidy amounts are estimated on a present value basis, the administrative expenses are estimated on a cash basis.

## REPATRIATION LOANS FINANCING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 19-4107-0-3-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	1	1	1
10.00 Total new obligations (object class 25.2) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....	1	1	2
22.10 Resources available from recoveries of prior year obligations .....	-1	-1	-1
23.90 Total budgetary resources available for obligation .....	1	1	1
23.95 Total new obligations .....	-1	-1	-1
<b>New financing authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	1	1	2

<b>Change in obligated balances:</b>				
73.10	Total new obligations .....	1	1	1
73.45	Recoveries of prior year obligations .....	1	1	1
87.00	Total financing disbursements (gross) .....	1	1	1
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account .....	-1	-1	-1
88.40	Non-Federal sources .....			-1
88.90	Total, offsetting collections (cash) .....	-1	-1	-2
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....			
90.00	Financing disbursements .....			-1

**Status of Direct Loans (in millions of dollars)**

Identification code 19-4107-0-3-153		2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....	1	1	1
1150	Total direct loan obligations .....	1	1	1
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	4	4	4
1231	Disbursements: Direct loan disbursements .....	1	1	1
1251	Repayments: Repayments and prepayments .....			-1
1263	Write-offs for default: Direct loans .....	-1	-1	
1290	Outstanding, end of year .....	4	4	4

**Balance Sheet (in millions of dollars)**

Identification code 19-4107-0-3-153		2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>					
1601	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross .....	1	1	1	1
1999	Total assets .....	1	1	1	1
<b>LIABILITIES:</b>					
2104	Federal liabilities: Resources payable to Treasury .....	1	1	1	1
2999	Total liabilities .....	1	1	1	1
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....				
3999	Total net position .....				
4999	Total liabilities and net position .....	1	1	1	1

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans starting with obligations made in 1992 (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Trust Funds**

**FOREIGN SERVICE RETIREMENT AND DISABILITY FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 19-8186-0-7-602		2002 actual	2003 est.	2004 est.
01.99	Balance, start of year .....	11,192	11,735	12,294
Receipts:				
02.00	Deductions from employees salaries .....	24	25	24
02.40	Interest on investments .....	767	798	825
02.41	Employing agency contributions .....	146	144	148
02.42	Receipts from civil service retirement and disability fund .....		1	1
02.43	Federal contributions .....	216	220	212

02.99	Total receipts and collections .....	1,153	1,188	1,210
04.00	Total: Balances and collections .....	12,345	12,923	13,504
Appropriations:				
05.00	Foreign Service retirement and disability fund .....	-610	-629	-648
05.99	Total appropriations .....	-610	-629	-648
07.99	Balance, end of year .....	11,735	12,294	12,856

**Program and Financing (in millions of dollars)**

Identification code 19-8186-0-7-602		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Payments to beneficiaries .....	603	622	641
00.02	Refunds and gratuities .....	7	7	7
10.00	Total new obligations .....	610	629	648

**Budgetary resources available for obligation:**

22.00	New budget authority (gross) .....	610	629	648
23.95	Total new obligations .....	-610	-629	-648

**New budget authority (gross), detail:**

<b>Mandatory:</b>				
60.26	Appropriation (trust fund) .....	1,153	1,188	1,210
60.28	Appropriation (unavailable balances) .....	11,192	11,735	12,294
60.45	Portion precluded from obligation .....	-11,735	-12,294	-12,856
62.50	Appropriation (total mandatory) .....	610	629	648

**Change in obligated balances:**

73.10	Total new obligations .....	610	629	648
73.20	Total outlays (gross) .....	-610	-629	-648

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority .....	610	629	648
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**Net budget authority and outlays:**

89.00	Budget authority .....	610	629	648
90.00	Outlays .....	610	629	648

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: Federal securities: Par value .....	11,192	11,735	12,294
92.02	Total investments, end of year: Federal securities: Par value .....	11,735	12,294	12,856

The fund is maintained through: (a) contributions by participants, consisting of all Foreign Service Officers, Foreign Service information officers, Foreign Service reserve officers with unlimited tenure, and all Foreign Service staff officers and employees with unlimited appointments; (b) matching Government contributions; (c) special Government contributions from the Payment to the Foreign Service Retirement and Disability Fund; (d) interest on investments (22 U.S.C. 4042); and (e) voluntary contributions.

Approximately 15,400 annuitants will be paid retirement benefits from this fund in 2004, compared with an estimated 15,200 to be paid in 2003 and 15,000 paid in 2002. Gratuities and refunds represent payments to eligible former participants leaving the retirement system.

The status of the fund is as follows:

**Status of Funds (in millions of dollars)**

Identification code 19-8186-0-7-602		2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:				
0101	Federal securities: Par value .....	11,192	11,735	12,294
Cash income during the year:				
Current law:				
Receipts:				
1200	Deductions from employees salaries, Foreign Service retirement and disability fund .....	24	25	24
Offsetting receipts (intragovernmental):				
1240	Interest on investments, foreign Service retirement and disability fund .....	767	798	825
1241	Employing agency contributions, foreign service retirement and disability fund .....	146	144	148

## FOREIGN SERVICE RETIREMENT AND DISABILITY FUND—Continued

## Status of Funds (in millions of dollars)—Continued

Identification code 19-8186-0-7-602	2002 actual	2003 est.	2004 est.
1242 Receipts from civil service retirement and disability fund, foreign service retirement and disability fund .....		1	1
1243 Federal contributions, foreign service retirement and disability fund .....	216	220	212
1299 Income under present law .....	1,153	1,188	1,210
Cash outgo during year:			
Current law:			
4500 Foreign service retirement and disability fund .....	-610	-629	-648
Unexpended balance, end of year:			
8701 Federal securities: Par value .....	11,734	12,294	12,856
8799 Total balance, end of year .....	11,735	12,294	12,856

## Object Classification (in millions of dollars)

Identification code 19-8186-0-7-602	2002 actual	2003 est.	2004 est.
42.0 Insurance claims and indemnities .....	603	622	641
44.0 Refunds .....	7	7	7
99.9 Total new obligations .....	610	629	648

## FOREIGN SERVICE NATIONAL SEPARATION LIABILITY TRUST FUND

## Unavailable Collections (in millions of dollars)

Identification code 19-8340-0-7-602	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	18	21	25
Receipts:			
02.40 Foreign service national separation liability trust fund, State .....	10	9	9
02.41 Foreign service national separation liability trust fund, AID .....	3	2	2
02.42 Foreign service national separation liability trust fund, BIB .....		1	1
02.99 Total receipts and collections .....	13	12	12
04.00 Total: Balances and collections .....	31	33	37
Appropriations:			
05.00 Foreign service national separation liability trust fund, State .....	-10	-8	-8
07.99 Balance, end of year .....	21	25	29

## Program and Financing (in millions of dollars)

Identification code 19-8340-0-7-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	9	8	8
10.00 Total new obligations (object class 42.0) .....	9	8	8
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	85	85	85
22.00 New budget authority (gross) .....	10	8	8
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	96	93	93
23.95 Total new obligations .....	-9	-8	-8
24.40 Unobligated balance carried forward, end of year .....	85	85	85
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	10	8	8
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10	10	9
73.10 Total new obligations .....	9	8	8
73.20 Total outlays (gross) .....	-8	-8	-8
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	10	9	9

<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	8	8	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	10	8	8
90.00 Outlays .....	9	8	8

This fund is maintained to pay separation costs for Foreign Service National employees of the Department of State in those countries in which such pay is legally authorized. The fund, as authorized by section 151 of Public Law 102-138 (22 U.S.C. 4012a), is maintained by annual government contributions which are appropriated in the Department's operating accounts and the International Narcotics Control and Law Enforcement account.

## MISCELLANEOUS TRUST FUNDS

## Unavailable Collections (in millions of dollars)

Identification code 19-9971-0-7-153	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	6	5	4
Receipts:			
02.00 Department of State unconditional gift fund .....	1	2	2
02.01 Deposits, State conditional gift fund .....	32	2	2
02.02 Contributions, Educational and cultural exchange, USIA .....		1	1
02.40 Interest, Miscellaneous trust funds, USIA .....		1	1
02.99 Total receipts and collections .....	33	6	6
04.00 Total: Balances and collections .....	39	11	10
Appropriations:			
05.00 Miscellaneous trust funds .....	-34	-7	-7
05.99 Total appropriations .....	-34	-7	-7
07.99 Balance, end of year .....	5	4	3

## Program and Financing (in millions of dollars)

Identification code 19-9971-0-7-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Conditional gift fund .....	32	1	1
00.02 Unconditional gift fund .....	2	5	5
00.05 Information and Exchange Programs .....		1	1
10.00 Total new obligations (object class 25.2) .....	34	7	7
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	34	7	7
23.95 Total new obligations .....	-34	-7	-7
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	33	6	6
60.28 Appropriation (unavailable balances) .....	12	11	10
60.45 Portion precluded from obligation .....	-11	-10	-9
62.50 Appropriation (total mandatory) .....	34	7	7
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	13	10	9
73.10 Total new obligations .....	34	7	7
73.20 Total outlays (gross) .....	-38	-9	-8
74.40 Obligated balance, end of year .....	10	9	10
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	31	4	4
86.98 Outlays from mandatory balances .....	7	5	4
87.00 Total outlays (gross) .....	38	9	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	34	7	7
90.00 Outlays .....	38	9	8
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	3	5	

92.02	Total investments, end of year: Federal securities:		
	Par value .....	5	

*Gift fund.*—The Department has authority to accept gifts for use in carrying out the Department's functions pursuant to statute, including section 25 of the State Department Basic Authorities Act (22 U.S.C. 2697). Among other purposes, funds are used to renovate, furnish and maintain the Department's diplomatic reception rooms and embassy properties overseas.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### Federal Funds

#### General and special funds:

##### CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

*For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, \$1,010,463,000: Provided, That any payment of arrearages under this title shall be directed toward special activities that are mutually agreed upon by the United States and the respective international organization: Provided further, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 19-1126-0-1-153	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Food and Agriculture Organization (FAO) .....	73	73	73
00.02	Int'l Atomic Energy Agency (IAEA) .....	47	57	54
00.03	Int'l Civil Aviation Organization (ICAO) .....	12	12	13
00.04	Int'l Labor Organization (ILO) .....	55	57	50
00.05	Int'l Maritime Organization (IMO) .....	1	1	1
00.06	Int'l Telecommunications Union (ITU) .....	6	7	7
00.07	United Nations—Regular .....	251	232	322
00.08	United Nations—War Crimes Tribunals .....	24	27	30
00.10	Iraq War Crimes Commission .....		4	2
00.11	UN—Capital Master Plan .....		8	
00.12	UN—Capital Master Plan Task Force .....		1	
00.13	Universal Postal Union (UPU) .....	1	1	1
00.14	World Health Organization (WHO) .....	108	94	94
00.15	World Intellectual Property Org. (WIPO) .....	1	1	1
00.16	World Meteorological Org. (WMO) .....	8	9	8
00.17	UNESCO .....			71
00.91	Direct Program by Activities—Subtotal UN and Affiliated Agencies .....	587	584	727
01.01	Inter-American Institute for Cooperation on Agriculture (IICA) .....	17	17	17
01.02	Organization of American States (OAS) .....	54	54	55
01.03	Pan American Health Organization (PAHO) .....	55	56	56
01.91	Direct Program by Activities—Subtotal Inter-American Organizations .....	126	127	128
02.01	Asia-Pacific Economic Cooperation (APEC) .....	1	1	1
02.03	North Atlantic Assembly (NATO-PA) .....	1	1	1
02.04	North Atlantic Treaty Organization (NATO) .....	42	52	47
02.05	Organization for Economic Cooperation and Development (OECD) .....	53	69	62
02.06	South Pacific Commission (SPC) .....	1	1	1
02.91	Direct Program by Activities—Subtotal Regional Organizations .....	98	124	112
03.01	Organization for the Prohibition of Chemical Weapons (OPCW) .....	11	15	14
03.02	OPCW—Title IV & V .....	2	5	5
03.03	World Trade Organization/General Agreement on Tariffs and Trade (WTO) .....	13	15	15
03.04	Other International Organizations .....	8	9	9

03.91	Direct Program by Activities—Subtotal Other International Organizations .....	34	44	43
04.01	UN Buydown .....	47	19	
10.00	Total new obligations (object class 41.0) .....	892	898	1,010

#### Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year .....		7	
22.00	New budget authority (gross) .....	899	891	1,010
23.90	Total budgetary resources available for obligation .....	899	898	1,010
23.95	Total new obligations .....	–892	–898	–1,010
24.40	Unobligated balance carried forward, end of year .....	7		

#### New budget authority (gross), detail:

Discretionary:				
40.00	Appropriation .....	857	891	1,010
42.00	Transferred from other accounts .....	42		
43.00	Appropriation (total discretionary) .....	899	891	1,010

#### Change in obligated balances:

72.40	Obligated balance, start of year .....	48	97	18
73.10	Total new obligations .....	892	898	1,010
73.20	Total outlays (gross) .....	–832	–977	–1,008
73.40	Adjustments in expired accounts (net) .....	–11		
74.40	Obligated balance, end of year .....	97	18	20

#### Outlays (gross), detail:

86.90	Outlays from new discretionary authority .....	829	873	990
86.93	Outlays from discretionary balances .....	3	104	18
87.00	Total outlays (gross) .....	832	977	1,008

#### Net budget authority and outlays:

89.00	Budget authority .....	899	891	1,010
90.00	Outlays .....	833	977	1,008

As a member of the organizations listed above, the United States contributes an assessed share of the budgets of those organizations net of certain withholdings. The purpose of this appropriation is to ensure continued American leadership within the United Nations and other international organizations that serve important U.S. interests.

#### CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

*For necessary expenses to pay assessed and other expenses of international peacekeeping activities directed to the maintenance or restoration of international peace and security, \$550,200,000, of which 15 percent shall remain available until September 30, 2005: Provided, That none of the funds made available under this Act shall be obligated or expended for any new or expanded United Nations peacekeeping mission unless, at least 15 days in advance of voting for the new or expanded mission in the United Nations Security Council (or in an emergency as far in advance as is practicable): (1) the Committees on Appropriations of the House of Representatives and the Senate and other appropriate committees of the Congress are notified of the estimated cost and length of the mission, the vital national interest that will be served, and the planned exit strategy; and (2) a reprogramming of funds pursuant to section 605 of this Act is submitted, and the procedures therein followed, setting forth the source of funds that will be used to pay for the cost of the new or expanded mission: Provided further, That funds shall be available for peacekeeping expenses only upon a certification by the Secretary of State to the appropriate committees of the Congress that American manufacturers and suppliers are being given opportunities to provide equipment, services, and material for United Nations peacekeeping activities equal to those being given to foreign manufacturers and suppliers: Provided further, That none of the funds made available under this heading are available to pay the United States share of the cost of court monitoring that is part of any United Nations peacekeeping mission.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General and special funds—Continued****CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES—  
Continued****Program and Financing (in millions of dollars)**

Identification code 19–1124–0–1–153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 U.N. Disengagement Observer Force (UNDOF) .....	11	8	10
00.02 U.N. Interim Force in Lebanon (UNIFIL) .....	24	34	31
00.03 U.N. Iraq-Kuwait Observer Mission (UNIKOM) .....	5	4	5
00.04 UN Mission for the Referendum in Western Sahara (MINURSO) .....	14	12	11
00.05 U.N. Mission in Bosnia and Herzegovina (UNMIBH) .....	24	.....	.....
00.06 UN Mission in Kosovo (UNMIK) .....	83	97	83
00.07 U.N. Mission in Cyprus (UNFICYP) .....	7	5	6
00.08 U.N. Observer Mission in Georgia (UNOMIG) .....	8	6	9
00.09 War Crimes Tribunal—Yugoslavia .....	18	15	20
00.10 War Crimes Tribunal—Rwanda .....	14	12	19
00.11 U.N. Mission in Sierra Leone (UNAMSIL) .....	270	146	84
00.12 U.N. Transitional Administration in East Timor (UNTAET) .....	119	58	9
00.13 U.N. Organization Mission in the Democratic Republic of the Congo (MONUC) .....	235	280	210
00.14 U.N. Mission in Ethiopia and Eritria (UNMEE) .....	73	56	53
00.15 Strategic Deployment Stocks .....	.....	39	.....
10.00 Total new obligations (object class 41.0) .....	905	772	550
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	127	46	.....
22.00 New budget authority (gross) .....	825	726	550
23.90 Total budgetary resources available for obligation .....	952	772	550
23.95 Total new obligations .....	–905	–772	–550
24.40 Unobligated balance carried forward, end of year .....	46	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	867	726	550
41.00 Transferred to other accounts .....	–42	.....	.....
43.00 Appropriation (total discretionary) .....	825	726	550
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	620	591	35
73.10 Total new obligations .....	905	772	550
73.20 Total outlays (gross) .....	–913	–1,328	–574
73.40 Adjustments in expired accounts (net) .....	–21	.....	.....
74.40 Obligated balance, end of year .....	591	35	11
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	267	711	539
86.93 Outlays from discretionary balances .....	646	617	35
87.00 Total outlays (gross) .....	913	1,328	574
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	825	726	550
90.00 Outlays .....	913	1,328	574

This appropriation provides funds for the United States' share of the expenses associated with United Nations (UN) peacekeeping operations for which costs are distributed among UN members and are based on a scale of assessments. The purpose of this appropriation is to ensure continued American leadership in support of United Nations peacekeeping activities that serve U.S. interests in promoting international security, stability and democracy.

**ARREARAGE PAYMENTS****Program and Financing (in millions of dollars)**

Identification code 19–1130–0–1–153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program .....	582	244	.....
10.00 Total new obligations (object class 41.0) .....	582	244	.....

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	826	244	.....
23.95 Total new obligations .....	–582	–244	.....
24.40 Unobligated balance carried forward, end of year .....	244	.....	.....

<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	582	244	.....
73.20 Total outlays (gross) .....	–582	–244	.....

<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	582	244	.....

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	582	244	.....

This account makes arrearage payments to the United Nations and other international organizations.

**INTERNATIONAL CONFERENCES AND CONTINGENCIES****Program and Financing (in millions of dollars)**

Identification code 19–1125–0–1–153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	.....	1	3
10.00 Total new obligations (object class 26.0) .....	.....	1	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	4	3
23.95 Total new obligations .....	.....	–1	–3
24.40 Unobligated balance carried forward, end of year .....	4	3	.....
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	.....	1	3
73.20 Total outlays (gross) .....	.....	–1	–3
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	.....	1	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	1	3

Activities formerly funded by this account are now funded by State's Diplomatic and Consular Programs account. No new funding is being requested in 2004 and closeout obligations are planned for 2003 and 2004.

**INTERNATIONAL COMMISSIONS****Federal Funds****General and special funds:****INTERNATIONAL COMMISSIONS**

*For necessary expenses, not otherwise provided for, to meet obligations of the United States arising under treaties, or specific Acts of Congress, as follows:*

**INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES  
AND MEXICO**

*For necessary expenses for the United States Section of the International Boundary and Water Commission, United States and Mexico, and to comply with laws applicable to the United States Section, including not to exceed \$6,000 for representation; as follows:*

**SALARIES AND EXPENSES**

*For salaries and expenses, not otherwise provided for, \$31,562,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 19-1069-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Administration .....	7	6	7
00.02 Engineering .....	2	2	2
00.03 Operation and maintenance .....	16	19	21
09.01 Reimbursable program .....	5	6	7
10.00 Total new obligations .....	30	33	37
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	30	33	38
23.95 Total new obligations .....	-30	-33	-37
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	25	27	32
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	5	6	6
70.00 Total new budget authority (gross) .....	30	33	38
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	6	8
73.10 Total new obligations .....	30	33	37
73.20 Total outlays (gross) .....	-27	-33	-37
74.40 Obligated balance, end of year .....	6	8	9
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	26	29	33
86.93 Outlays from discretionary balances .....	1	4	4
87.00 Total outlays (gross) .....	27	33	37
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-3	-6	-6
88.40 Non-Federal sources .....	-2		
88.90 Total, offsetting collections (cash) .....	-5	-6	-6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	25	27	32
90.00 Outlays .....	21	27	31
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

Pursuant to treaties between the United States and Mexico and United States law, the U.S. Section of the International Boundary and Water Commission is charged with the identification and solution of boundary and water problems arising along the 1,952-mile common border, including the southern borders of Texas, New Mexico, Arizona and California. Administration, Engineering and Operations and Maintenance activities are also funded by the Salaries and Expenses appropriation.

**Administration.**—Resources under this heading provide for: negotiations and supervision of joint projects—with Mexico to solve international boundary, water, and environmental problems; overall control of the operation of the U.S. section of the Commission; formulation of operating policies and procedures; support to the Border Environmental Cooperation Commission; and, financial management and administrative services to carry out international obligations of the United States, pursuant to treaty and congressional authorization.

**Engineering.**—Resources under this heading provide for: (a) technical engineering guidance and supervision of the planning, construction, operation and maintenance, and environmental monitoring and compliance of international projects; (b) studies relating to international problems of a continuing nature; and, (c) preliminary surveys and investigations to determine the need for and feasibility of projects for the solution of international problems arising along the boundary.

**Operation and maintenance.**—This activity finances the measurement and determination of the national ownership of boundary waters and the distribution thereof, as well as the U.S. part of the operations and maintenance of sanitation facilities, river channel and levee projects, flood control dams and hydroelectric power, gauging stations, water quality control projects and boundary demarcation, monuments, and markers. Reimbursements are received from Mexico for O&M costs of the South Bay and Nogales International Wastewater Treatment Plants as well as from the City of Nogales for O&M at Nogales. Other reimbursements are received from the Western Area Power Administration, U.S. Department of Energy, for O&M and capital costs of hydroelectric generation at Falcon and Amistad International Dams.

**Object Classification** (in millions of dollars)

Identification code 19-1069-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	12	12	13
12.1 Civilian personnel benefits .....	3	3	3
21.0 Travel and transportation of persons .....	1	1	1
22.0 Transportation of things .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
25.2 Other services .....	3	5	8
26.0 Supplies and materials .....	1	1	1
41.0 Grants, subsidies, and contributions .....	1	1	1
99.0 Direct obligations .....	25	27	31
99.0 Reimbursable obligations .....	5	6	6
99.9 Total new obligations .....	30	33	37

**Personnel Summary**

Identification code 19-1069-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	209	258	258
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	18	22	22

**CONSTRUCTION**

For detailed plan preparation and construction of authorized projects, \$8,901,000, to remain available until expended, as authorized.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 19-1078-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.03 Rio Grande Construction .....	3	3	3
00.05 Boundary-wide radio/equipment replacement .....	2	2	2
00.07 Facilities renovation .....	1	1	1
00.08 Secondary Sewage Treatment .....		3	2
00.09 Colorado River boundary/flood control .....		1	1
01.00 Total, Direct Program .....	6	10	9
09.01 Reimbursable program .....	5	10	10
10.00 Total new obligations .....	11	20	19
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	9	8	7
22.00 New budget authority (gross) .....	10	20	19
23.90 Total budgetary resources available for obligation .....	19	28	26
23.95 Total new obligations .....	-11	-20	-19
24.40 Unobligated balance carried forward, end of year .....	8	7	6

## General and special funds—Continued

## CONSTRUCTION—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 19-1078-0-1-301	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	5	10	9
Appropriation .....			
68.00	5	10	10
Spending authority from offsetting collections: Offsetting collections (cash) .....			
70.00	10	20	19
Total new budget authority (gross) .....			
<b>Change in obligated balances:</b>			
72.40	11	4	9
Obligated balance, start of year .....			
73.10	11	20	19
Total new obligations .....			
73.20	-20	-15	-18
Total outlays (gross) .....			
74.40	4	9	11
Obligated balance, end of year .....			
<b>Outlays (gross), detail:</b>			
86.90	6	12	12
Outlays from new discretionary authority .....			
86.93	14	3	6
Outlays from discretionary balances .....			
87.00	20	15	18
Total outlays (gross) .....			
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	-1	-7	-7
Federal sources .....			
88.45	-4	-3	-3
Offsetting governmental collections (from non-Federal sources) .....			
88.90	-5	-10	-10
Total, offsetting collections (cash) .....			
<b>Net budget authority and outlays:</b>			
89.00	5	10	9
Budget authority .....			
90.00	15	5	8
Outlays .....			
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00			
Budget authority .....			
99.01			
Outlays .....			

**Construction.**—This activity provides for the construction of projects to solve international problems of water supply, water quality, sewage treatment, and flood damage reduction. Projects are normally constructed jointly with Mexico. This account also receives reimbursement for such projects.

## Object Classification (in millions of dollars)

Identification code 19-1078-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1	1	1	1
Personnel compensation: Full-time permanent .....			
25.2	4	8	8
Other services .....			
31.0	1	1	1
Equipment .....			
99.0	6	10	10
Direct obligations .....			
99.0	5	10	9
Reimbursable obligations .....			
99.9	11	20	19
Total new obligations .....			

## Personnel Summary

Identification code 19-1078-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001	10	10	10
Total compensable workyears: Civilian full-time equivalent employment .....			
<b>Reimbursable:</b>			
2001	10	10	10
Total compensable workyears: Civilian full-time equivalent employment .....			

## AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided, for the International Joint Commission and the International Boundary Commission, United States and Canada, as authorized by treaties between the United States and Canada or Great Britain, and for the Border Environment Cooperation Commission as authorized by Public Law 103-182, \$11,204,000, of which not to exceed \$9,000 shall be available for representation expenses incurred by the International Joint Commission.

*ronment Cooperation Commission as authorized by Public Law 103-182, \$11,204,000, of which not to exceed \$9,000 shall be available for representation expenses incurred by the International Joint Commission.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 19-1082-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	1	1	1
International Boundary Commission .....			
00.02	7	8	8
International Joint Commission .....			
00.05	2	2	2
Border Environment Cooperation Commission .....			
10.00	10	11	11
Total new obligations .....			
<b>Budgetary resources available for obligation:</b>			
22.00	10	11	11
New budget authority (gross) .....			
23.95	-10	-11	-11
Total new obligations .....			
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	10	11	11
Appropriation .....			
<b>Change in obligated balances:</b>			
72.40	2	3	2
Obligated balance, start of year .....			
73.10	10	11	11
Total new obligations .....			
73.20	-8	-11	-11
Total outlays (gross) .....			
74.40	3	2	2
Obligated balance, end of year .....			
<b>Outlays (gross), detail:</b>			
86.90	6	8	8
Outlays from new discretionary authority .....			
86.93	2	3	3
Outlays from discretionary balances .....			
87.00	8	11	11
Total outlays (gross) .....			
<b>Net budget authority and outlays:</b>			
89.00	10	11	11
Budget authority .....			
90.00	8	11	11
Outlays .....			

These funds are used for payment of the U.S. share of the expenses of:

**International Boundary Commission.**—The Commission, in accordance with existing treaties, maintains the integrity of a well-delineated boundary between the United States and Canada by: surveying, inspecting, and clearing the boundary; repairing or replacing monuments; regulating construction crossing the boundary; and serving as the official U.S. Government source for boundary-specific positional/cartographic data.

**International Joint Commission.**—Pursuant to the Boundary Waters Treaty of 1909 and related Treaties and agreements, the Commission approves, regulates, and monitors structures in boundary waters and transboundary streams, apports waters between the United States and Canada in selected rivers, and investigates matters referred to it by the United States and Canada that principally include transboundary environmental issues.

**Border Environment Cooperation Commission.**—This bilateral Commission works with States and local communities to provide technical financial planning assistance and to review and certify project proposals for the purpose of developing effective solutions to environmental problems in the border region.

## Object Classification (in millions of dollars)

Identification code 19-1082-0-1-301	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1	3	3	3
Full-time permanent .....			
11.5	1	1	1
Other personnel compensation .....			
11.9	4	4	4
Total personnel compensation .....			
25.2	6	7	7
Other services .....			

99.9	Total new obligations .....	10	11	11
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**Personnel Summary**

Identification code 19-1082-0-1-301	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	24	32	32

**INTERNATIONAL FISHERIES COMMISSIONS**

For necessary expenses for international fisheries commissions, not otherwise provided for, as authorized by law, \$20,043,000: Provided, That the United States' share of such expenses may be advanced to the respective commissions pursuant to 31 U.S.C. 3324.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 19-1087-0-1-302	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.02	Inter-American Tropical Tuna Commission .....	2	3	3
00.06	Great Lakes Fishery Commission .....	13	12	12
00.09	Pacific Salmon Commission .....	2	2	2
00.10	Other Commissions and Marine Science Organizations .....	1	3	3
10.00	Total new obligations .....	20	20	20
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	20	20	20
23.95	Total new obligations .....	-20	-20	-20
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	20	20	20
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	2	1	1
73.10	Total new obligations .....	20	20	20
73.20	Total outlays (gross) .....	-20	-20	-20
74.40	Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	20	20	20
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	20	20	20
90.00	Outlays .....	21	20	20

This appropriation provides the U.S. share of operating expenses for nine international fisheries commissions and organizations, two international marine science organizations, one whaling commission, implementation of the Antarctic Treaty Secretariat, one sea turtle commission, and travel expenses of the U.S. commissioners and their advisors. These international fisheries organizations conduct continuing scientific studies of fishery stocks and recommend conservation measures to member governments based on the results of these studies. In addition, the Great Lakes Fishery Commission carries on a program of lamprey eradication and control. The marine science organizations propose fishery and oceanographic investigations and disseminate the results to the member governments. The Antarctic Treaty Secretariat provides for peaceful uses of the Antarctic ecosystem.

**Object Classification (in millions of dollars)**

Identification code 19-1087-0-1-302	2002 actual	2003 est.	2004 est.	
25.2	Other services .....	1	1	1
41.0	Grants, subsidies, and contributions .....	19	19	19
99.9	Total new obligations .....	20	20	20

**OTHER**

**Federal Funds**

**General and special funds:**

**MIGRATION AND REFUGEE ASSISTANCE**

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, \$760,197,000: Provided, That not more than \$18,500,000 may be available for administrative expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 19-1143-0-1-151	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Direct program:				
00.01	Overseas assistance .....	597	525	556
00.02	U.S. refugee admissions program .....	83	162	136
00.03	Refugees to Israel .....	60	60	50
00.05	Administrative expenses .....	16	16	18
09.01	Reimbursable program .....		1	1
10.00	Total new obligations .....	756	764	761
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	7	58	
22.00	New budget authority (gross) .....	705	706	761
22.10	Resources available from recoveries of prior year obligations .....	2		
22.22	Unobligated balance transferred from other accounts .....	100		
23.90	Total budgetary resources available for obligation .....	814	764	761
23.95	Total new obligations .....	-756	-764	-761
24.40	Unobligated balance carried forward, end of year .....	58		
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	705	705	760
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	1	1	1
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
68.90	Spending authority from offsetting collections (total discretionary) .....		1	1
70.00	Total new budget authority (gross) .....	705	706	761
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	235	240	250
73.10	Total new obligations .....	756	764	761
73.20	Total outlays (gross) .....	-740	-754	-757
73.40	Adjustments in expired accounts (net) .....	-8		
73.45	Recoveries of prior year obligations .....	-2		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	1		
74.40	Obligated balance, end of year .....	240	250	254
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	522	523	563
86.93	Outlays from discretionary balances .....	218	231	194
87.00	Total outlays (gross) .....	740	754	757
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-1	-1	-1
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	1		

**General and special funds—Continued**

**MIGRATION AND REFUGEE ASSISTANCE—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 19-1143-0-1-151	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	705	705	760
90.00 Outlays .....	740	753	756
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

*Overseas Assistance.*—This program addresses the protection and assistance needs of refugees, migrants and conflict victims worldwide. Funds are used primarily to support the programs of international organizations, including the United Nations High Commissioner for Refugees, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the World Food Program, the International Organization for Migration, and the International Committee of the Red Cross, as well as non-governmental organizations. When possible, funds are used to resolve refugee situations through repatriation or local integration.

*Refugees to Israel.*—These funds provide a grant to the United Israel Appeal to assist Jewish humanitarian migrants resettling in Israel.

*U.S. Refugee Admissions.*—This program provides overseas cultural orientation, processing, transportation, and initial placement for refugees and Amerasian immigrants resettling in the United States. These activities are carried out primarily by the International Organization for Migration and U.S. private voluntary agencies.

*Administrative Expenses.*—These funds finance the salaries and operating expenses in Washington and overseas for the Bureau of Population, Refugees, and Migration. (Note: Funds for the salaries and support costs of the five positions dedicated to international population policy and coordination are requested under the Department of State's Diplomatic and Consular Programs appropriation.)

**Object Classification (in millions of dollars)**

Identification code 19-1143-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	10	10	11
12.1 Civilian personnel benefits .....	3	3	4
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1		
25.2 Other services .....	2	2	2
41.0 Grants, subsidies, and contributions .....	739	747	742
99.0 Direct obligations .....	756	763	760
99.0 Reimbursable obligations .....		1	1
99.9 Total new obligations .....	756	764	761

**Personnel Summary**

Identification code 19-1143-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	120	120	120

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 11-0040-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	59	50	50
10.00 Total new obligations .....	59	50	50
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	92	49	14
22.00 New budget authority (gross) .....	15	15	40
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	108	64	54
23.95 Total new obligations .....	-59	-50	-50
24.40 Unobligated balance carried forward, end of year .....	49	14	4
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	15	15	40
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	48	16	21
73.10 Total new obligations .....	59	50	50
73.20 Total outlays (gross) .....	-90	-45	-25
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	16	21	46
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	2	4
86.93 Outlays from discretionary balances .....	88	43	21
87.00 Total outlays (gross) .....	90	45	25
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	15	15	40
90.00 Outlays .....	90	45	25

The Emergency Refugee and Migration Assistance Fund enables the President to provide emergency assistance for unexpected and urgent refugee and migration needs worldwide.

**Object Classification (in millions of dollars)**

Identification code 11-0040-0-1-151	2002 actual	2003 est.	2004 est.
25.2 Other services .....	2	1	
41.0 Grants, subsidies, and contributions .....	57	49	50
99.9 Total new obligations .....	59	50	50

**INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT**

*For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, \$284,550,000, to remain available until expended: Provided, That during fiscal year 2004, the Department of State may also use the authority of section 608 of the Foreign Assistance Act of 1961, without regard to its restrictions, to receive excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 19-1022-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Total: Counterdrug and Anti-Crime Programs .....	311	328	299
00.02 Emergency Response Fund .....	67	6	
09.01 Reimbursable program .....	5	5	5

**UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND**

*For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 2601(c)), \$40,000,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

10.00	Total new obligations .....	383	339	304
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	111	186	49
22.00	New budget authority (gross) .....	381	202	290
22.10	Resources available from recoveries of prior year obligations .....	3		
22.21	Unobligated balance transferred to other accounts	-7		
22.22	Unobligated balance transferred from other accounts	81		
23.90	Total budgetary resources available for obligation	569	388	339
23.95	Total new obligations .....	-383	-339	-304
24.40	Unobligated balance carried forward, end of year .....	186	49	35

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	331	197	285
40.36	Unobligated balance rescinded .....	-11		
41.00	Transferred to other accounts .....	-32		
42.00	Transferred from other accounts .....	88		
43.00	Appropriation (total discretionary) .....	376	197	285
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	5	5	5
70.00	Total new budget authority (gross) .....	381	202	290

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	505	487	379
73.10	Total new obligations .....	383	339	304
73.20	Total outlays (gross) .....	-389	-447	-368
73.40	Adjustments in expired accounts (net) .....	-9		
73.45	Recoveries of prior year obligations .....	-3		
74.40	Obligated balance, end of year .....	487	379	315

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	72	74	105
86.93	Outlays from discretionary balances .....	317	373	263
87.00	Total outlays (gross) .....	389	447	368

<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-5	-5	-5

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	376	197	285
90.00	Outlays .....	384	442	363

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	1	1	1
99.01	Outlays .....	1	1	1

This appropriation provides assistance to foreign countries and international organizations to help them develop and implement policies and programs that strengthen institutional counterdrug law enforcement and judicial capabilities to control illegal drug production, processing, and trafficking. This appropriation also provides counterdrug-related economic development and military assistance, as well as assistance for anti-crime purposes.

**Object Classification (in millions of dollars)**

Identification code 19-1022-0-1-151	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent .....	8	9	10
11.3	Other than full-time permanent .....	4	4	4
11.9	Total personnel compensation .....	12	13	14
12.1	Civilian personnel benefits .....	3	3	3
21.0	Travel and transportation of persons .....	2	2	2
23.2	Rental payments to others .....	2	2	2
25.2	Other services .....	1	1	1
26.0	Supplies and materials .....	1	1	1
31.0	Equipment .....	2	2	2
41.0	Grants, subsidies, and contributions .....	355	310	274
99.0	Direct obligations .....	378	334	299
99.0	Reimbursable obligations .....	5	5	5
99.9	Total new obligations .....	383	339	304

**Personnel Summary**

Identification code 19-1022-0-1-151	2002 actual	2003 est.	2004 est.	
Direct:				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	143	166	168

**ANDEAN COUNTERDRUG INITIATIVE**

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961 to support counterdrug activities in the Andean region of South America, \$731,000,000, to remain available until expended: Provided, That section 482(b) of the Foreign Assistance Act of 1961 shall not apply to funds appropriated under this heading: Provided further, That funds appropriated under this or any prior or subsequent appropriation Act may be provided to the Government of Colombia, notwithstanding any other provision of law, to support a unified campaign against narcotics trafficking and terrorist activities and to take actions to protect human health and welfare in emergency circumstances and address other threats to its national security.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 19-1154-0-1-151	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Total: Program Activity .....	584	794	771
09.01	Reimbursable program .....	8		
10.00	Total new obligations .....	592	794	771

<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	18	133	70
22.00	New budget authority (gross) .....	653	731	731
22.10	Resources available from recoveries of prior year obligations .....	53		
23.90	Total budgetary resources available for obligation	724	864	801
23.95	Total new obligations .....	-592	-794	-771
24.40	Unobligated balance carried forward, end of year .....	133	70	30

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	625	731	731
42.00	Transferred from other accounts .....	20		
43.00	Appropriation (total discretionary) .....	645	731	731
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	8		
70.00	Total new budget authority (gross) .....	653	731	731

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	348	690	797
73.10	Total new obligations .....	592	794	771
73.20	Total outlays (gross) .....	-196	-687	-810
73.45	Recoveries of prior year obligations .....	-53		
74.40	Obligated balance, end of year .....	690	797	758

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	109	256	256
86.93	Outlays from discretionary balances .....	87	431	554
87.00	Total outlays (gross) .....	196	687	810

<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-8		

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	645	731	731
90.00	Outlays .....	188	687	810

This account has funded United States assistance to Plan Colombia since 2000. These funds supported the Colombian Army's push into southern Colombia in support of the Colombian National Police, enhanced drug interdiction in Colombia

**General and special funds—Continued****ANDEAN COUNTERDRUG INITIATIVE—Continued**

and the region, increased support to the Colombian National Police, provided for economic development in Colombia and the Andean region, and boosted Colombia's local and national government capacity. In 2004, the funds will support counterdrug and Plan Colombia activities, economic development, and democratic institution building efforts in Colombia, Peru, Bolivia, Ecuador, Brazil, Venezuela, and Panama. This assistance is part of an ongoing, comprehensive, regional effort to stem the flow of drugs from the Andes into the United States and to support regional stability.

**Object Classification** (in millions of dollars)

Identification code 19-1154-0-1-151	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services .....	584	794	771
99.0 Reimbursable obligations: Reimbursable obligations ...	8		
99.9 Total new obligations .....	592	794	771

**PAYMENT TO THE ASIA FOUNDATION**

*For a grant to the Asia Foundation, as authorized by the Asia Foundation Act (22 U.S.C. 4402), as amended, \$9,250,000, to remain available until expended, as authorized.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 19-0525-0-1-154	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Program activities and operations .....	10	9	9
10.00 Total new obligations (object class 41.0) .....	10	9	9
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		
22.00 New budget authority (gross) .....	9	9	9
23.90 Total budgetary resources available for obligation .....	10	9	9
23.95 Total new obligations .....	-10	-9	-9
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	9	9	9
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4	4	4
73.10 Total new obligations .....	10	9	9
73.20 Total outlays (gross) .....	-10	-9	-9
74.40 Obligated balance, end of year .....	4	4	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	8	8	8
86.93 Outlays from discretionary balances .....	2	1	1
87.00 Total outlays (gross) .....	10	9	9
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	9	9	9
90.00 Outlays .....	10	9	9

The Asia Foundation supports democratic initiatives, economic reform, rule of law programs, and closer U.S.-Asian relations by providing grants to institutions in Asia.

**NATIONAL ENDOWMENT FOR DEMOCRACY**

*For grants made by the Department of State to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, \$36,000,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 19-0210-0-1-154	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Program activities .....	38	36	36
10.00 Total new obligations (object class 41.0) .....	38	36	36
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	38	36	36
23.95 Total new obligations .....	-38	-36	-36
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	34	36	36
42.00 Transferred from other accounts .....	4		
43.00 Appropriation (total discretionary) .....	38	36	36
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	27	27	27
73.10 Total new obligations .....	38	36	36
73.20 Total outlays (gross) .....	-37	-34	-37
74.40 Obligated balance, end of year .....	27	27	27
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	14	14	14
86.93 Outlays from discretionary balances .....	23	20	23
87.00 Total outlays (gross) .....	37	34	37
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	38	36	36
90.00 Outlays .....	37	34	37

The National Endowment for Democracy (NED) is a private, nonprofit corporation established in the District of Columbia to encourage and strengthen the development of democratic institutions and processes internationally. NED supports democratic initiatives in six regions of the world: Africa, Asia, Central and Eastern Europe, Latin America, the Middle East and the NIS.

The National Endowment for Democracy Act (Public Law 98-164), as amended, provides for an annual grant to the Endowment to fulfill the purposes of the Act. The Endowment does not carry out programs directly but its Board approves annual grants to the American Center for International Labor Solidarity, the Center for International Private Enterprise, the International Republican Institute, the National Democratic Institute for International Affairs, and indigenous organizations working to promote civic education, human rights, independent media, and other democratic processes and values.

**EAST-WEST CENTER**

*To enable the Secretary of State to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to the Center for Cultural and Technical Interchange Between East and West in the State of Hawaii, \$14,280,000: Provided, That none of the funds appropriated herein shall be used to pay any salary, or enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 19-0202-0-1-154	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Program activities and operations	14	14	14
10.00 Total new obligations (object class 41.0)	14	14	14
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	14	14	14
23.95 Total new obligations	-14	-14	-14
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	14	14	14
<b>Change in obligated balances:</b>			
73.10 Total new obligations	14	14	14
73.20 Total outlays (gross)	-14	-14	-14
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	14	14	14
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	14	14	14
90.00 Outlays	14	14	14

The Center for Cultural and Technical Interchange Between East and West (East-West Center) is a national educational institution administered by a public, nonprofit educational corporation. The Center promotes better relations and understanding between the United States and the nations of Asia and the Pacific through cooperative programs of research, study, and training, which bring qualified persons from the countries of the area to work jointly on problems of mutual concern.

**INTERNATIONAL LITIGATION FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 19-5177-0-2-153	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	3	5	5
Receipts:			
02.40 International Litigation fund		1	1
02.80 International Litigation Fund, offsetting collections	2	3	3
02.99 Total receipts and collections	2	4	4
04.00 Total: Balances and collections	5	9	9
Appropriations:			
05.00 International litigation fund	-3	-4	-4
05.99 Total appropriations	-3	-4	-4
06.10 Unobligated balance returned to receipts	3		
07.99 Balance, end of year	5	5	5

**Program and Financing** (in millions of dollars)

Identification code 19-5177-0-2-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	1	3	3
10.00 Total new obligations (object class 25.2)	1	3	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	5	4	5
22.00 New budget authority (gross)	3	4	4
23.90 Total budgetary resources available for obligation	8	8	9
23.95 Total new obligations	-1	-3	-3
23.98 Unobligated balance expiring or withdrawn	-3		
24.40 Unobligated balance carried forward, end of year	4	5	5
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund)	1	1	1

69.00 Offsetting collections (cash)	2	3	3
70.00 Total new budget authority (gross)	3	4	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	2	1	
73.10 Total new obligations	1	3	3
73.20 Total outlays (gross)	-3	-4	-4
74.40 Obligated balance, end of year	1		
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	3	4	4
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-3	-3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	1	1	1
90.00 Outlays		1	1

The International Litigation Fund (ILF) is authorized by section 38(d) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710(d)) to pay for expenses incurred by the Department of State relative to preparing or prosecuting a proceeding before an international tribunal or a claim by or against a foreign government or other foreign entity. Monies otherwise available for such purposes are authorized to be deposited in the ILF. Funds received by the Department from other U.S. Government agencies or from private parties for these purposes are also deposited in the ILF.

In addition, section 38 authorizes the Secretary to retain 1.5 percent of any amount between \$100,000 and \$5,000,000, and one percent of any amount over \$5,000,000, received per claim under chapter 34 of the Act of February 1896 (22 U.S.C. 2668a; 29 Stat. 32).

**INTERNATIONAL CENTER, WASHINGTON, DC**

**Unavailable Collections** (in millions of dollars)

Identification code 19-5151-0-2-153	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.80 Offsetting collections, International Center	1	1	1
Appropriations:			
05.00 International Center	-1	-1	-1
07.99 Balance, end of year			

**Program and Financing** (in millions of dollars)

Identification code 19-5151-0-2-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Maintenance and Repair	1	1	1
09.01 Reimbursable program		1	1
10.00 Total new obligations	1	2	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	2
22.00 New budget authority (gross)	1	1	1
23.90 Total budgetary resources available for obligation	2	2	3
23.95 Total new obligations	-1	-2	-2
24.40 Unobligated balance carried forward, end of year	1	2	2
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash)	1	1	1
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	2	1	2
73.10 Total new obligations	1	2	2
73.20 Total outlays (gross)	-2	-1	-1
74.40 Obligated balance, end of year	1	2	2

**General and special funds—Continued****INTERNATIONAL CENTER, WASHINGTON, DC—Continued****Program and Financing** (in millions of dollars)—Continued

Identification code 19-5151-0-2-153	2002 actual	2003 est.	2004 est.
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1	1	1
86.98 Outlays from mandatory balances .....	1		
87.00 Total outlays (gross) .....	2	1	1
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	2		

These funds provide for the development, lease or exchange to foreign governments or international organizations of property owned by the United States at the International Center located in the District of Columbia. Funds also provide for operation of the Federal facility located at the International Center, for maintenance and security of those public improvements which have not been conveyed to a government or international organization and for surveys and plans related to development of additional areas within the Nation's Capital for Chancery and Diplomatic purposes.

**Object Classification** (in millions of dollars)

Identification code 19-5151-0-2-153	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services .....		1	1
99.0 Reimbursable obligations: Reimbursable obligations ...	1	1	1
99.9 Total new obligations .....	1	2	2

**FISHERMEN'S PROTECTIVE FUND****Program and Financing** (in millions of dollars)

Identification code 19-5116-0-2-376	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The Fishermen's Protective Fund provides for reimbursement to owners of vessels for amounts of fines, fees, and other direct charges which were paid by owners to a foreign country to secure the release of their vessels and crews and for other specified charges. No new budget authority is requested in 2004.

**FISHERMEN'S GUARANTY FUND****Program and Financing** (in millions of dollars)

Identification code 19-5121-0-2-376	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3	3	3
24.40 Unobligated balance carried forward, end of year .....	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

This fund provides for payment to vessel owners to compensate for certain financial losses sustained as a result of foreign seizures of American fishing vessels on the basis of claims to jurisdiction not recognized by the United States. No new budget authority is requested for 2004.

**Trust Funds****EISENHOWER EXCHANGE FELLOWSHIP PROGRAM TRUST FUND**

*For necessary expenses of Eisenhower Exchange Fellowships, Incorporated, as authorized by sections 4 and 5 of the Eisenhower Exchange Fellowship Act of 1990 (20 U.S.C. 5204-5205), all interest and earnings accruing to the Eisenhower Exchange Fellowship Program Trust Fund on or before September 30, 2004, to remain available until expended: Provided, That none of the funds appropriated herein shall be used to pay any salary or other compensation, or to enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376; or for purposes which are not in accordance with OMB Circulars A-110 (Uniform Administrative Requirements) and A-122 (Cost Principles for Non-profit Organizations), including the restrictions on compensation for personal services.*

**ISRAELI ARAB SCHOLARSHIP PROGRAM**

*For necessary expenses of the Israeli Arab Scholarship Program as authorized by section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452), all interest and earnings accruing to the Israeli Arab Scholarship Fund on or before September 30, 2004, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 95-8276-0-7-154	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	7	6	5
Appropriations:			
05.00 Israeli Arab and Eisenhower exchange fellowship program .....	-1	-1	-1
07.99 Balance, end of year .....	6	5	4

**Program and Financing** (in millions of dollars)

Identification code 95-8276-0-7-154	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1	1	1
10.00 Total new obligations (object class 41.0) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	12	12	12
22.00 New budget authority (gross) .....	1	1	1
23.90 Total budgetary resources available for obligation	13	13	13
23.95 Total new obligations .....	-1	-1	-1
24.40 Unobligated balance carried forward, end of year .....	12	12	12
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	1	1	1
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	12	12	12

92.02 Total investments, end of year: Federal securities:			
Par value .....	12	12	12

This presentation includes interest and earnings from the Eisenhower Exchange Fellowship Trust Fund and the Israeli Arab Scholarship Trust Fund.

The Eisenhower Exchange Fellowship Trust fund was created in 1992 with an appropriation of \$5,000,000. In 1995, an additional payment of \$2,500,000 was made to the fund. This exchange program honors the late president and increases educational opportunities for young leaders in preparation for and enhancement of their professional careers and advancement of peace through international understanding.

The Israeli Arab Scholarship Trust Fund was created in 1992 with an appropriation of \$4,978,500 to provide scholarships for Israeli Arabs to attend institutions of higher learning in the United States.

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Governmental receipts:			
20-083000 Immigration, passport, and consular fees .....	524	607	634
General Fund Governmental receipts .....	524	607	634

**GENERAL PROVISIONS—DEPARTMENT OF STATE AND RELATED AGENCY**

*SEC. 401. Funds appropriated under this title shall be available, except as otherwise provided, for allowances and differentials as authorized by subchapter 59 of title 5, United States Code; for services as authorized by 5 U.S.C. 3109; and for hire of passenger transportation pursuant to 31 U.S.C. 1343(b).*

*SEC. 402. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of State in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: Provided, That not to exceed 5 percent of any appropriation made available for the current fiscal year for the Broadcasting Board of Governors in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: Provided further, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.*

*SEC. 403. None of the funds made available in this Act may be used by the Department of State or the Broadcasting Board of Governors to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.*

*SEC. 404. Hereafter, none of the funds appropriated or otherwise made available for the United Nations may be used by the United Nations for the promulgation or enforcement of any treaty, resolution, or regulation authorizing the United Nations, or any of its specialized agencies or affiliated organizations, to tax any aspect of the Internet or international currency transactions.*



# DEPARTMENT OF TRANSPORTATION

## OFFICE OF THE SECRETARY

### Federal Funds

#### General and special funds:

#### SALARIES AND EXPENSES

*For necessary expenses of the Office of the Secretary, \$108,931,000: Provided, That not to exceed \$60,000 shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine: Provided further, That notwithstanding any other provision of law, excluding fees authorized in Public Law 107-71, there may be credited to this appropriation up to \$2,500,000 in funds received in user fees.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

#### Program and Financing (in millions of dollars)

Identification code 69-0102-0-1-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 General administration .....	46	73	109
00.02 Minority Business Bonding .....	6	6	.....
01.00 Subtotal Direct Obligations .....	52	79	109
09.01 Reimbursable program .....	3	12	12
10.00 Total new obligations .....	55	91	121

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	10	9
22.00 New budget authority (gross) .....	54	84	121
22.10 Resources available from recoveries of prior year obligations .....	12	6	.....
22.21 Unobligated balance transferred to other accounts .....	.....	.....	-9
23.90 Total budgetary resources available for obligation	67	100	121
23.95 Total new obligations .....	-55	-91	-121
23.98 Unobligated balance expiring or withdrawn .....	-2	.....	.....
24.40 Unobligated balance carried forward, end of year .....	10	9	.....

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	48	72	109
40.35 Appropriation rescinded .....	-1	.....	.....
43.00 Appropriation (total discretionary) .....	47	72	109
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	3	12	12
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	4	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	7	12	12
70.00 Total new budget authority (gross) .....	54	84	121

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	12	12
73.10 Total new obligations .....	55	91	121
73.20 Total outlays (gross) .....	-40	-85	-118
73.45 Recoveries of prior year obligations .....	-12	-6	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-4	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired) .....	8	.....	.....
74.40 Obligated balance, end of year .....	12	12	15

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	34	77	110
86.93 Outlays from discretionary balances .....	6	8	8
87.00 Total outlays (gross) .....	40	85	118

#### Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-8	-12	-12
88.40 Non-Federal sources .....	-3	.....	.....
88.90 Total, offsetting collections (cash) .....	-11	-12	-12
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-4	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	8	.....	.....

#### Net budget authority and outlays:

89.00 Budget authority .....	47	72	109
90.00 Outlays .....	31	73	106

#### Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....	4	4	4
99.01 Outlays .....	4	4	4

*General administration.—This appropriation finances the costs of policy development and central supervisory and coordinating functions necessary for the overall planning and direction of the Department. It covers the immediate secretarial offices as well as those of the assistant secretaries and the general counsel. The Office of the Secretary will be among those Federal offices transferring personnel to the new Department of Homeland Security.*

#### Object Classification (in millions of dollars)

Identification code 69-0102-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	31	36	43
11.3 Other than full-time permanent .....	3	4	4
11.9 Total personnel compensation .....	34	40	47
12.1 Civilian personnel benefits .....	7	9	10
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	9	9	9
25.2 Other services .....	20	41	41
31.0 Equipment .....	.....	.....	1
99.0 Direct obligations .....	51	79	109
99.0 Reimbursable obligations .....	4	12	12
99.9 Total new obligations .....	55	91	121

#### Personnel Summary

Identification code 69-0102-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	441	467	480
<b>Reimbursable:</b>			

### OFFICE OF CIVIL RIGHTS

*For necessary expenses of the Office of Civil Rights, \$8,569,000.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

#### Program and Financing (in millions of dollars)

Identification code 69-0118-0-1-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	8	9	9
09.01 Reimbursable program .....	.....	2	2

**General and special funds—Continued**

**OFFICE OF CIVIL RIGHTS—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 69-0118-0-1-407	2002 actual	2003 est.	2004 est.
10.00 Total new obligations .....	8	11	11
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	8	11	11
23.95 Total new obligations .....	-8	-11	-11
23.98 Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	8	9	9
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		2	2
70.00 Total new budget authority (gross) .....	8	11	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	2
73.10 Total new obligations .....	8	11	11
73.20 Total outlays (gross) .....	-8	-11	-11
74.40 Obligated balance, end of year .....	2	2	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	7	10	10
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	8	11	11
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....		-2	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	8	9	9
90.00 Outlays .....	8	9	9

This appropriation finances the costs of a Departmental Civil Rights office. This office is responsible for enforcing laws and regulations which prohibit discrimination in federally-operated and assisted transportation programs. This office also handles all civil rights cases related to Department of Transportation employees. The office will be among those Federal offices transferring personnel to the new Department of Homeland Security.

**Object Classification (in millions of dollars)**

Identification code 69-0118-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	5	5	5
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	2	3	3
99.0 Direct obligations .....	8	9	9
99.0 Reimbursable obligations .....		2	2
99.9 Total new obligations .....	8	11	11

**Personnel Summary**

Identification code 69-0118-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	59	70	64

**MINORITY BUSINESS OUTREACH**

For necessary expenses of Minority Business Resource Center outreach activities, \$3,000,000, to remain available until September 30, 2005: Provided, That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-0119-0-1-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1	5	3
00.02 Bonding Assistance .....			6
10.00 Total new obligations .....	1	5	9
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	2	
22.00 New budget authority (gross) .....	3	3	3
22.10 Resources available from recoveries of prior year obligations .....			6
22.22 Unobligated balance transferred from other accounts .....			9
23.90 Total budgetary resources available for obligation .....	4	5	18
23.95 Total new obligations .....	-1	-5	-9
24.40 Unobligated balance carried forward, end of year .....	2		9
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	2	4
73.10 Total new obligations .....	1	5	9
73.20 Total outlays (gross) .....	-2	-4	-4
73.45 Recoveries of prior year obligations .....			-6
74.40 Obligated balance, end of year .....	2	4	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	3	3
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	2	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	3	3
90.00 Outlays .....	2	4	4

Minority business outreach.—This activity provides contractual support to assist small, women-owned, Native American, and other disadvantaged business firms, in securing contracts and subcontracts resulting from transportation-related Federal support. It also participates in cooperative agreements with historically black and hispanic colleges.

**Object Classification (in millions of dollars)**

Identification code 69-0119-0-1-407	2002 actual	2003 est.	2004 est.
25.2 Other services .....		3	8
41.0 Grants, subsidies, and contributions .....	1	2	1
99.9 Total new obligations .....	1	5	9

**NEW HEADQUARTERS BUILDING**

For necessary expenses of the Department of Transportation's new building and related services, \$45,000,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-0147-0-1-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		25	45
10.00 Total new obligations (object class 25.2) .....		25	45

<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross)	25	45
23.95	Total new obligations	-25	-45
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation	25	45
<b>Change in obligated balances:</b>			
73.10	Total new obligations	25	45
73.20	Total outlays (gross)	-25	-45
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority	25	45
<b>Net budget authority and outlays:</b>			
89.00	Budget authority	25	45
90.00	Outlays	25	45

This new appropriation finances the 2004 costs for the new Department of Transportation headquarters project to consolidate all of the department's headquarters operating administration functions (except FAA), from various locations into a state-of-the-art, efficient leased building(s) within the central employment area of the District of Columbia.

RENTAL PAYMENTS

Program and Financing (in millions of dollars)

Identification code 69-0117-0-1-407	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	1	
<b>Net budget authority and outlays:</b>			
89.00	Budget authority		
90.00	Outlays		

Until 1997, payments to GSA for headquarters and field space rental and related services for all modes were consolidated into this account. Beginning in 1998, however, all GSA rental payments are reflected in the modal budgets.

COMPENSATION FOR AIR CARRIERS

Program and Financing (in millions of dollars)

Identification code 69-0111-0-1-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Direct program activity	2,222	450
10.00	Total new obligations (object class 41.0)	2,222	450
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	2,672	450
23.95	Total new obligations	-2,222	-450
24.40	Unobligated balance carried forward, end of year	450	
<b>Change in obligated balances:</b>			
73.10	Total new obligations	2,222	450
73.20	Total outlays (gross)	-2,222	-450
<b>Outlays (gross), detail:</b>			
86.98	Outlays from mandatory balances	2,222	450
<b>Net budget authority and outlays:</b>			
89.00	Budget authority		
90.00	Outlays	2,222	450

The Air Transportation Safety and System Stabilization Act (P.L. 107-42) provided \$5 billion to compensate air carriers for direct losses incurred during the Federal ground stop of civil aviation after the September 11, 2001, terrorist attacks, and for incremental losses incurred between September 11

and December 31, 2001. The Administration is not requesting additional funds for this purpose in 2004.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, systems development, development activities, and making grants, to remain available until expended, \$10,836,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 69-0142-0-1-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01	Transportation policy and planning	11	8
00.02	Safe skies	7	1
00.03	FedDocket		5
01.00	Total direct program	18	14
09.00	Reimbursable program	2	3
10.00	Total new obligations	20	17
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	1	3
22.00	New budget authority (gross)	18	14
22.22	Unobligated balance transferred from other accounts	5	
23.90	Total budgetary resources available for obligation	24	17
23.95	Total new obligations	-20	-17
24.40	Unobligated balance carried forward, end of year	3	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation	12	11
42.00	Transferred from other accounts	3	
43.00	Appropriation (total discretionary)	15	11
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)		3
68.10	Change in uncollected customer payments from Federal sources (unexpired)	3	
68.90	Spending authority from offsetting collections (total discretionary)	3	3
70.00	Total new budget authority (gross)	18	14
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year	3	9
73.10	Total new obligations	20	17
73.20	Total outlays (gross)	-11	-15
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-3	
74.40	Obligated balance, end of year	9	11
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority	11	7
86.93	Outlays from discretionary balances		8
87.00	Total outlays (gross)	11	15
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources		-3
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-3	
<b>Net budget authority and outlays:</b>			
89.00	Budget authority	15	11
90.00	Outlays	11	12

This appropriation finances research activities and studies concerned with planning, analysis, and information development needed to support the Secretary's responsibilities in the formulation of national transportation policies.

**General and special funds—Continued**

**TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT—  
Continued**

The program is carried out primarily through contracts with other Federal agencies, educational institutions, non-profit research organizations, and private firms.

Activities support the development of transportation policy, coordination of national level transportation planning, and such issues as regulatory modernization, energy conservation, and environmental and safety impacts of transportation. These also support departmental leadership on aviation economic policy and international transportation issues.

**Object Classification** (in millions of dollars)

Identification code 69-0142-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	2	4	3
25.2 Other services .....	16	10	8
99.0 Direct obligations .....	18	14	11
99.0 Reimbursable obligations .....	2	3	3
99.9 Total new obligations .....	20	17	14

**Personnel Summary**

Identification code 69-0142-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	22	32	31

**ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND**

**Program and Financing** (in millions of dollars)

Identification code 69-5423-0-2-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	49	30	50
09.00 Reimbursable program .....		83	
10.00 Total new obligations .....	49	113	50

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....		1	
22.00 New budget authority (gross) .....	50	113	33
22.22 Unobligated balance transferred from other accounts .....			17
23.90 Total budgetary resources available for obligation .....	50	114	50
23.95 Total new obligations .....	-49	-113	-50
24.40 Unobligated balance carried forward, end of year .....	1		

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
62.00 Transferred from FAA overflight fees .....		30	33
<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	50	83	
70.00 Total new budget authority (gross) .....	50	113	33

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	21	19	43
73.10 Total new obligations .....	49	113	50
73.20 Total outlays (gross) .....	-50	-88	-75
74.40 Obligated balance, end of year .....	19	43	18

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	12	50	
86.93 Outlays from discretionary balances .....	21	20	43
86.97 Outlays from new mandatory authority .....		18	20
86.98 Outlays from mandatory balances .....	17		12
87.00 Total outlays (gross) .....	50	88	75

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-50	-83	

**Net budget authority and outlays:**

89.00 Budget authority .....		30	33
90.00 Outlays .....		5	75

The Federal Aviation Reauthorization Act of 1996 (P.L. 104-264) authorized the collection of user fees for services provided by the FAA to aircraft that neither take off nor land in the United States, commonly known as overflight fees. The Act permanently appropriated the first \$50 million of such fees for the Essential Air Service program and rural airport improvements. To the extent that fee collections fall below \$50 million, the law required the difference to be covered by Federal Aviation Administration funds. The FY 2004 budget proposes a \$50 million program to be fully financed from overflight fees. The budget proposes a general provision to restructure the program.

**Object Classification** (in millions of dollars)

Identification code 69-5423-0-2-402	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
41.0 Grants, subsidies, and contributions .....	48	29	49
99.0 Direct obligations .....	49	30	50
99.0 Reimbursable obligations .....		83	
99.9 Total new obligations .....	49	113	50

**Personnel Summary**

Identification code 69-5423-0-2-402	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	10	10	10

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing** (in millions of dollars)

Identification code 69-4520-0-4-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 DOT service center activities .....	99	116	117
09.02 Non-DOT service center activities .....	272	368	360
10.00 Total new obligations .....	371	484	477

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	18		
22.00 New budget authority (gross) .....	353	484	477
23.90 Total budgetary resources available for obligation .....	371	484	477
23.95 Total new obligations .....	-371	-484	-477

**New budget authority (gross), detail:**

<b>Spending authority from offsetting collections:</b>			
<b>Discretionary:</b>			
68.00 Offsetting collections (cash) .....	384	484	477
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-31		
68.90 Spending authority from offsetting collections (total discretionary) .....	353	484	477

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	-34	12	12
73.10 Total new obligations .....	371	484	477
73.20 Total outlays (gross) .....	-357	-484	-477
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	31		
74.40 Obligated balance, end of year .....	12	12	12

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	353	484	477
86.93	Outlays from discretionary balances .....	4		
87.00	Total outlays (gross) .....	357	484	477
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-384	-484	-477
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	31		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	-27		

The Working Capital Fund finances common administrative services that are centrally performed in the interest of economy and efficiency in the Department. The fund is financed through agreements with the Department of Transportation operating administrations and other customers.

In FY 1997, the Working Capital Fund was renamed the Transportation Administrative Services Center (TASC) to reflect the expanded level of services and the new TASC organization. In FY 2003 the functions of TASC were realigned to place service providers in the same organization as the offices responsible for service policies. The realignment will promote greater program efficiency, make the best use of employee expertise, allow the Department to identify and eliminate redundancies and reduce organizational layers, and provide the best possible value to the government by consolidating and delivering services more efficiently. For FY 2004, the TASC account is renamed to the previously titled Working Capital Fund.

**Object Classification** (in millions of dollars)

Identification code 69-4520-0-4-407	2002 actual	2003 est.	2004 est.	
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	18	20	18
11.3	Other than full-time permanent .....	1	1	1
11.5	Other personnel compensation .....	1	1	1
11.9	Total personnel compensation .....	20	22	20
12.1	Civilian personnel benefits .....	4	5	4
13.0	Benefits for former personnel .....	2	1	1
21.0	Travel and transportation of persons .....	1	2	2
22.0	Transportation of things .....	1		
23.1	Rental payments to GSA .....	6	6	6
23.3	Communications, utilities, and miscellaneous charges .....	14	19	20
25.2	Other services .....	313	420	404
26.0	Supplies and materials .....	2	4	2
31.0	Equipment .....	8	5	18
99.9	Total new obligations .....	371	484	477

**Personnel Summary**

Identification code 69-4520-0-4-407	2002 actual	2003 est.	2004 est.	
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	300	281	239

**Credit accounts:**

**MINORITY BUSINESS RESOURCE CENTER PROGRAM**

For the cost of guaranteed loans, \$500,000, as authorized by 49 U.S.C. 332: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$18,367,000. In addition, for administrative expenses to carry out the guaranteed loan program, \$400,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 69-0155-0-1-407	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.02	Guarantee loan subsidy .....		1	1
00.05	Reestimate of direct loan subsidy .....	1		
10.00	Total new obligations (object class 41.0) .....	1	1	1
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	2	1	1
23.95	Total new obligations .....	-1	-1	-1
23.98	Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	1	1	1
Mandatory:				
60.00	Appropriation .....	1		
70.00	Total new budget authority (gross) .....	2	1	1
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1		
73.10	Total new obligations .....	1	1	1
73.20	Total outlays (gross) .....	-1	-1	-1
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....		1	1
86.97	Outlays from new mandatory authority .....	1		
87.00	Total outlays (gross) .....	1	1	1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	2	1	1
90.00	Outlays .....	1	1	1

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 69-0155-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 MBRC—Direct loan levels .....			
115901 Total direct loan levels .....			
<b>Direct loan subsidy (in percent):</b>			
132001 MBRC—Direct loan levels .....	0.00	0.00	0.00
132901 Weighted average subsidy rate .....	0.00	0.00	0.00
<b>Direct loan subsidy budget authority:</b>			
133001 MBRC—Direct loan levels .....			
133901 Total subsidy budget authority .....			
<b>Direct loan subsidy outlays:</b>			
134001 MBRC—Direct loan levels .....			
134901 Total subsidy outlays .....			
<b>Direct loan upward reestimate subsidy budget authority:</b>			
135001 MBRC—Direct loan levels .....	1		
135901 Total upward reestimate budget authority .....	1		
<b>Direct loan upward reestimate subsidy outlays:</b>			
136001 MBRC—Direct loan levels .....	1		
136901 Total upward reestimate outlays .....	1		
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 MBRC—Loan guarantee levels .....	18	18	18
215901 Total loan guarantee levels .....	18	18	18
<b>Guaranteed loan subsidy (in percent):</b>			
232001 MBRC—Loan guarantee levels .....	2.70	2.69	2.53
232901 Weighted average subsidy rate .....	2.70	2.69	2.53
<b>Guaranteed loan subsidy budget authority:</b>			
233001 MBRC—Loan guarantee levels .....		1	1
233901 Total subsidy budget authority .....		1	1
<b>Guaranteed loan subsidy outlays:</b>			
234001 MBRC—Loan guarantee levels .....		1	1

**Credit accounts—Continued****MINORITY BUSINESS RESOURCE CENTER PROGRAM—Continued****Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)—Continued**

Identification code 69-0155-0-1-407	2002 actual	2003 est.	2004 est.
234901 Total subsidy outlays .....		1	1

*Office of Small and Disadvantaged Business Utilization (OSDBU)/Minority Business Resource Center (MBRC).*—Provides assistance in obtaining short-term working capital for minority, women-owned and other disadvantaged businesses and Small Business Administration 8(a) Firms.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with guaranteed loans obligated in 2001 and beyond, as well as administrative expenses of this program.

**MINORITY BUSINESS RESOURCE CENTER DIRECT LOAN FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 69-4186-0-3-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Downward subsidy reestimate and interest .....	1		
10.00 Total new obligations .....	1		
<b>Budgetary resources available for obligation:</b>			
23.95 Total new obligations .....	-1		
<b>New financing authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	5		
68.47 Portion applied to repay debt .....	-5		
68.90 Spending authority from offsetting collections (total discretionary) .....	1		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1		
73.20 Total financing disbursements (gross) .....	-1		
87.00 Total financing disbursements (gross) .....	1		
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-1		
88.40 Non-Federal sources .....	-4		
88.90 Total, offsetting collections (cash) .....	-5		
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	-5		
90.00 Financing disbursements .....	-4		

**Status of Direct Loans (in millions of dollars)**

Identification code 69-4186-0-3-407	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....			
1142 Unobligated direct loan limitation (-) .....			
1150 Total direct loan obligations .....			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	5		
1231 Disbursements: Direct loan disbursements .....			
1251 Repayments: Repayments and prepayments .....	-4		
1263 Write-offs for default: Direct loans .....	-1		
1290 Outstanding, end of year .....			

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 through 2000 (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals. This account was closed out at the end of 2002.

**Balance Sheet (in millions of dollars)**

Identification code 69-4186-0-3-407	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	5			
1405 Allowance for subsidy cost (-) .....				
1499 Net present value of assets related to direct loans .....	5			
1999 Total assets .....	5			
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt .....	5			
2999 Total liabilities .....	5			
<b>NET POSITION:</b>				
3999 Total net position .....				
4999 Total liabilities and net position .....	5			

**MINORITY BUSINESS RESOURCE CENTER  
GUARANTEED LOAN FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 69-4082-0-3-407	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			1
22.00 New financing authority (gross) .....		1	1
23.90 Total budgetary resources available for obligation .....		1	1
24.40 Unobligated balance carried forward, end of year .....		1	1
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....		1	1
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources .....		-1	-1
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....		-1	-1

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 69-4082-0-3-407	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	18	18	18
2142 Uncommitted loan guarantee limitation .....	-13		
2150 Total guaranteed loan commitments .....	5	18	18
2199 Guaranteed amount of guaranteed loan commitments .....	4	14	14
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	7	6	18
2231 Disbursements of new guaranteed loans .....	5	18	18
2251 Repayments and prepayments .....	-5	-6	-18
2264 Adjustments: Other adjustments, net .....	-1		
2290 Outstanding, end of year .....	6	18	18

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	4	14	14
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all the cash flows to and from the Government resulting from guaranteed loan commitments in 2001 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 69-4082-0-3-407	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....			1	1
1999 Total assets .....			1	1
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....			1	1
2999 Total liabilities .....			1	1
<b>NET POSITION:</b>				
3999 Total net position .....				
4999 Total liabilities and net position .....			1	1

**PAYMENTS TO AIR CARRIERS  
(AIRPORT AND AIRWAY TRUST FUND)**

**Program and Financing (in millions of dollars)**

Identification code 69-8304-0-7-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	52	11	
10.00 Total new obligations (object class 25.2) .....	52	11	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		11	
22.00 New budget authority (gross) .....	63		
23.90 Total budgetary resources available for obligation .....	63	11	
23.95 Total new obligations .....	-52	-11	
24.40 Unobligated balance carried forward, end of year .....	11		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	63		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	19	
73.10 Total new obligations .....	52	11	
73.20 Total outlays (gross) .....	-34	-30	
74.40 Obligated balance, end of year .....	19		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	34		
86.93 Outlays from discretionary balances .....		30	
87.00 Total outlays (gross) .....	34	30	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	63		
90.00 Outlays .....	34	30	

Through 1997, this program was funded from the Airport and Airway Trust Fund. Starting in 1998 the FAA reauthorization funded it as a mandatory program supported by overflight fees under the Essential Air Service and Rural Airport Improvement Fund. In 2003, in addition to mandatory funding supported by overflight fees, direct appropriations from the Airport and Airway Trust Fund to the Payments to Air Carriers program were enacted to meet the needs of the es-

sential air service program. No direct appropriations for this account are being requested in 2004.

**FEDERAL AVIATION ADMINISTRATION**

The following table depicts the total funding for all Federal Aviation Administration programs, for which more detail is furnished in the budget schedules:

	[In millions of dollars]		
Budget authority:	2002 actual	2003 est.	2004 est.
Operations .....	1 7,077	7,077	7,591
General fund (memorandum entry) .....	(1,104)	(3,278)	(1,591)
Grants-in-aid for airports (trust fund) .....	2 3,173	3,400	3,400
Facilities and equipment (trust) .....	3 3,006	2,981	2,916
Research, engineering, and development (trust) .....	245	124	100
Aviation user fees .....	28	40	40
Total net .....	13,529	13,582	14,007
<b>Obligations:</b>			
Operations .....	7,149	7,124	7,591
General fund (memorandum entry) .....	(1,104)	(3,278)	(1,591)
Grants-in-aid for airports (trust) .....	3,560	3,400	3,400
Facilities and equipment (trust) .....	3,199	3,015	2,865
Research, engineering, and development (trust) .....	249	140	100
Aviation insurance revolving fund .....	61	3	1
Total net .....	14,218	13,682	13,957
<b>Outlays:</b>			
Operations .....	7,371	7,071	7,509
General fund (memorandum entry) .....	(1,468)	(3,128)	(1,509)
Grants-in-aid for airports (trust) .....	2,860	3,244	3,300
Facilities and equipment (trust) .....	2,737	2,968	3,229
Research, engineering, and development (trust) .....	200	201	157
Aviation insurance revolving fund .....	-19	-116	-35
Administrative services franchise fund .....	-53	3	3
Total net .....	13,096	13,371	14,163

Note.—The amount shown as Operations includes the general fund share of operations.  
<sup>1</sup> Reflects a rescission of \$8 million, as required by P.L. 107-206, 107-117, and 107-87.  
<sup>2</sup> Reflects a rescission of \$302 million, as required by P.L. 107-87.  
<sup>3</sup> Includes \$15 million rescission of unobligated balances, as required by P.L. 107-87.  
<sup>4</sup> Reflects transfer of overflight fee collections to the Essential Air Service program.

**Federal Funds**

**General and special funds:**

**OPERATIONS**

*For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including operations and research activities related to commercial space transportation, administrative expenses for research and development, establishment of air navigation facilities, subsidizing the cost of aeronautical charts and maps sold to the public, lease or purchase of passenger motor vehicles for replacement only, in addition to amounts made available by Public Law 104-264, \$7,590,648,000, of which \$6,000,000,000, shall be derived from the Airport and Airway Trust Fund: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, foreign authorities, other public authorities, and private sources, for expenses incurred in the provision of agency services, including receipts for the maintenance and operation of air navigation facilities, and for issuance, renewal or modification of certificates, including airman, aircraft, and repair station certificates, or for tests related thereto, or for processing major repair or alteration forms: Provided further, That funds may be used to enter into a grant agreement with a nonprofit standard-setting organization to assist in the development of aviation safety standards: Provided further, That none of the funds in this Act shall be available for new applicants for the second career training program: Provided further, That none of the funds in this Act shall be available for paying premium pay under 5 U.S.C. 5546(a) to any Federal Aviation Administration employee unless such employee actually performed work during the time corresponding to such premium pay: Provided further, That none of the funds in this Act may be obligated or expended to operate a manned auxiliary flight service station in the contiguous United*

**General and special funds—Continued**

**OPERATIONS—Continued**

*States: Provided further, That none of the funds in this Act for aeronautical charting and cartography are available for activities conducted by, or coordinated through, the Working Capital Fund: Provided further, That of the amount appropriated under this heading, not to exceed \$50,000 may be transferred to the Aircraft Loan Purchase Guarantee Program.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing (in millions of dollars)**

Identification code 69-1301-0-1-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Air traffic services .....	5,477	5,764	6,097
00.02 Regulation and certification .....	767	794	873
00.03 Civil aviation security .....	170		
00.04 Research and acquisitions .....	194	202	218
00.05 Commercial space transportation .....	12	12	13
00.06 Regional coordination .....	86	89	85
00.07 Human resources .....	69	71	82
00.08 Financial services .....	49	52	50
00.09 Staff offices .....	110	108	143
00.10 Emergency response fund .....	215	27	
00.11 Information services/CIO .....		5	30
09.01 Reimbursable program .....	990	83	100
10.00 Total new obligations .....	8,139	7,207	7,691
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	128	27	
22.00 New budget authority (gross) .....	7,924	7,180	7,691
22.21 Unobligated balance transferred to other accounts .....	-275		
22.22 Unobligated balance transferred from other accounts .....	393		
23.90 Total budgetary resources available for obligation .....	8,170	7,207	7,691
23.95 Total new obligations .....	-8,139	-7,207	-7,691
23.98 Unobligated balance expiring or withdrawn .....	-5		
24.40 Unobligated balance carried forward, end of year .....	27		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,113	3,278	1,591
40.72 Reduction pursuant to P.L. 107-117 .....	-1		
40.73 Reduction pursuant to P.L. 107-206 .....	-6		
40.74 Reduction pursuant to P.L. 107-87 .....	-2		
43.00 Appropriation (total discretionary) .....	1,104	3,278	1,591
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	6,530	3,902	6,100
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	290		
68.90 Spending authority from offsetting collections (total discretionary) .....	6,820	3,902	6,100
70.00 Total new budget authority (gross) .....	7,924	7,180	7,691
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	858	695	873
73.10 Total new obligations .....	8,139	7,207	7,691
73.20 Total outlays (gross) .....	-8,026	-7,030	-7,609
73.40 Adjustments in expired accounts (net) .....	-15		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-290		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	28		
74.40 Obligated balance, end of year .....	695	873	954
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	6,173	6,311	6,760
86.93 Outlays from discretionary balances .....	1,853	719	849
87.00 Total outlays (gross) .....	8,026	7,030	7,609
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from:			
Federal sources .....	-6,537	-3,882	-6,080

88.40 Non-Federal sources .....	-20	-20	-20
88.90 Total, offsetting collections (cash) .....	-6,557	-3,902	-6,100
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-290		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	27		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,104	3,278	1,591
90.00 Outlays .....	1,468	3,128	1,509
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	382	405	611
99.01 Outlays .....	382	405	611

For 2004, the Budget requests \$7,591 million. These funds will be used to continue to promote aviation safety and efficiency. In particular, the Budget increases the number of air traffic controllers and safety inspectors and provides more funding for critical safety oversight initiatives and operational improvements designed to increase capacity and reduce delays. The Budget also provides funding to maintain internal security and the Hazardous Material program—a safety program in the FAA.

**Object Classification (in millions of dollars)**

Identification code 69-1301-0-1-402	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	3,783	3,349	5,050
11.3 Other than full-time permanent .....	27	29	45
11.5 Other personnel compensation .....	293	306	461
11.8 Special personal services payments .....	1	1	1
11.9 Total personnel compensation .....	4,104	3,685	5,557
12.1 Civilian personnel benefits .....	1,105	1,081	638
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	120	101	59
22.0 Transportation of things .....	22	19	12
23.1 Rental payments to GSA .....	100	96	57
23.2 Rental payments to others .....	39	37	22
23.3 Communications, utilities, and miscellaneous charges .....	355	340	201
24.0 Printing and reproduction .....	22	13	8
25.1 Advisory and assistance services .....	14	12	8
25.2 Other services .....	1,091	1,528	902
26.0 Supplies and materials .....	67	183	108
31.0 Equipment .....	47	26	16
32.0 Land and structures .....	14	1	1
41.0 Grants, subsidies, and contributions .....	43		
42.0 Insurance claims and indemnities .....	5	1	1
99.0 Direct obligations .....	7,149	7,124	7,591
99.0 Reimbursable obligations .....	990	83	100
99.9 Total new obligations .....	8,139	7,207	7,691

**Personnel Summary**

Identification code 69-1301-0-1-402	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	46,219	44,022	44,709
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	137	175	170

**AVIATION USER FEES**

**Unavailable Collections (in millions of dollars)**

Identification code 69-5422-0-2-402	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Overflight user fees .....	28	30	33
02.80 FAA activities, offsetting collections .....	50	83	

02.99	Total receipts and collections .....	78	113	33
<b>Appropriations:</b>				
05.00	FAA activities .....	-28	-30	-33
05.01	Essential air service and rural improvement fund .....	-50	-83	.....
05.99	Total appropriations .....	-78	-113	-33
07.99	Balance, end of year .....	.....	.....	.....

**Program and Financing** (in millions of dollars)

Identification code 69-5422-0-2-402	2002 actual	2003 est.	2004 est.	
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	30	57	57
22.00	New budget authority (gross) .....	28	.....	.....
22.21	Unobligated balance transferred to other accounts .....	.....	.....	-17
23.90	Total budgetary resources available for obligation	58	57	40
24.40	Unobligated balance carried forward, end of year .....	57	57	40

**New budget authority (gross), detail:**

<b>Mandatory:</b>				
60.20	Appropriation (special fund) .....	28	30	33
61.00	Transferred to other accounts .....	.....	-30	-33
62.50	Appropriation (total mandatory) .....	28	.....	.....

**Net budget authority and outlays:**

89.00	Budget authority .....	28	.....	.....
90.00	Outlays .....	.....	.....	.....

The Federal Aviation Reauthorization Act of 1996 (P.L. 104-264) authorized the collection of user fees for services provided by the FAA to aircraft that neither take off nor land in the United States, commonly known as overflight fees. In addition, the Act permanently appropriated the first \$50 million of such fees, or other FAA resources in the event that collections are lower than \$50 million, to be used for the Essential Air Service (EAS) program and rural airport improvements. Amounts collected in excess of \$50 million are permanently appropriated for authorized expenses of the FAA. The Budget estimates that \$33 million in overflight fees will be collected in 2004, and transferred to the Essential Air Service. As collections are estimated to be below required EAS funding, the Budget proposes that \$17 million in EAS financing will be provided from balances of previously collected overflight fees.

**Public enterprise funds:**

AVIATION INSURANCE REVOLVING FUND

**Program and Financing** (in millions of dollars)

Identification code 69-4120-0-3-402	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Program administration .....	1	1	1
00.02	Incremental premium reimbursement .....	60	2	.....
10.00	Total new obligations .....	61	3	1

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	88	102	223
22.00	New budget authority (gross) .....	76	124	36
22.21	Unobligated balance transferred to other accounts .....	-50	.....	.....
22.22	Unobligated balance transferred from other accounts .....	50	.....	.....
23.90	Total budgetary resources available for obligation	164	226	259
23.95	Total new obligations .....	-61	-3	-1
24.40	Unobligated balance carried forward, end of year .....	102	223	258

**New budget authority (gross), detail:**

<b>Mandatory:</b>				
69.00	Offsetting collections (cash) .....	76	124	36

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	.....	5	.....
73.10	Total new obligations .....	61	3	1

73.20	Total outlays (gross) .....	-56	-8	-1
74.40	Obligated balance, end of year .....	5	.....	.....

**Outlays (gross), detail:**

86.98	Outlays from mandatory balances .....	56	8	1
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**Offsets:**

Against gross budget authority and outlays:

<b>Offsetting collections (cash) from:</b>				
88.20	Interest on Federal securities .....	-1	-1	-1
88.40	Non-Federal sources .....	-75	-123	-35
88.90	Total, offsetting collections (cash) .....	-76	-124	-36

**Net budget authority and outlays:**

89.00	Budget authority .....	.....	.....	.....
90.00	Outlays .....	-19	-116	-35

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: Federal securities:	.....	.....	.....
	Par value .....	.....	92	223
92.02	Total investments, end of year: Federal securities:	.....	.....	.....
	Par value .....	92	223	258

The fund provides direct support for the aviation insurance program (chapter 443 of title 49, U.S. Code). Income to the fund is derived from premium collections for premium insurance coverage issued, income from authorized investments, and binder fees for nonpremium coverage issued. The binders provide aviation insurance coverage for U.S. air carrier aircraft used in connection with certain Government contract operations by the Department of Defense and the Department of State.

As amended by the Homeland Security Act (P.L. 107-296), the Air Transportation System Safety and Stabilization Act (P.L. 107-42) expanded the aviation insurance program to cover U.S. air carriers for domestic operations, and limited air carrier third party liability to \$100 million for the period September 22, 2001-December 31, 2003 for losses that the Secretary of Transportation certifies are caused by a terrorist act. Because third party liability coverage above \$50 million has not been reasonably available commercially, FAA has been issuing such coverage for civil aircraft operations for losses so certified, above \$50 million and up to \$100 million, at premiums set by the Secretary. In addition, FAA has been issuing coverage at premiums set by the Secretary, for civil aircraft operations for war risk losses other than those so certified: (i) for hull losses, this coverage is at fair market value; (ii) for death, injury, or property loss to passengers or crew, the limit is the same as that of the air carrier's coverage before September 11, 2001; and (iii) for third party liability, the limit is twice that of such coverage.

**Object Classification** (in millions of dollars)

Identification code 69-4120-0-3-402	2002 actual	2003 est.	2004 est.	
42.0	Direct obligations: Insurance claims and indemnities	60	2	.....
99.5	Below reporting threshold .....	1	1	1
99.9	Total new obligations .....	61	3	1

**Personnel Summary**

Identification code 69-4120-0-3-402	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	3	3	3

**Intragovernmental accounts:**

**ADMINISTRATIVE SERVICES FRANCHISE FUND**

**Program and Financing (in millions of dollars)**

Identification code 69-4562-0-4-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Accounting .....	14	13	13
09.02 Payroll .....	5	4	4
09.03 Travel .....	2	2	2
09.04 Duplicating services .....	7	7	7
09.05 Multi-media .....	2	2	2
09.06 Training .....	3	5	5
09.07 Logistics .....	178	150	150
09.08 Aircraft maintenance .....	32	36	36
09.10 Information technology .....	44	50	50
09.99 Total reimbursable program .....	287	269	269
10.00 Total new obligations .....	287	269	269
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	26	57	54
22.00 New budget authority (gross) .....	318	266	266
23.90 Total budgetary resources available for obligation .....	344	323	320
23.95 Total new obligations .....	-287	-269	-269
24.40 Unobligated balance carried forward, end of year .....	57	54	51
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	316	266	266
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
68.90 Spending authority from offsetting collections (total discretionary) .....	318	266	266
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	49	71	71
73.10 Total new obligations .....	287	269	269
73.20 Total outlays (gross) .....	-263	-269	-269
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
74.40 Obligated balance, end of year .....	71	71	71
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	191	266	266
86.93 Outlays from discretionary balances .....	72	3	3
87.00 Total outlays (gross) .....	263	269	269
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-316	-266	-266
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-53	3	3

In 1997, the Federal Aviation Administration established a franchise fund to finance operations where the costs for goods and services provided are charged to the users on a reimbursable basis. The fund improves organizational efficiency and provides better support to FAA's internal and external customers. The activities included in this franchise fund are: training, accounting, payroll, travel, duplicating services, multi-media services, information technology, material management (logistics), and aircraft maintenance.

**Object Classification (in millions of dollars)**

Identification code 69-4562-0-4-402	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	69	68	68
12.1 Civilian personnel benefits .....	17	18	18
21.0 Travel and transportation of persons .....	2	3	3
22.0 Transportation of things .....	4	3	3

23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
24.0 Printing and reproduction .....	3	3	3
25.2 Other services .....	108	111	111
26.0 Supplies and materials .....	75	54	54
31.0 Equipment .....	8	8	8
99.0 Reimbursable obligations .....	287	269	269
99.9 Total new obligations .....	287	269	269

**Personnel Summary**

Identification code 69-4562-0-4-402	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1,149	1,149	1,149

**Trust Funds**

**AIRPORT AND AIRWAY TRUST FUND**

**Program and Financing (in millions of dollars)**

Identification code 20-8103-0-7-402	2002 actual	2003 est.	2004 est.
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	13,660	10,997	12,340
92.02 Total investments, end of year: Federal securities: Par value .....	10,997	12,340	10,578

Section 9502 of Title 26, U.S. Code, provides for amounts equivalent to the funds received in the Treasury for the passenger ticket tax and certain other taxes paid by airport and airway users to be transferred to the Airport and Airway Trust Fund. In turn, appropriations are authorized from this fund to meet obligations for airport improvement grants, FAA facilities and equipment, research, and operations, and for the Bureau of Transportation Statistics Office of Airline Information.

The status of the fund is as follows (in millions of dollars):

**Status of Funds (in millions of dollars)**

Identification code 20-8103-0-7-402	2002 actual	2003 est.	2004 est.
<b>Unexpended balance, start of year:</b>			
0100 Uninvested balance .....	825	1,645	
0101 Federal securities: Par value .....	13,660	10,997	12,340
0199 Total balance, start of year .....	14,485	12,642	12,340
<b>Cash income during the year:</b>			
<b>Current law:</b>			
<b>Receipts:</b>			
<b>Receipts:</b>			
1200 Passenger ticket tax .....	4,726	4,655	5,180
1200 Passenger flight segment tax .....	1,532	1,888	2,032
1200 Waybill tax .....	474	433	461
1200 Fuel tax .....	789	748	778
1200 International departure/arrival tax .....	1,282	1,426	1,526
1200 Rural airports tax .....	80	75	83
1200 Frequent flyer tax .....	148	155	158
<b>Offsetting receipts (intragovernmental):</b>			
1240 Interest, Airport and airway trust fund .....	860	708	709
<b>Offsetting collections:</b>			
1280 Trust fund share of FAA operations .....	2		
1281 Facilities and equipment .....	172	120	120
1282 Research, engineering, and development .....	4	16	16
1299 Income under present law .....	10,069	10,225	11,063
<b>Cash outgo during year:</b>			
<b>Current law:</b>			
4500 Trust fund share of FAA operations .....	-5,902	-3,943	-6,000
4501 Grants-in-aid for airports .....	-2,860	-3,244	-3,299
<b>Cash outgo during the year (-):</b>			
4502 Facilities and equipment .....	-2,737	-2,968	-3,229
4502 Facilities and equipment offsetting collections .....	-172	-120	-120
<b>Cash outgo during the year (-):</b>			
4503 Research, engineering and development .....	-200	-201	-157
4503 Research, engineering and development offsetting collections .....	-4	-16	-16

4504	Payments to air carriers .....	— 34	— 30	.....
4505	Office of airline information .....	.....	— 4	— 4
4599	Outgo under current law (—) .....	— 11,909	— 10,526	— 12,825
Unexpended balance, end of year:				
8700	Uninvested balance .....	1,645	.....	.....
8701	Federal securities: Par value .....	10,997	12,340	10,578
8799	Total balance, end of year .....	12,642	12,340	10,578
Commitments against unexpended balance, end of year:				
9801	Obligated balance (—) .....	— 7,282	— 7,330	— 7,010
9802	Unobligated balance (—) .....	— 573	— 443	— 494
Total commitments .....		— 7,855	— 7,773	— 7,504
Uncommitted balance end of year .....		4,787	4,567	3,074

Note.—The invested balances shown above include both appropriated and unavailable balances.

**GRANTS-IN-AID FOR AIRPORTS**  
(LIQUIDATION OF CONTRACT AUTHORIZATION)  
(LIMITATION ON OBLIGATIONS)  
(AIRPORT AND AIRWAY TRUST FUND)

*For liquidation of obligations incurred for grants-in-aid for airport planning and development, and noise compatibility planning and programs as authorized under subchapter I of chapter 471 and subchapter I of chapter 475 of title 49, United States Code, and under other law authorizing such obligations; for procurement, installation, and commissioning of runway incursion prevention devices and systems at airports of such title; and for inspection activities and administration of airport safety programs, including those related to airport operating certificates under 49 U.S.C. 44706, \$3,400,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: Provided, That none of the funds under this heading shall be available for the planning or execution of programs the obligations for which are in excess of \$3,400,000,000 in fiscal year 2004, notwithstanding 49 U.S.C. 47117(g): Provided further, That notwithstanding any other provision of law, not more than \$69,737,000 of funds limited under this heading shall be obligated for administration and \$17,417,000 for technology research.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-8106-0-7-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants-in-aid for airports .....	3,308	3,236	3,313
00.02 Personnel and related expenses .....	57	65	70
00.03 Essential air services .....	.....	83	.....
00.04 Airport technology research .....	.....	16	17
00.05 Small community air service .....	20	.....	.....
00.06 Discretionary Terrorist Response .....	175	.....	.....
10.00 Total new obligations .....	3,560	3,400	3,400
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	302	1	1
22.00 New budget authority (gross) .....	3,173	3,400	3,400
22.10 Resources available from recoveries of prior year obligations .....	85	.....	.....
23.90 Total budgetary resources available for obligation	3,560	3,401	3,401
23.95 Total new obligations .....	— 3,560	— 3,400	— 3,400
24.40 Unobligated balance carried forward, end of year .....	1	1	1

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.26 Appropriation (trust fund) .....	1,975	3,100	3,400
40.49 Portion applied to liquidate contract authority .....	— 1,800	— 3,100	— 3,400
43.00 Appropriation (total discretionary) .....	175	.....	.....
<b>Mandatory:</b>			
66.10 Contract authority (AIR-21) .....	3,300	3,400	3,400
66.35 Contract authority rescinded .....	— 302	.....	.....
66.90 Contract authority (total mandatory) .....	2,998	3,400	3,400
70.00 Total new budget authority (gross) .....	3,173	3,400	3,400

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	4,378	4,993	5,149
73.10 Total new obligations .....	3,560	3,400	3,400
73.20 Total outlays (gross) .....	— 2,860	— 3,244	— 3,299
73.45 Recoveries of prior year obligations .....	— 85	.....	.....
74.40 Obligated balance, end of year .....	4,993	5,149	5,250

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	666	737	673
86.93 Outlays from discretionary balances .....	2,194	2,507	2,626
87.00 Total outlays (gross) .....	2,860	3,244	3,299

**Net budget authority and outlays:**

89.00 Budget authority .....	3,173	3,400	3,400
90.00 Outlays .....	2,860	3,244	3,299

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	3	4	4
99.01 Outlays .....	3	4	4

**Status of Contract Authority (in millions of dollars)**

Identification code 69-8106-0-7-402	2002 actual	2003 est.	2004 est.
<b>Contract authority:</b>			
0200 Contract authority .....	2,998	3,400	3,400
0400 Appropriation to liquidate contract authority .....	— 1,800	— 3,100	— 3,400

Subchapter I of chapter 471, title 49, U.S. Code (formerly the Airport and Airway Improvement Act of 1982, as amended) provides for airport improvement grants, including those emphasizing capacity development, safety and security needs; and chapter 475 of title 49 provides for grants for aircraft noise compatibility planning and programs.

The 2002 appropriations act provides funding under this heading for administrative costs related to this program. For FY 2003 and FY 2004, the Administration proposes that funds under this heading also be provided for the FAA's airport-related research program.

**Object Classification (in millions of dollars)**

Identification code 69-8106-0-7-402	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	37	43	47
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	38	44	48
12.1 Civilian personnel benefits .....	9	10	11
21.0 Travel and transportation of persons .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services .....	27	24	25
31.0 Equipment .....	1	.....	.....
41.0 Grants, subsidies, and contributions .....	3,482	3,319	3,313
99.9 Total new obligations .....	3,560	3,400	3,400

**Personnel Summary**

Identification code 69-8106-0-7-402	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	468	535	551

**FACILITIES AND EQUIPMENT**

(AIRPORT AND AIRWAY TRUST FUND)

*For necessary expenses, not otherwise provided for, for acquisition, establishment, technical support services, improvement by contract or purchase, hire of air navigation and experimental facilities and equipment, and other capital facilities and equipment in direct support of the National Airspace System, as authorized under part A of sub-title VII of title 49, United States Code, including initial acquisition of necessary sites by lease or grant; engineering and service testing, including construction of test facilities and acquisition of necessary sites by lease or grant; construction and furnishing of quarters and*

FACILITIES AND EQUIPMENT—Continued

(AIRPORT AND AIRWAY TRUST FUND)—Continued

related accommodations for officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; and the purchase, lease, or transfer of aircraft from funds available under this heading; to be derived from the Airport and Airway Trust Fund, \$2,916,000,000; of which \$2,467,460,000 shall remain available until September 30, 2006, and of which \$448,540,000 shall remain available until September 30, 2004: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: Provided further, That upon initial submission to the Congress of the fiscal year 2005 President's budget, the Secretary of Transportation shall transmit to the Congress a comprehensive capital investment plan for the Federal Aviation Administration which includes funding for each budget line item for fiscal years 2005 through 2009, with total funding for each year of the plan constrained to the funding targets for those years as estimated and approved by the Office of Management and Budget.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 69-8107-0-7-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Engineering, development, test and evaluation .....	683	49	3
00.02 Procurement and modernization of air traffic control (ATC) facilities and equipment .....	1,373	318	51
00.03 Procurement and modernization of non-ATC facilities and equipment .....	424	17	3
00.04 Mission support .....	349	22	6
00.05 Personnel and related expenses .....	370	423	449
00.06 Improve aviation safety .....	343	273	
00.07 Improve efficiency of the air traffic control system .....	789	885	
00.08 Increase capacity of the NAS .....	300	315	
00.09 Improve reliability of the NAS .....	377	446	
00.10 Improve the efficiency of mission support .....	377	434	
09.01 Reimbursable program .....	84	120	120
10.00 Total new obligations .....	3,283	3,135	2,985
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	483	476	442
22.00 New budget authority (gross) .....	3,178	3,101	3,036
22.10 Resources available from recoveries of prior year obligations .....	112		
23.90 Total budgetary resources available for obligation .....	3,773	3,577	3,478
23.95 Total new obligations .....	-3,283	-3,135	-2,985
23.98 Unobligated balance expiring or withdrawn .....	-14		
24.40 Unobligated balance carried forward, end of year .....	476	442	493
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	3,023	2,981	2,916
40.36 Unobligated balance rescinded .....	-15		
40.73 Reduction pursuant to P.L. 107-206 .....	-2		
43.00 Appropriation (total discretionary) .....	3,006	2,981	2,916
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	172	120	120
70.00 Total new budget authority (gross) .....	3,178	3,101	3,036
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,751	1,989	2,036
73.10 Total new obligations .....	3,283	3,135	2,985
73.20 Total outlays (gross) .....	-2,909	-3,088	-3,349
73.40 Adjustments in expired accounts (net) .....	-24		
73.45 Recoveries of prior year obligations .....	-112		
74.40 Obligated balance, end of year .....	1,989	2,036	1,672
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,582	1,402	1,374
86.93 Outlays from discretionary balances .....	1,327	1,686	1,975

87.00	Total outlays (gross) .....	2,909	3,088	3,349
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-143	-100	-100
88.40	Non-Federal sources .....	-29	-20	-20
88.90	Total, offsetting collections (cash) .....	-172	-120	-120
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	3,006	2,981	2,916
90.00	Outlays .....	2,737	2,968	3,229
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	17	18	18
99.01	Outlays .....	17	18	18

Note.—Improve reliability of the national air space system has an estimated contingent liability of \$63 million (present value) associated with the FAA's long-term lease of facilities at the Mike Monroney Aeronautical Center, Oklahoma City, Oklahoma. This contingent liability will be funded through this account.

Funding in this account provides for the national airspace system equipment, facility, and related applied research activities. For 2004, the majority of proposed funding is allocated to the following performance goal areas of the FAA: improve aviation safety; improve efficiency to the air traffic control system; increase capacity of the national airspace system; improve reliability of the national airspace system; and, improve efficiency of mission support.

Object Classification (in millions of dollars)

Identification code 69-8107-0-7-402	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent .....	238	266	287
11.3	Other than full-time permanent .....	1	1	1
11.5	Other personnel compensation .....	9	10	11
11.9	Total personnel compensation .....	248	277	299
12.1	Civilian personnel benefits .....	66	78	75
21.0	Travel and transportation of persons .....	43	51	53
22.0	Transportation of things .....	3	6	5
23.2	Rental payments to others .....	61	56	54
23.3	Communications, utilities, and miscellaneous charges .....	16	17	15
24.0	Printing and reproduction .....		2	2
25.2	Other services .....	1,671	1,441	1,316
26.0	Supplies and materials .....	26	51	49
31.0	Equipment .....	902	849	825
32.0	Land and structures .....	150	180	165
41.0	Grants, subsidies, and contributions .....	13	7	7
99.0	Direct obligations .....	3,199	3,015	2,865
99.0	Reimbursable obligations .....	84	120	120
99.9	Total new obligations .....	3,283	3,135	2,985

Personnel Summary

Identification code 69-8107-0-7-402	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	2,846	3,234	3,234
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	33	55	55

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, as authorized under part A of subtitle VII of title 49, United States Code, including construction of experimental facilities and acquisition of necessary sites by lease or grant, \$100,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 2006: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 69-8108-0-7-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 System development and infrastructure .....	18		
00.04 Weather .....	24		
00.06 Aircraft safety technology .....	66		
00.07 System security technology .....	95		
00.08 Human factors and aviation medicine .....	24		
00.09 Environment and energy .....	22		
00.11 Improve aviation safety .....		112	87
00.12 Improve efficiency of the air traffic control system .....		10	
00.13 Reduce environmental impact of aviation .....		9	8
00.14 Improve the efficiency of mission support .....		9	5
09.01 Reimbursable program .....	4	16	16
10.00 Total new obligations .....	253	156	116
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	13	16	
22.00 New budget authority (gross) .....	249	140	116
22.10 Resources available from recoveries of prior year obligations .....		7	
23.90 Total budgetary resources available for obligation .....	269	156	116
23.95 Total new obligations .....	-253	-156	-116
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	16		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	245	124	100
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	4	16	16
70.00 Total new budget authority (gross) .....	249	140	116
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	165	206	145
73.10 Total new obligations .....	253	156	116
73.20 Total outlays (gross) .....	-204	-217	-173
73.40 Adjustments in expired accounts (net) .....	-1		
73.45 Recoveries of prior year obligations .....	-7		
74.40 Obligated balance, end of year .....	206	145	88
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	97	90	76
86.93 Outlays from discretionary balances .....	107	127	97
87.00 Total outlays (gross) .....	204	217	173
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-4	-16	-16
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	245	124	100
90.00 Outlays .....	200	201	157
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

This account provides funding to conduct research, engineering, and development to improve the national airspace system's capacity and safety, as well as the ability to meet environmental needs. For 2004, the majority of proposed funding is allocated to the following performance goal areas of the FAA: improve aviation safety; reduce environmental impact of aviation; and, improve the efficiency of mission support.

Object Classification (in millions of dollars)			
Identification code 69-8108-0-7-402	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	32	23	24

11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	1		
11.9 Total personnel compensation .....	34	24	25
12.1 Civilian personnel benefits .....	7	5	6
21.0 Travel and transportation of persons .....	3	2	2
23.3 Communications, utilities, and miscellaneous charges .....	2	2	1
25.5 Research and development contracts .....	153	74	44
26.0 Supplies and materials .....	4	4	1
31.0 Equipment .....	4	4	1
41.0 Grants, subsidies, and contributions .....	42	25	20
99.0 Direct obligations .....	249	140	100
99.0 Reimbursable obligations .....	4	16	16
99.9 Total new obligations .....	253	156	116

**Personnel Summary**

Identification code 69-8108-0-7-402	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	420	292	292

**TRUST FUND SHARE OF FAA OPERATIONS  
(AIRPORT AND AIRWAY TRUST FUND)**

**Program and Financing (in millions of dollars)**

Identification code 69-8104-0-7-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Regulation and certification .....	58	42	
00.03 Civil aviation security .....	73	27	
00.04 Payment to Operations .....	5,773	3,799	6,000
10.00 Total new obligations .....	5,904	3,868	6,000
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		69	
22.00 New budget authority (gross) .....	5,973	3,799	6,000
23.90 Total budgetary resources available for obligation .....	5,973	3,868	6,000
23.95 Total new obligations .....	-5,904	-3,868	-6,000
24.40 Unobligated balance carried forward, end of year .....	69		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	5,973	3,799	6,000
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	74	75	
73.10 Total new obligations .....	5,904	3,868	6,000
73.20 Total outlays (gross) .....	-5,902	-3,943	-6,000
74.10 Change in uncollected customer payments from Federal sources (expired) .....	-1		
74.40 Obligated balance, end of year .....	75		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5,902	3,799	6,000
86.93 Outlays from discretionary balances .....		144	
87.00 Total outlays (gross) .....	5,902	3,943	6,000
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-2		
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5,973	3,799	6,000
90.00 Outlays .....	5,902	3,943	6,000

For 2004, the budget proposes \$7,591 million for FAA Operations, of which \$6,000 million would be provided from the Airport and Airway Trust Fund.

TRUST FUND SHARE OF FAA OPERATIONS—Continued  
(AIRPORT AND AIRWAY TRUST FUND)—Continued

**Object Classification** (in millions of dollars)

Identification code 69-8104-0-7-402	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	40		
12.1 Civilian personnel benefits .....	15		
25.2 Other services .....	58	69	
31.0 Equipment .....	17		
94.0 Financial transfers .....	5,774	3,799	6,000
99.0 Direct obligations .....	5,904	3,868	6,000
99.9 Total new obligations .....	5,904	3,868	6,000

**Personnel Summary**

Identification code 69-8104-0-7-402	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	792		

**FEDERAL HIGHWAY ADMINISTRATION**

The Transportation Equity Act for the 21st Century (TEA-21), which authorized most surface transportation programs from 1998 through 2003, expires September 30, 2003. The President's Budget and reauthorization proposals build and improve upon TEA-21's successes. The President's Budget continues transportation infrastructure investment to increase the mobility and productivity of the Nation, strengthens transportation safety programs, and provides focus on program efficiencies, oversight, and accountability.

Title 23 U.S.C. ("Highways") and other supporting legislation provide authority for the various programs of the Federal Highway Administration designed to improve highways throughout the Nation.

In 2004, the Federal Highway Administration continues major programs, including the Surface Transportation Program, the National Highway System, Interstate Maintenance, Highway Bridge Replacement and Rehabilitation Program, Congestion Mitigation and Air Quality Improvement Program, and Transportation Infrastructure Finance and Innovation programs. In addition, the Budget proposes a new \$1 billion Infrastructure Performance and Maintenance Program targeted at "ready-to-go" highway projects. The program will use the Surface Transportation Program funding formula.

In summary, the 2004 budget consists of \$30,412 million in new budget authority and \$29,675 million in outlays. The following table reflects program levels (obligations). Because project selection is determined by the States, the 2003 and 2004 program levels are estimates.

**FEDERAL HIGHWAY ADMINISTRATION**

(In millions of dollars)

	2002 actual <sup>1</sup>	2003 est.	2004 est.
Obligations:			
Federal-aid highways .....	31,883	28,629	31,171
Federal-aid subject to limitation .....	30,761	27,459	30,340
Administration, accruals for CSRS and FEHB .....	[24]	[24]	[24]
State infrastructure banks .....		1	
Miscellaneous highway trust funds .....	336	256	179
Appalachian development highway system (GF) .....	99	107	
Appalachian development highway system (TF) .....	60	1	
Miscellaneous appropriations (GF) .....	96	49	49
Miscellaneous trust funds .....	142	57	341
Total program level .....	32,618	29,100	31,741
Total discretionary .....	31,354	27,873	30,469
Total mandatory .....	1,264	1,227	1,272

<sup>1</sup>2002 funds reflect the transfer of \$1.7 billion from FHWA to FTA. The budget assumes that flex-funding transfer between FHWA and FTA will continue.

**Federal Funds**

MISCELLANEOUS APPROPRIATIONS

Note.—2002 appropriations were provided by section 330 of the Department of Transportation and Related Agencies Appropriations Act, 2002, as amended by section 1103 of the Emergency Supplemental Act, 2002.

**Program and Financing** (in millions of dollars)

Identification code 69-9911-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.10 Feasibility, design, environmental and engineering .....		1	1
00.11 Bridge Improvement demo proj .....		1	1
00.12 Interstate transfer grants .....		1	1
00.24 Highway demonstration projects .....	7	3	3
00.30 Highway demonstration projects—preliminary engineering .....		1	1
00.45 Highway bypass demonstration .....		2	2
00.46 Railroad highway crossing demonstration .....		2	2
00.79 Surface transportation projects .....	36	36	36
00.83 Miscellaneous highway projects/muscle shoals .....	53	2	2
10.00 Total new obligations (object class 41.0) .....	96	49	49

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	192	247	198
22.00 New budget authority (gross) .....	148		
22.10 Resources available from recoveries of prior year obligations .....	3		
23.90 Total budgetary resources available for obligation	343	247	198
23.95 Total new obligations .....	-96	-49	-49
24.40 Unobligated balance carried forward, end of year .....	247	198	149

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	148		

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	728	792	623
73.10 Total new obligations .....	96	49	49
73.20 Total outlays (gross) .....	-28	-218	-128
73.45 Recoveries of prior year obligations .....	-3		
74.40 Obligated balance, end of year .....	792	623	544

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	40		
86.93 Outlays from discretionary balances .....	-12	218	128
87.00 Total outlays (gross) .....	28	218	128

**Net budget authority and outlays:**

89.00 Budget authority .....	148		
90.00 Outlays .....	28	218	128

This consolidated schedule shows the obligation and outlay of amounts made available for programs in prior years. No further appropriation is requested.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

**Program and Financing** (in millions of dollars)

Identification code 69-0640-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Appalachian highway development system, 1998 .....	2		
00.03 Appalachian highway development system, 2002 .....	97	107	
10.00 Total new obligations (object class 25.2) .....	99	107	

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	7	107	
22.00 New budget authority (gross) .....	200		
23.90 Total budgetary resources available for obligation	207	107	
23.95 Total new obligations .....	-99	-107	
24.40 Unobligated balance carried forward, end of year .....	107		

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	200		

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	94	131	148
73.10	Total new obligations .....	99	107	
73.20	Total outlays (gross) .....	-62	-90	-74
74.40	Obligated balance, end of year .....	131	148	74

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	12		
86.93	Outlays from discretionary balances .....	50	90	74
87.00	Total outlays (gross) .....	62	90	74

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	200		
90.00	Outlays .....	62	90	74

Funding for this program will be used for the necessary expenses relating to construction of, and improvements to, corridor X of the Appalachian Development Highway System (ADHS) in the State of Alabama, and to the ADHS in the State of West Virginia. No further appropriation is requested as the ADHS is funded as part of the Federal-aid highway program.

STATE INFRASTRUCTURE BANKS

Program and Financing (in millions of dollars)

Identification code 69-0549-0-1-401

<b>Obligations by program activity:</b>				
00.01	Direct Program Activity .....		1	
10.00	Total new obligations (object class 25.2) .....		1	

<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	5	1	
22.00	New budget authority (gross) .....	-6		
22.10	Resources available from recoveries of prior year obligations .....	2		
23.90	Total budgetary resources available for obligation .....	1	1	
23.95	Total new obligations .....		-1	
24.40	Unobligated balance carried forward, end of year .....	1		

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.36	Unobligated balance rescinded .....	-6		

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	20	16	11
73.10	Total new obligations .....		1	
73.20	Total outlays (gross) .....	-3	-6	-6
73.45	Recoveries of prior year obligations .....	-2		
74.40	Obligated balance, end of year .....	16	11	5

<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	3	6	6

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	-6		
90.00	Outlays .....	3	6	6

This schedule shows the obligation and outlay of amounts made available in prior years. No further appropriations are requested.

ELLSWORTH HOUSING SETTLEMENT

Program and Financing (in millions of dollars)

Identification code 69-5460-0-2-401

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	3	2	
73.20	Total outlays (gross) .....	-2		
74.40	Obligated balance, end of year .....	2		

<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	2		

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	2		

The account reflects a portion of the funds received by the United States in settlement of the claims against the Hunt Building Corporation and Ellsworth Housing Limited Partnership. The funds that are available to the Secretary of Transportation are for construction of an access road on Interstate Route 90 at Box Elder, South Dakota.

Credit accounts:

TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION  
PROGRAM DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 69-4123-0-3-401

<b>Obligations by program activity:</b>				
00.01	Loan obligations .....	573	2,162	2,200
00.02	Interest paid to Treasury .....	22	37	73
10.00	Total new obligations .....	595	2,199	2,273

<b>Budgetary resources available for obligation:</b>				
22.00	New financing authority (gross) .....	595	2,199	2,273
22.10	Resources available from recoveries of prior year obligations .....		240	
22.70	Balance of authority to borrow withdrawn .....		-240	
23.90	Total budgetary resources available for obligation .....	595	2,199	2,273
23.95	Total new obligations .....	-595	-2,199	-2,273

<b>New financing authority (gross), detail:</b>				
Mandatory:				
67.10	Authority to borrow .....	562	2,084	2,136
69.00	Offsetting collections (cash) .....	27	75	74
69.10	Change in uncollected customer payments from Federal sources (unexpired) .....	6	61	63
69.47	Portion applied to repay debt .....		-21	
69.90	Spending authority from offsetting collections (total mandatory) .....	33	115	137
70.00	Total new financing authority (gross) .....	595	2,199	2,273

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1,980	2,496	3,862
73.10	Total new obligations .....	595	2,199	2,273
73.20	Total financing disbursements (gross) .....	-73	-532	-1,001
73.45	Recoveries of prior year obligations .....		-240	
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-6	-61	-63
74.40	Obligated balance, end of year .....	2,496	3,862	5,069
87.00	Total financing disbursements (gross) .....	73	532	1,001

<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources: subsidy from program account .....		-55	-54
88.25	Interest on uninvested funds .....	-1		
88.40	Non-Federal sources: interest payments .....	-26	-20	-20
88.90	Total, offsetting collections (cash) .....	-27	-75	-74
Against gross financing authority only:				
88.95	Change in receivables from program accounts .....	-6	-61	-63

<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....	562	2,063	2,136
90.00	Financing disbursements .....	45	457	927

**Credit accounts—Continued****TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION  
PROGRAM DIRECT LOAN FINANCING ACCOUNT—Continued****Status of Direct Loans (in millions of dollars)**

Identification code 69-4123-0-3-401	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	2,200	2,200	2,200
1142 Unobligated direct loan limitation (—) .....	–1,627	–38	
1150 Total direct loan obligations .....	573	2,162	2,200
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	300	351	846
1231 Disbursements: Direct loan disbursements .....	51	495	928
1251 Repayments: Repayments and prepayments .....			
1290 Outstanding, end of year .....	351	846	1,774

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans made under the Transportation Infrastructure Finance and Innovation Act Program (TIFIA). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 69-4123-0-3-401	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Investments in US securities:				
1106 Federal assets: Receivables, net .....	176	174	328	184
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	300	351	846	1,774
1402 Interest receivable .....	15	19	20	20
1405 Allowance for subsidy cost (–) .....	–20	8	42	96
1499 Net present value of assets related to direct loans .....	295	378	908	1,890
1999 Total assets .....	471	552	1,236	2,074
<b>LIABILITIES:</b>				
Federal liabilities:				
2103 Debt .....	295	346	479	1,281
2105 Other .....	176	206	757	793
2999 Total liabilities .....	471	552	1,236	2,074
4999 Total liabilities and net position .....	471	552	1,236	2,074

**TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION  
PROGRAM GUARANTEED LOAN FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 69-4145-0-3-401	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			2
22.00 New financing authority (gross) .....		2	4
23.90 Total budgetary resources available for obligation .....		2	6
24.40 Unobligated balance carried forward, end of year .....		2	6
<b>New financing authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....		2	4
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources: loan guarantee subsidy .....		–2	–4
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....		–2	–4

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 69-4145-0-3-401	2002 actual	2003 est.	2004 est.
<b>LOAN GUARANTEES</b>			
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	100	200	200
2142 Uncommitted loan guarantee limitation .....	–100		
2150 Total guaranteed loan commitments .....		200	200
2199 Guaranteed amount of guaranteed loan commitments .....		200	200
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....			120
2231 Disbursements of new guaranteed loans .....		120	160
2290 Outstanding, end of year .....		120	280
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....		120	280

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees made under the Transportation Infrastructure Finance and Innovation Act Program (TIFIA). The amounts are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 69-4145-0-3-401	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....			2	6
1999 Total assets .....			2	6
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....			2	6
2999 Total liabilities .....			2	6
<b>NET POSITION:</b>				
3999 Total net position .....				
4999 Total liabilities and net position .....			2	6

**TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION  
PROGRAM LINE OF CREDIT FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 69-4173-0-3-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Lines of credit .....		200	77
10.00 Total new obligations .....		200	77
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....		200	77
22.10 Resources available from recoveries of prior year obligations .....		30	
22.70 Balance of authority to borrow withdrawn .....		–30	
23.90 Total budgetary resources available for obligation .....		200	77
23.95 Total new obligations .....		–200	–77
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....		200	69
69.00 Offsetting collections (cash) .....			8
70.00 Total new financing authority (gross) .....		200	77
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	83	83	248
73.10 Total new obligations .....		200	77
73.20 Total financing disbursements (gross) .....		–5	–26

73.45	Recoveries of prior year obligations .....	-30		
74.40	Obligated balance, end of year .....	83	248	299
87.00	Total financing disbursements (gross) .....		5	26
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
88.00	Offsetting collections (cash) from: Federal sources .....			-8
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....		200	69
90.00	Financing disbursements .....		5	18

**Status of Direct Loans** (in millions of dollars)

Identification code 69-4173-0-3-401	2002 actual	2003 est.	2004 est.	
<b>LINES OF CREDIT</b>				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....	100	200	200
1142	Unobligated direct loan limitation (-) .....	-100		
1150	Total direct loan obligations .....		200	200
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....			5
1231	Disbursements: Direct loan disbursements .....		5	25
1290	Outstanding, end of year .....		5	30

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from lines of credit made under the Transportation Infrastructure Finance and Innovation Act Program (TIFIA). The amounts are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 69-4173-0-3-401	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury .....	53	248	422
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross .....		5	30
1405	Allowance for subsidy cost (-) .....			
1499	Net present value of assets related to direct loans .....		5	30
1999	Total assets .....	53	253	452
<b>LIABILITIES:</b>				
2103	Federal liabilities: Debt .....	53	253	452
2999	Total liabilities .....	53	253	452
<b>NET POSITION:</b>				
3999	Total net position .....			
4999	Total liabilities and net position .....	53	253	452

**ORANGE COUNTY (CA) TOLL ROAD DEMONSTRATION PROJECT PROGRAM ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 69-0543-0-1-401	2002 actual	2003 est.	2004 est.	
<b>Budgetary resources available for obligation:</b>				
22.10	Resources available from recoveries of prior year obligations .....		2	
23.98	Unobligated balance expiring or withdrawn .....		-2	
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	12	12	10
73.45	Recoveries of prior year obligations .....		-2	
74.40	Obligated balance, end of year .....	12	10	10
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			

90.00	Outlays .....		
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As required by the Federal Credit Reform Act of 1990, this account records for this program, the subsidy costs associated with the direct loans obligated in 1992 and later years (including modifications of direct loans, loan guarantees, or lines of credit that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Future Federal credit enhancements for transportation infrastructure will be made under the Transportation Infrastructure Finance and Innovation Act Program.

**ORANGE COUNTY (CA) TOLL ROAD DEMONSTRATION PROJECT DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 69-4200-0-3-401	2002 actual	2003 est.	2004 est.	
<b>Budgetary resources available for obligation:</b>				
22.10	Resources available from recoveries of prior year obligations .....		27	
23.98	Unobligated balance expiring or withdrawn .....		-27	
<b>New financing authority (gross), detail:</b>				
Mandatory:				
69.10	Change in uncollected customer payments from Federal sources (unexpired) .....		2	
69.45	Portion precluded from obligation (limitation on obligations) .....		-2	
69.90	Spending authority from offsetting collections (total mandatory) .....			
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	165	165	136
73.45	Recoveries of prior year obligations .....		-27	
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....		-2	
74.40	Obligated balance, end of year .....	165	136	136
<b>Offsets:</b>				
Against gross financing authority only:				
88.95	Change in receivables from program accounts .....		-2	
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....		-2	
90.00	Financing disbursements .....			

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and later years (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Trust Funds**

**RIGHT-OF-WAY REVOLVING FUND LIQUIDATING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 69-8402-0-8-401	2002 actual	2003 est.	2004 est.	
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	-10	-10	-10
22.10	Resources available from recoveries of prior year obligations .....		10	10
23.90	Total budgetary resources available for obligation .....			

RIGHT-OF-WAY REVOLVING FUND LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued				
Identification code 69-8402-0-8-401	2002 actual	2003 est.	2004 est.	
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.26	Appropriation (trust fund)	-10	-10	-10
69.00	Offsetting collections (cash)	10	10	10
69.45	Portion precluded from obligation (limitation on obligations)	-10	-10	-10
69.90	Spending authority from offsetting collections (total mandatory)			
70.00	Total new budget authority (gross)	-10	-10	-10
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	21	14	7
73.20	Total outlays (gross)	3	3	3
73.45	Recoveries of prior year obligations	-10	-10	-10
74.40	Obligated balance, end of year	14	7	
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances	-3	-3	-3
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-10	-10	-10
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	-20	-20	-20
90.00	Outlays	-12	-13	-13

Status of Direct Loans (in millions of dollars)				
Identification code 69-8402-0-8-401	2002 actual	2003 est.	2004 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	109	98	95
1231	Disbursements: Direct loan disbursements	3	7	7
1251	Repayments: Repayments and prepayments	-10	-10	-10
1264	Write-offs for default: Other adjustments, net	-4		
1290	Outstanding, end of year	98	95	92

The Federal-Aid Highway Act of 1968 authorized the establishment of a right-of-way revolving fund. This fund was used to make cash advances to States for the purpose of purchasing right-of-way parcels in advance of highway construction and thereby preventing the inflation of land prices from significantly increasing construction costs.

This program was terminated by TEA-21 but will continue to be shown for reporting purposes as loan balances remain outstanding. The purchase of right-of-way is an eligible expense of the Federal-aid program and therefore a separate program is unnecessary. No further obligations are proposed in 2004.

Statement of Operations (in millions of dollars)				
Identification code 69-8402-0-8-401	2001 actual	2002 actual	2003 est.	2004 est.
0101	Revenue	19	12	10
0102	Expense	-12	-2	-14
0105	Net income or loss (-)	7	10	-4

HIGHWAY TRUST FUND

Program and Financing (in millions of dollars)

Identification code 20-8102-0-7-401	2002 actual	2003 est.	2004 est.	
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities:			
	Par value	24,115	18,840	19,472

92.02	Total investments, end of year: Federal securities:			
	Par value	18,840	19,472	23,258

The Highway Revenue Act of 1956, as amended, provides for the transfer from the General Fund to the Highway Trust Fund of revenue from the motor fuel tax and certain other taxes paid by highway users. The Secretary of the Treasury estimates the amounts to be transferred. In turn, appropriations are authorized from this fund to meet expenditures for Federal-aid highways and other programs as specified by law.

This table shows the status of the resources of the Highway Trust Fund relative to the obligational authority that has been made available for programs financed by the trust fund. The encumbered balance indicates the degree to which the outstanding obligational authority exceeds the estimated cash balances of the fund each year. Under the laws governing the Highway Trust Fund, the amount of obligational authority available at any time cannot exceed the actual cash balances plus the amount of receipts estimated to be collected during the following two years; for most other trust funds obligational authority is limited to the actual receipts of the fund.

The Administration proposes the redirection to the highway account of the Highway Trust Fund of the 2.5 cents per gallon of the excise tax on gasohol currently deposited in the General Fund of the Treasury. This change would be effective October 1, 2003.

The status of the fund is as follows:

Status of Funds (in millions of dollars)				
Identification code 20-8102-0-7-401	2002 actual	2003 est.	2004 est.	
Unexpended balance, start of year:				
0100	Uninvested balance	3,625	3,393	
0101	Federal securities: Par value	24,115	18,840	19,472
0199	Total balance, start of year	27,740	22,233	19,472
Cash income during the year:				
Current law:				
Receipts:				
1200	Highway trust fund, deposits (Highway account)	27,982	28,144	29,476
1201	Highway Trust Fund deposits (Transit account)	4,621	4,671	4,793
Offsetting receipts (proprietary):				
1220	CMA receipts	1		
Offsetting collections:				
Offsetting governmental receipts:				
1280	Federal-aid highways	61	92	92
1280	Offsetting collections			10
1280	Offsetting collections			20
1281	NHTSA Grants	11	11	16
1282	Right-of-way revolving fund liquidating account	10	10	10
1283	Motor carrier safety	12	10	
1299	Income under present law	32,698	32,938	34,417
Proposed legislation:				
Receipts:				
2200	Receipts			643
3299	Total cash income	32,698	32,938	35,060
Cash outgo during year:				
Current law:				
4500	Federal-aid highways	-30,222	-28,286	-28,935
4501	Motor carrier safety	-116	-151	-12
4502	National motor carrier safety program	-164	-233	-137
4503	Highway-related safety grants		-1	
4504	Right-of-way revolving fund (trust revolving fund)	3	3	3
4505	Miscellaneous highway trust funds	-224	-301	-286
4506	Operations and research (trust fund share)	-96	-94	-104
4507	Highway traffic safety grants	-229	-229	-322
4509	Discretionary grants (trust fund)	-495	-455	-220
4510	Trust fund share of expenses	-6,573	-5,781	-321
4511	Construction, National Park Service, Interior	-2	-4	-1
4514	Appalachian development highway system	-80	-76	-34
4515	Border enforcement program	-7	-91	-6
4517	Motor carrier safety grants			-62
4518	Motor carrier safety operations and programs			-212
4519	Formula grants and research			-598
4599	Outgo under current law (-)	-38,205	-35,699	-31,247

5500	Proposed legislation: Federal-aid highways .....			-27
6599	Total cash outgo (-) .....	-38,205	-35,699	-31,274
8700	Unexpended balance, end of year: Uninvested balance .....	3,393		
8701	Federal securities: Par value .....	18,840	19,472	23,258
8799	Total balance, end of year .....	22,233	19,472	23,258
	Commitments against unexpended balance, end of year: 9801 Obligated balance (-) .....	-41,660	-41,608	-47,822
9802	Unobligated balance (-) .....	-29,593	-32,007	-32,034
	Total commitments (-) .....	-71,253	-73,615	-79,856
	Excess commitments over fund's cash balance, end of year (-) .....	-49,020	-54,143	-56,598

The following table shows the annual income and outlays of programs funded by the highway account of the trust fund.

**HIGHWAY TRUST FUND  
(HIGHWAY ACCOUNT ONLY)**

[In millions of dollars]

	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year .....	20,372	16,136	14,941
Cash income during the year: Total cash income .....	27,982	28,144	30,119
Cash outgo during the year (outlays) .....	32,244	29,268	29,942
Unexpended balance, end of year .....	16,136	14,941	15,053

Note.—The invested balances shown above include both appropriated and unavailable balances.

**FEDERAL-AID HIGHWAYS  
(LIMITATION ON OBLIGATIONS)  
(HIGHWAY TRUST FUND)**

None of the funds in this Act shall be available for the implementation or execution of programs, the obligations for which are in excess of \$29,293,948,000 for Federal-aid highways and highway safety construction programs for fiscal year 2004: Provided, That within this limitation, \$1,000,000,000 shall be available for the Infrastructure Performance and Maintenance Program.

**(LIQUIDATION OF CONTRACT AUTHORIZATION)**

**(HIGHWAY TRUST FUND)**

Notwithstanding any other provision of law, for carrying out the provisions of title 23, United States Code, that are attributable to Federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursement for sums expended pursuant to the provisions of 23 U.S.C. 308, \$30,000,000,000 or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-8083-0-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy—[TIFIA] .....	16	96	117
00.02 Guaranteed loan subsidy [TIFIA] .....	9	10	10
00.03 Line of credit [TIFIA] .....		8	10
00.05 Reestimates of direct loan subsidy .....		18	
00.06 Interest on the reestimate of direct loan subsidy .....		3	
00.09 Administrative expenses [TIFIA] .....	1	2	2
00.11 Interstate maintenance .....	4,249	4,217	4,975
00.12 National highway system .....	6,351	5,063	6,088
00.13 Bridge program .....	3,327	3,618	4,122
00.14 Surface transportation program .....	7,610	5,539	5,068
00.15 Congestion mitigation and air quality improvement .....	1,054	1,435	1,341
00.16 Infrastructure performance and maintenance program .....			1,000
00.17 Appalachian development highway system .....	384	394	444
00.18 Reauthorization initiatives and other programs .....	4,291	3,341	3,378
00.19 Federal lands highways .....	702	771	940
00.20 Transportation research .....	347	618	404

00.21	Minimum guarantee .....	2,119	2,009	2,002
00.22	Administration [Federal-aid highways] .....	310	318	339
00.91	Programs subject to obligation limitation .....	30,761	27,459	30,240
02.11	Emergency relief program .....	87	138	100
02.13	Minimum allocation/guarantee .....	655	582	616
02.14	Demonstration projects .....	264	165	115
02.91	Programs exempt from obligation limitation .....	1,006	885	831
03.01	Emergency supplementals .....	116	285	
06.00	Total direct program .....	31,883	28,629	31,071
09.01	Reimbursable program .....	47	92	92
10.00	Total new obligations .....	31,930	28,721	31,163

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year:			
21.40	Unobligated balance carried forward, start of year	22,083	24,346	27,761
22.00	New budget authority (gross) .....	33,806	31,174	30,124
23.90	Total budgetary resources available for obligation	61,460	60,682	62,085
23.95	Total new obligations .....	-31,930	-28,721	-31,163
23.98	Unobligated balance expiring or withdrawn .....	-21		
	Unobligated balance carried forward, end of year:			
24.40	Unobligated balance carried forward, end of year	24,346	27,761	28,422
24.40	Unobligated balance carried forward, end of year	5,162	4,200	2,500

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
Appropriation (trust fund):				
40.26	Appropriation (trust fund) .....	30,000	29,000	30,000
40.26	Appropriation (trust fund, definite) (Emergency relief) .....	340		
40.35	Appropriation rescinded .....	-98		
40.49	Portion applied to liquidate contract authority .....	-28,825	-29,000	-30,000
41.00	Transferred to other accounts .....	-1,177		
42.00	Transferred from other accounts .....	2		
43.00	Appropriation (total discretionary) .....	242		
49.35	Contract authority rescinded .....	-1		
49.36	Unobligated balance rescinded .....	-373		
49.90	Contract authority (total discretionary) .....	-374		
<b>Mandatory:</b>				
Contract authority:				
66.10	Contract authority Upward Reestimates .....		21	
66.10	Contract authority .....	35,066	31,061	30,032
66.61	Transferred to other accounts .....	-1,177		
66.62	Transferred from other accounts .....	2		
66.90	Contract authority (total mandatory) .....	33,891	31,082	30,032
<b>Spending authority from offsetting collections:</b>				
<b>Discretionary:</b>				
68.00	Offsetting collections (cash) .....	61	92	92
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-14		
68.90	Spending authority from offsetting collections (total discretionary) .....	47	92	92
70.00	Total new budget authority (gross) .....	33,806	31,174	30,124

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	38,689	40,411	40,846
73.10	Total new obligations .....	31,930	28,721	31,163
73.20	Total outlays (gross) .....	-30,222	-28,286	-28,935
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	14		
74.40	Obligated balance, end of year .....	40,411	40,846	43,074

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	10,029	7,537	8,001
86.93	Outlays from discretionary balances .....	18,969	19,587	19,912
86.97	Outlays from new mandatory authority .....	272	221	200
86.98	Outlays from mandatory balances .....	952	941	822
87.00	Total outlays (gross) .....	30,222	28,286	28,935

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
Offsetting collections (cash) from:				
88.40	Non-Federal sources .....	-2	-10	-10
88.45	Offsetting governmental collections (from non-Federal sources) .....	-59	-82	-82
88.90	Total, offsetting collections (cash) .....	-61	-92	-92

FEDERAL-AID HIGHWAYS—Continued  
(HIGHWAY TRUST FUND)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 69-8083-0-7-401	2002 actual	2003 est.	2004 est.
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	14		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	33,759	31,082	30,032
90.00 Outlays .....	30,161	28,194	28,843
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	24	24	24
99.01 Outlays .....	24	24	24

Summary of Budget Authority and Outlays

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	33,759	31,082	30,032
Outlays .....	30,161	28,194	28,843
Legislative proposal, subject to PAYGO:			
Budget Authority .....			100
Outlays .....			27
<b>Total:</b>			
Budget Authority .....	33,759	31,082	30,132
Outlays .....	30,161	28,194	28,870

Status of Contract Authority (in millions of dollars)

Identification code 69-8083-0-7-401	2002 actual	2003 est.	2004 est.
Contract authority:			
0200 Contract authority .....	33,517	31,082	30,032
0220 Contract authority .....			100
0299 Total contract authority .....	33,517	31,082	30,132
0400 Appropriation to liquidate contract authority .....	-28,825	-29,000	-30,000

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 69-8083-0-7-401	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct loan .....	573	2,162	2,200
115002 Line of credit .....		200	77
115901 Total direct loan levels .....	573	2,362	2,277
Direct loan subsidy (in percent):			
132001 Direct loan .....	2.79	4.44	5.33
132002 Line of credit .....	0.00	3.93	12.93
132901 Weighted average subsidy rate .....	2.79	4.40	5.58
Direct loan subsidy budget authority:			
133001 Direct loan .....	16	96	117
133002 Line of credit .....		8	10
133901 Total subsidy budget authority .....	16	104	127
Direct loan subsidy outlays:			
134001 Direct loan .....		34	54
134002 Line of credit .....			8
134901 Total subsidy outlays .....		34	62
Direct loan upward reestimate subsidy budget authority:			
135001 Direct loan .....		21	
135901 Total upward reestimate budget authority .....		21	
Direct loan upward reestimate subsidy outlays:			
136001 Direct loan .....		21	
136901 Total upward reestimate outlays .....		21	
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Loan guarantee .....		200	200
215901 Total loan guarantee levels .....		200	200

Guaranteed loan subsidy (in percent):			
232001 Loan guarantee .....	0.00	4.35	4.77
232901 Weighted average subsidy rate .....	0.00	4.35	4.77
Guaranteed loan subsidy budget authority:			
233001 Loan guarantee .....		9	10
233901 Total subsidy budget authority .....		9	10
Guaranteed loan subsidy outlays:			
234001 Loan guarantee .....		2	4
234901 Total subsidy outlays .....		2	4
Administrative expense data:			
351001 Budget authority .....	2	2	2
358001 Outlays from balances .....	1		
359001 Outlays from new authority .....	2	2	2

The Federal-Aid Highways (FAH) program is designed to aid in the development, operations and management of an intermodal transportation system that is economically efficient, environmentally sound, provides the foundation for the Nation to compete in the global economy, and moves people and goods safely.

All programs included within FAH are financed from the Highway Trust Fund and most are distributed via apportionments and allocations to States. Liquidating cash appropriations are subsequently requested to fund outlays resulting from obligations incurred under contract authority. The budget proposes to fund most programs from within the Federal-Aid Highway obligation limitation. Emergency Relief and a portion of the Minimum Guarantee program (\$639 million) will be exempt from the limitation.

The FAH program is funded by contract authority in legislation currently provided through 2003 by the Transportation Equity Act for the 21st Century (TEA-21).

*Infrastructure performance and maintenance.*—The Administration proposes a new highway performance and maintenance initiative funded at \$1 billion per year for six years. This initiative would be based on the Surface Transportation Program funding formula and targeted to “ready-to-go” highway projects that address traffic congestion and improve infrastructure conditions. States would be required to commit funds in the first half of each fiscal year. Failure to obligate funds quickly would trigger a reallocation of these funds among states.

*Surface transportation program (STP).*—STP funds may be used by States and localities for projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities. A portion of the funds reserved for rural areas may be used on rural minor collectors. Ten percent of STP funds are set aside for transportation enhancements and State suballocations are provided, including the special rule for areas less than 5,000 population.

*National highway system (NHS).*—The NHS program provides funding for a designated National Highway System consisting of roads that are of primary Federal interest. The NHS consists of the current Interstate, other rural principal arterials, urban freeways and connecting urban principal arterials, and facilities on the Defense Department’s designated Strategic Highway Network, and roads connecting the NHS to intermodal facilities. Legislation designating the 161,000 mile system was enacted in 1995 and TEA-21 added to the system the highways and connections to transportation facilities identified in the May 24, 1996 report to Congress.

*Interstate maintenance (IM).*—The IM program finances projects to rehabilitate, restore, resurface and reconstruct the Interstate system. Reconstruction that increases capacity, other than HOV lanes, is not eligible for IM funds.

*Emergency relief.*—The Emergency Relief (ER) program provides funds for the repair or reconstruction of Federal-aid highways and bridges and Federally-owned roads and bridges which have suffered serious damage as the result of natural

disasters or catastrophic failures. The ER program supplements the commitment of resources by States, their political subdivisions, or Federal agencies to help pay for unusually heavy expenses resulting from extraordinary conditions. The Administration will propose to increase the annual authorization for the ER program contained in title 23, U.S.C. from \$100 million to \$200 million.

**Bridge replacement and rehabilitation.**—The bridge program enables States to respond to the problem of unsafe and inadequate bridges. The funds are available for use on all bridges, including those on roads functionally classified as rural minor collectors and as local.

**Congestion mitigation and air quality improvement program (CMAQ).**—The CMAQ program directs funds toward transportation projects and programs to help meet and maintain national ambient air quality standards for ozone, carbon monoxide, and particulate matter. A minimum 1/2 percent of the apportionment is guaranteed to each State.

**Federal lands.**—This category funds improvement for forest highways; park roads and parkways; Indian reservation roads; refuge roads; and recreation roads. Roads funded under this program are open to public travel. State and local roads (29,500 miles) that provide important access within the National Forest System are designated Forest Highways. These roads should not be confused with the Forest Development Roads, which are under the jurisdiction of the Forest Service. Park Roads and Parkways (8,000 miles) are owned by the National Park Service and provide access within the National Park System. The Indian Reservation Roads program consists of the Bureau of Indian Affairs road system (25,000 miles) and State and local roads (25,000 miles) that provide access within Indian lands. There are approximately 4,250 miles which are under the jurisdiction of the Fish and Wildlife Service. Refuge Roads consist of public roads that provide access to or within the National Wildlife Refuge System.

**Transportation infrastructure finance and innovation (TIFIA) program.**—The TIFIA credit program will provide funds to assist in the development of surface transportation projects of regional and national significance. The goal is to develop major infrastructure facilities through greater non-Federal and private sector participation, building on public willingness to dedicate future revenues or user fees in order to receive transportation benefits earlier than would be possible under traditional funding techniques. The TIFIA program provides secured loans, loan guarantees, and standby lines of credit which can be used to secure junior lien debt and thus enhance a project's overall debt obligations.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**Federal highway research, technology and education.**—The research, technology, and education program develops new transportation technology that can be applied nationwide. Activities include surface transportation research, including Intelligent Transportation Systems; development and deployment, training and education; University Transportation Research; and funding for State research, development, and technology implementation.

**Miscellaneous.**—This category includes Scenic Byways, Highway Use Tax Evasion Projects, National Recreational Trails, Value Pricing, Ferry Boats, Commonwealth of Puerto Rico Highway Program, Environmental Streamlining, Miscellaneous Studies, Reports, and Projects, Border and Corridor programs, Transportation and Community and System Preservation, and programs that may require modification. The

details of the Administration's reauthorization proposal will be submitted to Congress following the transmittal of the Budget. Funding for some of these initiatives have been included under Reauthorization Initiatives and Other Programs for FY 2004.

**Object Classification** (in millions of dollars)

Identification code 69-8083-0-7-401	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	19	19	19
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	21	21	21
12.1 Civilian personnel benefits .....	4	4	5
21.0 Travel and transportation of persons .....	4	4	4
22.0 Transportation of things .....	1	1	.....
25.2 Other services .....	30,670	27,334	29,985
26.0 Supplies and materials .....	2	2	2
32.0 Land and structures .....	206	259	344
41.0 Grants, subsidies, and contributions .....	17	19	9
93.0 Limitation on general operating expenses (see separate schedule) .....	310	318	339
99.0 Direct obligations .....	31,235	27,962	30,709
99.0 Reimbursable obligations .....	47	92	92
<b>Allocation Account:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	47	49	43
11.3 Other than full-time permanent .....	7	7	6
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	56	58	51
12.1 Civilian personnel benefits .....	12	12	11
21.0 Travel and transportation of persons .....	4	4	4
22.0 Transportation of things .....	2	2	2
23.1 Rental payments to GSA .....	2	3	1
23.3 Communications, utilities, and miscellaneous charges .....	8	8	7
25.1 Advisory and assistance services .....	13	19	10
25.2 Other services .....	258	243	231
25.3 Other purchases of goods and services from Government accounts .....	12	15	9
25.4 Operation and maintenance of facilities .....	3	3	3
25.7 Operation and maintenance of equipment .....	7	10	6
26.0 Supplies and materials .....	4	4	4
31.0 Equipment .....	5	6	4
32.0 Land and structures .....	8	9	12
Grants, subsidies, and contributions:			
41.0 Grants, subsidies, and contributions .....	254	250	7
41.0 TIFIA Upward Reestimates .....	.....	21	.....
99.0 Allocation account .....	648	667	362
99.9 Total new obligations .....	31,930	28,721	31,163

**Personnel Summary**

Identification code 69-8083-0-7-401	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	464	413	418
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	15	4	4
<b>Allocation account:</b>			
3001 Total compensable workyears: Civilian full-time equivalent employment .....	128	162	149

**FEDERAL HIGHWAY ADMINISTRATION**

**LIMITATION ON ADMINISTRATIVE EXPENSES**

*Necessary expenses for administration and operation of the Federal Highway Administration, not to exceed \$338,834,000 shall be paid in accordance with law from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

FEDERAL HIGHWAY ADMINISTRATION—Continued  
LIMITATION ON ADMINISTRATIVE EXPENSES—Continued

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

FEDERAL HIGHWAY ADMINISTRATION LIMITATION ON ADMINISTRATIVE EXPENSES

Program and Financing (in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Program by activities:</b>			
Program direction and coordination:			
Executive direction .....	2	2	2
Corporate management .....	2	2	2
Legal services .....	7	7	7
Public affairs .....	1	1	1
Civil rights .....	2	2	2
General program support:			
Policy .....	9	10	10
Research and development .....	16	17	17
Administrative support .....	89	94	100
Professional development .....	2	2	2
Career development programs .....	3	3	4
Highway programs:			
Infrastructure .....	10	10	11
Planning and environment .....	15	15	16
Operations .....	9	9	9
Federal lands highway office .....	14	14	15
Field operations and resource centers .....	135	136	145
Total obligations .....	316	324	343
<b>Financing:</b>			
Reimbursable programs .....	-1	-4	-4
Unobligated balance available, start of year .....	-5	-2	
Unobligated balance available, end of year .....	2		
Limitation .....	310	318	339
Relation of obligations to outlays:			
Total obligations .....	314	328	342
Obligated balance, start of year .....	370	313	322
Obligated balance, end of year .....	-313	-322	-340
Outlays from limitation .....	371	314	325

This limitation provides for the salaries and expenses of the Federal Highway Administration. Resources are allocated from the Federal-aid highways program.

**Program direction and coordination.**—Provides overall management of the highway transportation program, including formulation of multi-year and long-range policy plans and goals for highway programs; safety programs that focus on high risk areas through technical assistance, research, training, analysis, and public information; development of data and analysis for current and long-range programming; administrative support services for all elements of the FHWA; and training opportunities for highway related personnel.

**Highway programs.**—Provides engineering guidance to Federal and State agencies and to foreign governments, and conducts a program to encourage use of modern traffic engineering procedures to increase the vehicle-carrying capacity of existing highways and urban streets; and finances construction skill training programs for disadvantaged workers hired by contractors on federally aided highway projects.

**Field operations.**—Provides staff advisory and support services in field offices of the Federal Highway Administration; and provides program and engineering supervision through division offices.

Object Classification (in millions of dollars)

Identification code 69-8083-0-7-401	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	160	177	183
11.3 Other than full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	3	3	3
11.9 Total personnel compensation .....	165	183	190

12.1 Civilian personnel benefits .....	44	49	50
21.0 Travel and transportation of persons .....	14	9	10
22.0 Transportation of things .....	2		
23.1 Rental payments to GSA .....	19	25	26
23.3 Communications, utilities, and miscellaneous charges .....	4	11	12
24.0 Printing and reproduction .....	4	2	2
25.2 Other services .....	47	32	42
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	6	5	6
41.0 Grants, subsidies, and contributions .....	2		
93.0 Limitation on expenses .....	-310	-318	-339
99.0 Limitation acct—direct obligations .....			

Personnel Summary

Identification code 69-8083-0-7-401	2002 actual	2003 est.	2004 est.
6001 Total compensable workyears: Civilian full-time equivalent employment .....	2,335	2,412	2,424

FEDERAL-AID HIGHWAYS  
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 69-8083-4-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Programs exempt from obligation limitation:			
Programs exempt from obligation limitation:			
02.11 Emergency relief program .....			100
06.00 Total direct program .....			100
10.00 Total new obligations (object class 41.0) .....			100
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			100
23.95 Total new obligations .....			-100
<b>New budget authority (gross), detail:</b>			
Mandatory:			
66.10 Contract authority .....			100
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			100
73.20 Total outlays (gross) .....			-27
74.40 Obligated balance, end of year .....			73
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			27
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			100
90.00 Outlays .....			27

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM  
(HIGHWAY TRUST FUND)

Program and Financing (in millions of dollars)

Identification code 69-8072-0-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Section 378 of P.L. 106-346 .....	60	1	
10.00 Total new obligations (object class 25.2) .....	60	1	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	60	1	
23.95 Total new obligations .....	-60	-1	
24.40 Unobligated balance carried forward, end of year .....	1		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	185	165	90
73.10 Total new obligations .....	60	1	
73.20 Total outlays (gross) .....	-80	-76	-34
74.40 Obligated balance, end of year .....	165	90	56

<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	80	76	34
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	80	76	34

Funding for this program will be used for the necessary expenses for the Appalachian Development Highway System (ADHS) as distributed to the following States: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia. Funding also has been included for construction of and improvements to Corridor D in the State of West Virginia and Corridor X in the State of Alabama. No further appropriation is requested.

**HIGHWAY-RELATED SAFETY GRANTS  
(HIGHWAY TRUST FUND)**

**Program and Financing (in millions of dollars)**

Identification code 69-8019-0-7-401	2002 actual	2003 est.	2004 est.	
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1	1	
73.20	Total outlays (gross) .....		-1	
74.40	Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....		1	
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....		1	

The Highway Safety Act of 1970 authorized grants to States and communities for implementing and maintaining highway-related safety standards. TEA-21 authorized a consolidated State and community highway safety formula grant program, and therefore this schedule reflects spending of prior year balances.

**MISCELLANEOUS TRUST FUNDS**

**Unavailable Collections (in millions of dollars)**

Identification code 69-9971-0-7-999	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....			
<b>Receipts:</b>				
02.20	Advances from State cooperating agencies and Foreign governments .....	95	25	45
02.21	Advances for highway research program .....		5	5
02.22	Contributions from States, etc., cooperative work, forest highways, FHA, M .....	37	3	3
02.40	Advances from other Federal agencies, FHA miscellaneous trust, DOT .....	11	5	247
02.99	Total receipts and collections .....	143	38	300
<b>Appropriations:</b>				
05.00	Miscellaneous trust funds .....	-143	-38	-300
07.99	Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 69-9971-0-7-999	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Cooperative work, forest highways .....	25	7	5
00.03	Contributions for highway research programs .....	1	6	5
00.04	Advances from State cooperating agencies .....	116	44	51
00.05	Advances from Federal agencies .....			280
10.00	Total new obligations .....	142	57	341

<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	59	60	41
22.00	New budget authority (gross) .....	143	38	300
23.90	Total budgetary resources available for obligation .....	202	98	341
23.95	Total new obligations .....	-142	-57	-341
24.40	Unobligated balance carried forward, end of year .....	60	41	

<b>New budget authority (gross), detail:</b>				
<b>Mandatory:</b>				
60.26	Appropriation (trust fund) .....	143	38	300

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	27	111	18
73.10	Total new obligations .....	142	57	341
73.20	Total outlays (gross) .....	-58	-149	-290
74.40	Obligated balance, end of year .....	111	18	70

<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	45	31	243
86.98	Outlays from mandatory balances .....	13	118	47
87.00	Total outlays (gross) .....	58	149	290

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	143	38	300
90.00	Outlays .....	58	149	290

Miscellaneous Trust Funds contains the following programs financed out of the Highway Trust Fund and reimbursed by the requesting parties.

*Cooperative work, forest highways.*—Contributions are received from States and counties in connection with cooperative engineering, survey, maintenance, and construction projects for forest highways.

*Contributions for highway research programs (Government Receipts).*—Contributions are received from various sources in support of the FHWA Research, Development, and Technology Program. The funds are used primarily in support of pooled-funds projects.

*Advances from State cooperating agencies.*—Funds are contributed by the State highway departments or local subdivisions thereof for construction and/or maintenance of roads or bridges. The work is performed under the supervision of the Federal Highway Administration.

*International highway transportation outreach.*—Funds are collected to inform the domestic highway community of technological innovations, promote highway transportation expertise internationally, and increase transfers of transportation technology to foreign countries.

**Object Classification (in millions of dollars)**

Identification code 69-9971-0-7-999	2002 actual	2003 est.	2004 est.	
11.1	Personnel compensation: Full-time permanent .....	2	2	2
25.2	Other services .....	140	55	339
99.9	Total new obligations .....	142	57	341

**Personnel Summary**

Identification code 69-9971-0-7-999	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	42	66	66

**MISCELLANEOUS HIGHWAY TRUST FUNDS**

**Program and Financing (in millions of dollars)**

Identification code 69-9972-0-7-401	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.04	Highway safety improvement demonstration project .....	1	1	1
00.26	Highway projects .....	3	5	5
00.27	Miscellaneous highway projects .....	332	250	173

MISCELLANEOUS HIGHWAY TRUST FUNDS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 69-9972-0-7-401	2002 actual	2003 est.	2004 est.
10.00 Total new obligations (object class 41.0)	336	256	179
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	825	589	333
22.00 New budget authority (gross)	100		
23.90 Total budgetary resources available for obligation	925	589	333
23.95 Total new obligations	-336	-256	-179
24.40 Unobligated balance carried forward, end of year	589	333	154
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	100		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	415	527	482
73.10 Total new obligations	336	256	179
73.20 Total outlays (gross)	-224	-301	-286
74.40 Obligated balance, end of year	527	482	375
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	27		
86.93 Outlays from discretionary balances	197	301	286
87.00 Total outlays (gross)	224	301	286
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	100		
90.00 Outlays	224	301	286

No further budget authority is requested for 2004. Accounts in this consolidated schedule show the obligation and outlay amounts made available in prior years.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

Trust Funds

MOTOR CARRIER SAFETY

LIMITATION ON OBLIGATIONS ADMINISTRATIVE EXPENSES

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 69-8055-0-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Administration	95	92	
00.02 Research and technology	1	7	
00.03 Motor carrier safety programs	9	18	
01.00 Subtotal, Direct program	105	117	
09.01 Reimbursable program	12	10	
10.00 Total new obligations	117	127	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	8	5	13
22.00 New budget authority (gross)	114	135	
23.90 Total budgetary resources available for obligation	122	140	13
23.95 Total new obligations	-117	-127	
24.40 Unobligated balance carried forward, end of year	5	13	13
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund)	110	117	
40.49 Portion applied to liquidate contract authority	-110	-117	
43.00 Appropriation (total discretionary)			

49.36 Unobligated balance rescinded	-7		
Mandatory:			
66.10 Contract authority	109	125	
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	12	10	
70.00 Total new budget authority (gross)	114	135	

Change in obligated balances:

72.40 Obligated balance, start of year	34	36	12
73.10 Total new obligations	117	127	
73.20 Total outlays (gross)	-116	-151	-12
74.40 Obligated balance, end of year	36	12	

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	81	115	
86.93 Outlays from discretionary balances	35	36	12
87.00 Total outlays (gross)	116	151	12

Offsets:

Against gross budget authority and outlays:			
88.45 Offsetting collections (cash) from: Offsetting governmental collections (from non-Federal sources)	-12	-10	

Net budget authority and outlays:

89.00 Budget authority	102	125	
90.00 Outlays	104	141	12

Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority		3	
99.01 Outlays		3	

Status of Contract Authority (in millions of dollars)

Identification code 69-8055-0-7-401	2002 actual	2003 est.	2004 est.
Contract authority:			
0200 Contract authority	102	125	
0400 Appropriation to liquidate contract authority	-110	-117	

No funding is requested for this account in 2004.

Object Classification (in millions of dollars)

Identification code 69-8055-0-7-401	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	44	45	
11.3 Other than full-time permanent	1	2	
11.9 Total personnel compensation	45	47	
12.1 Civilian personnel benefits	13	15	
21.0 Travel and transportation of persons	6	6	
23.1 Rental payments to GSA	7	7	
25.2 Other services	25	25	
25.5 Research and development contracts	1	4	
26.0 Supplies and materials	1	1	
31.0 Equipment	3	2	
41.0 Grants, subsidies, and contributions	4	10	
99.0 Direct obligations	105	117	
99.0 Reimbursable obligations	12	10	
99.9 Total new obligations	117	127	

Personnel Summary

Identification code 69-8055-0-7-401	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	772	732	
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	48	52	

NATIONAL MOTOR CARRIER SAFETY PROGRAM  
(LIQUIDATION OF CONTRACT AUTHORIZATION)  
(LIMITATION ON OBLIGATIONS)  
(HIGHWAY TRUST FUND)

Program and Financing (in millions of dollars)

Identification code 69-8048-0-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Motor carrier grants .....	182	163	
00.02 Administration and studies .....	7	7	
00.03 Information systems .....	17	20	
10.00 Total new obligations .....	206	190	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	3	3
22.00 New budget authority (gross) .....	206	190	
23.90 Total budgetary resources available for obligation .....	209	193	3
23.95 Total new obligations .....	-206	-190	
24.40 Unobligated balance carried forward, end of year .....	3	3	3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	206	190	
40.49 Portion applied to liquidate contract authority .....	-206	-190	
43.00 Appropriation (total discretionary) .....			
Mandatory:			
66.10 Contract authority .....	206	190	
70.00 Total new budget authority (gross) .....	206	190	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	138	180	137
73.10 Total new obligations .....	206	190	
73.20 Total outlays (gross) .....	-164	-233	-137
74.40 Obligated balance, end of year .....	180	137	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	26	53	
86.93 Outlays from discretionary balances .....	138	180	137
87.00 Total outlays (gross) .....	164	233	137
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	206	190	
90.00 Outlays .....	164	233	137

Status of Contract Authority (in millions of dollars)

Identification code 69-8048-0-7-401	2002 actual	2003 est.	2004 est.
Contract authority:			
0200 Contract authority .....	206	190	
0400 Appropriation to liquidate contract authority .....	-206	-190	

No funding is requested for this account in fiscal year 2004.

Object Classification (in millions of dollars)

Identification code 69-8048-0-7-401	2002 actual	2003 est.	2004 est.
25.2 Other services .....	16	17	
41.0 Grants, subsidies, and contributions .....	190	173	
99.9 Total new obligations .....	206	190	

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)  
(LIMITATION ON OBLIGATIONS)  
(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the motor carrier safety grant programs authorized under title 49, United States Code, \$222,594,000, to be derived from the Highway Trust Fund and to remain available until expended: Provided, That none of the funds

in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of \$222,594,000.

Program and Financing (in millions of dollars)

Identification code 69-8158-0-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Commercial Motor Vehicle Safety .....			214
00.02 HAZMAT Safety .....			9
10.00 Total new obligations .....			223
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			223
23.95 Total new obligations .....			-223
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Motor Carrier Safety Grants .....			223
40.49 Portion applied to liquidate contract authority, Motor Carrier Safety Grants .....			-223
43.00 Appropriation (total discretionary) .....			
Mandatory:			
66.10 Contract authority, Motor Carrier Safety Grants .....			223
70.00 Total new budget authority (gross) .....			223
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			223
73.20 Total outlays (gross) .....			-62
74.40 Obligated balance, end of year .....			160
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			62
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			223
90.00 Outlays .....			62
<b>Status of Contract Authority (in millions of dollars)</b>			
Identification code 69-8158-0-7-401	2002 actual	2003 est.	2004 est.
Contract authority:			
0200 Contract authority .....			223
0400 Appropriation to liquidate contract authority .....			-223

Motor Carrier Safety Grants are funded at \$223 million in 2003, of which \$165 million is dedicated to Motor Carrier Safety Assistance Program (MCSAP) state grants. Grants will be used to support compliance reviews in states; identify and apprehend traffic violators; conduct roadside inspections; and support safety audits on new entrant carriers. State safety enforcement efforts at both the southern and northern borders are funded at a total of \$32 million to ensure that all points of entry into the U.S. are fortified with comprehensive safety measures. In addition, \$22 million is included to improve State commercial driver's license (CDL) oversight activities to prevent unqualified drivers from being issued CDLs, and \$4 million is provided for the Performance Registration Information Systems and Management (PRISM) program, which links state motor vehicle registration systems with carrier safety data in order to identify unsafe commercial motor carriers.

Object Classification (in millions of dollars)

Identification code 69-8158-0-7-401	2002 actual	2003 est.	2004 est.
25.2 Other services .....			2
41.0 Grants, subsidies, and contributions .....			221
99.9 Total new obligations .....			223

MOTOR CARRIER SAFETY OPERATIONS AND PROGRAMS  
(LIQUIDATION OF CONTRACT AUTHORIZATION)  
(LIMITATION ON OBLIGATIONS)  
(HIGHWAY TRUST FUND)

For payment of obligations incurred in the implementation and administration of the motor carrier safety programs authorized under title 49, United States Code, to remain available until expended, \$224,406,000, to be derived from the Highway Trust Fund, together with such advances, motor carrier registration and insurance user fees, and reimbursements received by the Federal Motor Carrier Safety Administration: Provided, That none of the funds derived from the Highway Trust Fund shall be available for the implementation or administration of programs the obligations for which are in excess of \$224,406,000, of which \$7,000,000, to remain available until September 30, 2007, is for the research and technology program.

Program and Financing (in millions of dollars)			
Identification code 69-8159-0-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Commercial Motor Vehicle Safety .....			174
00.02 HAZMAT Safety .....			9
00.03 HAZMAT Security .....			10
00.04 Commercial Motor Vehicle Productivity .....			2
00.05 Organizational Excellence .....			29
01.00 Subtotal, direct program .....			224
09.01 Reimbursable program .....			10
10.00 Total new obligations .....			234
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			234
23.95 Total new obligations .....			-234
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....			224
40.49 Portion applied to liquidate contract authority .....			-224
43.00 Appropriation (total discretionary) .....			
Mandatory:			
66.10 Contract authority .....			224
Discretionary:			
68.00 Spending authority from offsetting collections: Off-setting collections (cash) .....			10
70.00 Total new budget authority (gross) .....			234
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			234
73.20 Total outlays (gross) .....			-212
74.40 Obligated balance, end of year .....			22
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			212
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.45 Offsetting collections (cash) from: Offsetting gov-ernmental collections (from non-Federal sources) .....			-10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			224
90.00 Outlays .....			202
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....			4
99.01 Outlays .....			4

Status of Contract Authority (in millions of dollars)			
Identification code 69-8159-0-7-401	2002 actual	2003 est.	2004 est.
Contract authority:			
0200 Contract authority .....			224
0400 Appropriation to liquidate contract authority .....			-224

This account provides the necessary resources to support motor carrier safety program activities and maintain the

agency's administrative infrastructure. Funding will support nationwide motor carrier safety and consumer enforcement efforts, including federal safety enforcement activities at the U.S./Mexico border to ensure that Mexican carriers entering the U.S. are in compliance with Federal Motor Carrier Safety Regulations.

Resources are also provided to fund motor carrier regu-latory development and implementation, information manage-ment, research and technology, safety education and outreach, and the 24-hour safety and consumer telephone hotline.

Object Classification (in millions of dollars)			
Identification code 69-8159-0-7-401	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....			62
11.3 Other than full-time permanent .....			2
11.9 Total personnel compensation .....			64
12.1 Civilian personnel benefits .....			22
21.0 Travel and transportation of persons .....			25
23.1 Rental payments to GSA .....			12
25.2 Other services .....			91
25.5 Research and development contracts .....			5
26.0 Supplies and materials .....			1
31.0 Equipment .....			4
99.0 Direct obligations .....			224
99.0 Reimbursable obligations .....			10
99.9 Total new obligations .....			234

Personnel Summary			
Identification code 69-8159-0-7-401	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equiv-alent employment .....			1,066
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equiv-alent employment .....			52

BORDER ENFORCEMENT PROGRAM  
(HIGHWAY TRUST FUND)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 69-8274-0-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Administration .....	36	42	
00.02 Grants .....	8	18	
01.00 Direct program .....	44	60	
10.00 Total new obligations .....	44	60	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	45	60	
23.95 Total new obligations .....	-44	-60	
23.98 Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	45	60	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		37	6
73.10 Total new obligations .....	44	60	
73.20 Total outlays (gross) .....	-7	-91	-6
74.40 Obligated balance, end of year .....	37	6	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	7	54	

86.93	Outlays from discretionary balances .....	37	6
87.00	Total outlays (gross) .....	7	91
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	45	60
90.00	Outlays .....	7	91
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00	Budget authority .....	1	1
99.01	Outlays .....	1	1

No funding is requested for this account in 2004.

Object Classification (in millions of dollars)			
Identification code 69-8274-0-7-401	2002 actual	2003 est.	2004 est.
11.1	Personnel compensation: Full-time permanent .....	2	12
12.1	Civilian personnel benefits .....	1	6
21.0	Travel and transportation of persons .....	2	16
23.1	Rental payments to GSA .....	3	3
25.2	Other services .....	16	3
26.0	Supplies and materials .....	1	1
31.0	Equipment .....	2	1
32.0	Land and structures .....	9	9
41.0	Grants, subsidies, and contributions .....	9	18
99.9	Total new obligations .....	44	60

**Personnel Summary**

Identification code 69-8274-0-7-401	2002 actual	2003 est.	2004 est.
Direct:			
1001	Total compensable workyears: Civilian full-time equivalent employment .....	44	274

**NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION**

The following table depicts the total funding for all National Highway Traffic Safety programs.

[In millions of dollars]

<b>Budget authority:</b>			
Operations and research .....	127	126	126
Operations and research (Highway trust fund) .....	72	74	92
Highway traffic safety grants .....	223	225	447
Total budget authority .....	422	425	665
<b>Program level (obligations):</b>			
Operations and research .....	137	145	126
Operations and research (Highway trust fund) .....	74	74	92
Highway traffic safety grants .....	223	225	447
Total program level .....	434	444	665
<b>Outlays:</b>			
Operations and research .....	100	161	143
Operations and research (Highway trust fund) .....	85	83	88
Highway traffic safety grants .....	229	229	322
Total outlays .....	414	473	553

**Federal Funds**

**General and special funds:**

**OPERATIONS AND RESEARCH**

For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 49, United States Code, and part C of subtitle VI of title 49, United States Code, \$126,058,000, of which \$94,543,500 shall remain available until September 30, 2006: Provided, That none of the funds appropriated by this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add to section 575.104 of title

49 of the Code of Federal Regulations any requirement pertaining to a grading standard that is different from the three grading standards (treadwear, traction, and temperature resistance) already in effect.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-0650-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01	Rulemaking .....	19	25
00.02	Enforcement .....	29	31
00.03	Research and analysis .....	71	75
00.04	Office of the Administrator .....	7	4
00.05	General administration .....	9	8
00.06	Highway Safety Programs .....	2	2
09.01	Reimbursable program .....	19	25
10.00	Total new obligations .....	156	170
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	26	19
22.00	New budget authority (gross) .....	146	151
22.10	Resources available from recoveries of prior year obligations .....	3	3
23.90	Total budgetary resources available for obligation .....	175	170
23.95	Total new obligations .....	-156	-170
24.40	Unobligated balance carried forward, end of year .....	19	19
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	128	126
40.35	Appropriation rescinded .....	-1	-1
43.00	Appropriation (total discretionary) .....	127	126
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	19	25
70.00	Total new budget authority (gross) .....	146	151
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	87	121
73.10	Total new obligations .....	156	170
73.20	Total outlays (gross) .....	-119	-186
73.40	Adjustments in expired accounts (net) .....	-1	-1
73.45	Recoveries of prior year obligations .....	-3	-3
74.40	Obligated balance, end of year .....	121	105
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	93	98
86.93	Outlays from discretionary balances .....	26	88
87.00	Total outlays (gross) .....	119	186
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources .....	-19	-25
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	127	126
90.00	Outlays .....	100	161
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00	Budget authority .....	4	4
99.01	Outlays .....	4	4

In 2004, \$218 million is proposed for Operations and Research. This includes \$92 million from the Highway Trust Fund and \$126 million from the general fund.

**Object Classification (in millions of dollars)**

Identification code 69-0650-0-1-401	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent .....	29	30
11.5	Other personnel compensation .....	1	1

**General and special funds—Continued**

**OPERATIONS AND RESEARCH—Continued**

**Object Classification (in millions of dollars)—Continued**

Identification code 69-0650-0-1-401	2002 actual	2003 est.	2004 est.
11.9 Total personnel compensation .....	30	31	36
12.1 Civilian personnel benefits .....	7	7	8
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	4	4	4
23.3 Communications, utilities, and miscellaneous charges .....	7	8	8
24.0 Printing and reproduction .....	2	2	3
25.2 Other services .....	11	13	7
25.5 Research and development contracts .....	57	61	41
26.0 Supplies and materials .....	13	13	13
31.0 Equipment .....	5	5	5
99.0 Direct obligations .....	137	145	126
99.0 Reimbursable obligations .....	19	25	25
99.9 Total new obligations .....	156	170	151

**Personnel Summary**

Identification code 69-0650-0-1-401	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	370	379	384

**Trust Funds**

**OPERATIONS AND RESEARCH**

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of 23 U.S.C. 403, to remain available until expended, \$88,452,000, to be derived from the Highway Trust Fund: Provided, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which, in fiscal year 2004, are in excess of \$88,452,000 for programs authorized under 23 U.S.C. 403.

**NATIONAL DRIVER REGISTER**

(HIGHWAY TRUST FUND)

For expenses necessary to discharge the functions of the Secretary with respect to the National Driver Register under chapter 303 of title 49, United States Code, \$3,600,000, to be derived from the Highway Trust Fund, and to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-8016-0-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Highway safety programs .....	68	67	70
00.02 Research and analysis .....	8	12	30
00.03 Office of the Administrator .....	3	2	2
00.04 General administration .....	6	5	6
10.00 Total new obligations .....	85	86	108
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	1	1
22.00 New budget authority (gross) .....	83	85	108
23.90 Total budgetary resources available for obligation .....	86	86	109
23.95 Total new obligations .....	-85	-86	-108
24.40 Unobligated balance carried forward, end of year .....	1	1	1

**New budget authority (gross), detail:**

Discretionary:			
40.26 Appropriation (trust fund) .....	74	74	92
40.49 Portion applied to liquidate contract authority .....	-72	-72	-88
43.00 Appropriation (total discretionary) .....	2	2	4
49.36 Unobligated balance rescinded .....	-2		
Mandatory:			
66.10 Contract authority .....	72	72	88
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	11	11	16
70.00 Total new budget authority (gross) .....	83	85	108

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	72	60	52
73.10 Total new obligations .....	85	86	108
73.20 Total outlays (gross) .....	-96	-94	-104
74.40 Obligated balance, end of year .....	60	52	56

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	53	54	69
86.93 Outlays from discretionary balances .....	43	40	35
87.00 Total outlays (gross) .....	96	94	104

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-11	-11	-16

**Net budget authority and outlays:**

89.00 Budget authority .....	72	74	92
90.00 Outlays .....	85	83	88

**Status of Contract Authority (in millions of dollars)**

Identification code 69-8016-0-7-401	2002 actual	2003 est.	2004 est.
Contract authority:			
0200 Contract authority .....	70	72	88
0400 Appropriation to liquidate contract authority .....	-72	-72	-88

A total of \$218 million is proposed for Operations and Research.

Programs funded under the Operations and Research appropriation are described below.

**Safety Performance Standards (Rulemaking) Programs.**—Supports the promulgation of Federal motor vehicle safety standards for motor vehicles, and safety-related equipment; automotive fuel economy standards required by the Energy Policy and Conservation Act; international harmonization of vehicle standards; and consumer information on motor vehicle safety, including the New Car Assessment Program.

**Safety Assurance (Enforcement) Programs.**—Provides support to ensure compliance with motor vehicle safety and automotive fuel economy standards, investigate safety-related motor vehicle defects, enforce federal odometer law, encourage enforcement of state odometer law and conduct safety recalls when warranted.

**Research and Analysis.**—Provides motor vehicle safety research and development in support of all NHTSA programs, including the collection and analysis of crash data to identify safety problems, develop alternative solutions, and assess costs, benefits, and effectiveness. Research will continue to concentrate on improving vehicle crash worthiness and crash avoidance, with emphasis on increasing safety belt use, decreasing alcohol involvement in crashes, decreasing the number of rollover crashes, improving vehicle-to-vehicle crash compatibility, and improved data systems.

**Highway Safety Programs.**—Provides for research, demonstrations, technical assistance, and national leadership for highway safety programs conducted by state and local governments, the private sector, universities and research units, and various safety associations and organizations. This program emphasizes alcohol and drug countermeasures, vehicle occupant protection, traffic law enforcement, emergency med-

ical and trauma care systems, traffic records and licensing, state and community evaluation, motorcycle riders, pedestrian and bicycle safety, pupil transportation, young and older driver safety programs, and development of improved accident investigation procedures.

**General Administration.**—Provides program evaluation, strategic planning, and economic analysis for agency programs. Objective quantitative information about NHTSA's regulatory and highway safety programs is gathered to measure their effectiveness in achieving objectives. This activity also funds development of methods to estimate economic consequences of motor vehicle injuries in forms suitable for agency use in problem identification, regulatory analysis, priority setting, and policy analysis.

**National Driver Register.**—Provides funding to implement and operate the Problem Driver Pointer System (PDPS) and improve traffic safety by assisting state motor vehicle administrators in communicating effectively and efficiently with other states to identify drivers whose licenses have been suspended or revoked for serious traffic offenses, such as driving under the influence of alcohol or other drugs.

**Object Classification** (in millions of dollars)

Identification code 69-8016-0-7-401	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	20	20	22
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	21	21	23
12.1 Civilian personnel benefits .....	5	5	5
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	3	2	3
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
24.0 Printing and reproduction .....	1	2	2
25.2 Other services .....	44	41	43
25.5 Research and development contracts .....	6	10	27
26.0 Supplies and materials .....	1	1	1
99.9 Total new obligations .....	85	86	108

**Personnel Summary**

Identification code 69-8016-0-7-401	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	291	287	287

**HIGHWAY TRAFFIC SAFETY GRANTS**  
(LIQUIDATION OF CONTRACT AUTHORIZATION)  
(LIMITATION ON OBLIGATIONS)  
(HIGHWAY TRUST FUND)

*Notwithstanding any other provision of law, for payment of obligations incurred in carrying out the provisions of 23 U.S.C. 402, 407, and 412, to remain available until expended, \$447,000,000, to be derived from the Highway Trust Fund: Provided, That none of the funds in this Act shall be available for the planning and execution of programs the total obligations for which, in fiscal year 2004, are in excess of \$447,000,000 for programs authorized under 23 U.S.C. 402, 407, and 412, of which \$387,000,000 shall be for "Highway Safety Programs" under 23 U.S.C. 402, \$10,000,000 for "Emergency Medical Services Grants" under 23 U.S.C. 407, and \$50,000,000 shall be for "State Traffic Safety Information System Improvement Grants" under 23 U.S.C. 412: Provided further, That none of these funds shall be used for construction, rehabilitation, or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures: Provided further, That not to exceed \$14,126,000 of the funds made available for section 402, not to exceed \$355,000 of the funds made available for section 407, and not to exceed \$1,825,000 of the funds made available for section 412 shall be available to NHTSA for administering highway safety grants under chapter 4 of title 23, United States Code.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 69-8020-0-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Section 402 formula grants .....	160	165	387
00.02 Section 405 occupant protection incentive grants .....	15	20	.....
00.03 Section 410 alcohol incentive grants .....	38	40	.....
00.04 Section 411 State Highway Safety Data Grants .....	10	.....	.....
00.05 Section 412 State Traffic Safety Information System Improvement .....	.....	.....	50
00.06 Section 407 Emergency Medical Services .....	.....	.....	10
10.00 Total new obligations .....	223	225	447
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	223	225	447
23.95 Total new obligations .....	-223	-225	-447
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.26 Appropriation (trust fund) .....	223	225	447
40.49 Portion applied to liquidate contract authority .....	-223	-225	-447
43.00 Appropriation (total discretionary) .....	.....	.....	.....
<b>Mandatory:</b>			
66.10 Contract authority .....	223	225	447
70.00 Total new budget authority (gross) .....	223	225	447
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	231	224	220
73.10 Total new obligations .....	223	225	447
73.20 Total outlays (gross) .....	-229	-229	-322
74.40 Obligated balance, end of year .....	224	220	345
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	91	92	183
86.93 Outlays from discretionary balances .....	138	137	139
87.00 Total outlays (gross) .....	229	229	322
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	223	225	447
90.00 Outlays .....	229	229	322

**Status of Contract Authority** (in millions of dollars)

Identification code 69-8020-0-7-401	2002 actual	2003 est.	2004 est.
<b>Contract authority:</b>			
0200 Contract authority .....	223	225	447
0400 Appropriation to liquidate contract authority .....	-223	-225	-447

**Section 402.**—The Section 402 State and Community Grant Program is a three part performance-based program administered by NHTSA. The basic formula grant funding is allocated to the States on the basis of a statutory formula. Incentive grants will be awarded to States based on performance and passage of primary safety belt laws. Performance incentives will be calculated using highway safety performance measures for overall fatalities, occupant protection, impaired driving, and a combined measure of motorcycle, pedestrian, and bicycle safety. States use the formula and performance incentive funding to reduce traffic crashes, fatalities, and injuries. The grants are used to support State highway safety programs, focused on national priority areas, implemented jointly with all members of the highway safety community. States develop safety goals, performance measures, and strategic plans to manage use of grants for programs to reduce deaths and injuries on the Nation's highways, such as programs associated with excessive speeds, failure to use occupant restraints, alcohol/impaired driving, and roadway safety. A final portion of Section 402 funds will support an impaired driving initiative in which grants are awarded strategically to the States

HIGHWAY TRAFFIC SAFETY GRANTS—Continued

(LIQUIDATION OF CONTRACT AUTHORIZATION)—Continued

where the greatest gains in reducing alcohol-related fatalities can be made.

*State Traffic Safety Information System Improvement.*—Incentive grants will be provided to States to support improvements in their highway safety data systems. Funds may be used only for eligible highway safety data improvements such as collecting all model minimum uniform crash criteria elements, linking data, and driving while intoxicated tracking systems.

*Emergency Medical Services.*—Grants will be provided to assist States in developing comprehensive wireless emergency access and response systems.

Object Classification (in millions of dollars)				
Identification code 69-8020-0-7-401	2002 actual	2003 est.	2004 est.	
25.2 Other services .....	11	11	16	
41.0 Grants, subsidies, and contributions .....	212	214	431	
99.9 Total new obligations .....	223	225	447	

FEDERAL RAILROAD ADMINISTRATION

The following tables show the funding for all Federal Railroad Administration programs:

(In millions of dollars)				
Budget authority:	2002 actual	2003 est.	2004 est.	
Safety and operations .....	116	118	131	
Rail user fees .....		[45]		
Railroad research and development .....	29	28	35	
Rail use fees .....		[14]		
Grants to the National Railroad Passenger Corporation .....	826	521	900	
Pennsylvania Station redevelopment project .....	20	20		
Next generation high-speed rail .....	32	23	23	
Alaska Railroad rehabilitation .....	20			
Amtrak corridor improvement loans .....	-1	-3		
Total budget authority .....	1,042	707	1,089	
Outlays:				
Safety and Operations .....	114	134	134	
Local rail freight assistance .....				
Railroad research and development .....	26	42	35	
Conrail commuter transition assistance .....	1			
Grants to the National Railroad Passenger Corporation .....	1,067	595	900	
Amtrak Reform Council .....	1			
Northeast corridor improvement program .....		4	9	
Rhode Island rail development .....	7	6	14	
Pennsylvania Station redevelopment project .....		5	24	
Next generation high-speed rail .....	37	20	12	
Alaska Railroad rehabilitation .....	41	8	12	
West Virginia rail development .....	4	2	6	
Emergency railroad rehabilitation and repair .....			1	
Amtrak corridor improvement loans .....	-1	-3		
Railroad rehabilitation and improvement program liquidating account .....	-9	-4	-4	
Total outlays .....	1,288	813	1,148	

Federal Funds

General and special funds:

SAFETY AND OPERATIONS

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, \$131,175,000, of which \$11,712,000 shall remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Unavailable Collections (in millions of dollars)

Identification code 69-0700-0-1-401	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.60 Railroad safety user fees, legislative proposal not subject to PAYGO .....		59	
Appropriations:			
05.00 Safety and operations, legislative proposal not subject to PAYGO .....		-59	
07.99 Balance, end of year .....			

Program and Financing (in millions of dollars)

Identification code 69-0700-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Salaries and expenses .....	113	118	129
00.02 Contract support .....	1	2	1
00.03 Local Rail Freight Assistance .....		3	
00.06 Alaska railroad liabilities .....	1	1	1
01.00 Total direct program .....	115	124	131
Reimbursable program:			
09.01 Reimbursable services .....	10	1	1
09.99 Total reimbursable program .....	10	1	1
10.00 Total new obligations .....	125	125	132

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year .....	5	6	
22.00 New budget authority (gross) .....	127	119	132
23.90 Total budgetary resources available for obligation .....	132	125	132
23.95 Total new obligations .....	-125	-125	-132
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	6		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation .....	117	118	131
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	10	1	1
70.00 Total new budget authority (gross) .....	127	119	132

Change in obligated balances:

72.40 Obligated balance, start of year .....	24	25	15
73.10 Total new obligations .....	125	125	132
73.20 Total outlays (gross) .....	-124	-134	-134
74.40 Obligated balance, end of year .....	25	15	13

Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	115	106	118
86.93 Outlays from discretionary balances .....	9	28	16
87.00 Total outlays (gross) .....	124	134	134

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-10	-1	-1

Net budget authority and outlays:

89.00 Budget authority .....	117	118	131
90.00 Outlays .....	114	133	133

Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....		5	5
99.01 Outlays .....		5	5

The programs under this account are:

*Salaries and expenses.*—Provides support for FRA rail safety activities and all other administrative and operating activities related to FRA staff and programs.

*Contract support.*—Provides support for policy oriented economic, industry, and systems analysis.

*Alaska Railroad Liabilities.*—Provides reimbursement to the Department of Labor for compensation payments to former Federal employees of the Alaska Railroad who were

on the rolls during the period of Federal ownership and support for clean-up activities at hazardous waste sites located at properties once owned by the FRA. The 2004 request is for workers' compensation.

**Object Classification** (in millions of dollars)

Identification code 69-0700-0-1-401	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	53	61	65
11.3 Other than full-time permanent .....	1		
11.5 Other personnel compensation .....	1	1	2
11.9 Total personnel compensation .....	55	62	67
12.1 Civilian personnel benefits .....	15	16	18
21.0 Travel and transportation of persons .....	8	8	8
23.1 Rental payments to GSA .....	4	4	5
23.3 Communications, utilities, and miscellaneous charges .....	1	2	1
25.1 Advisory and assistance services .....	2	1	1
25.2 Other services .....	15	23	23
25.3 Other purchases of goods and services from Government accounts .....	4	3	3
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	4	3	3
41.0 Grants, subsidies, and contributions .....	6	1	1
99.0 Direct obligations .....	115	124	131
99.0 Reimbursable obligations .....	10	1	1
99.9 Total new obligations .....	125	125	132

**Personnel Summary**

Identification code 69-0700-0-1-401	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	754	794	817

**SAFETY AND OPERATIONS**  
(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 69-0700-2-1-401	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....		-45	
40.20 Appropriation (special fund) .....		59	
41.00 Transferred to other accounts .....		-14	
43.00 Appropriation (total discretionary) .....			
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

**RAILROAD RESEARCH AND DEVELOPMENT**

For necessary expenses for railroad research and development, \$35,025,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 69-0745-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Railroad system issues .....	5	5	3
00.02 Human factors .....	4	4	4
00.03 Rolling stock and components .....	2	3	3
00.04 Track and structures .....	8	4	4
00.05 Track and train interaction .....	3	4	3
00.06 Train control .....		1	1
00.07 Grade crossings .....	1	2	1
00.08 Hazardous materials transportation .....	1	1	1

00.09 Train occupant protection .....	6	7	7
00.10 R&D facilities and test equipment .....	1	1	1
00.11 Other .....	1		
00.12 NDGPS .....			7
01.00 Total direct program .....	32	32	35
09.10 Reimbursable program .....		1	1
10.00 Total new obligations .....	32	33	36

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	6	4	
22.00 New budget authority (gross) .....	29	29	36
23.90 Total budgetary resources available for obligation .....	35	33	36
23.95 Total new obligations .....	-32	-33	-36
24.40 Unobligated balance carried forward, end of year .....	4		

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	29	28	35
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		1	1
70.00 Total new budget authority (gross) .....	29	29	36

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	33	38	28
73.10 Total new obligations .....	32	33	36
73.20 Total outlays (gross) .....	-26	-43	-37
74.40 Obligated balance, end of year .....	38	28	25

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	17	18	22
86.93 Outlays from discretionary balances .....	9	25	15
87.00 Total outlays (gross) .....	26	43	37

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....		-1	-1

**Net budget authority and outlays:**

89.00 Budget authority .....	29	28	35
90.00 Outlays .....	26	42	36

The objective of the Railroad Research and Development (R&D) program is to provide science and technology support for rail safety rulemaking and enforcement and to stimulate technological advances in conventional and high-speed railroads. This activity is conducted with the cooperation of and some cost-sharing from private sector organizations.

**Railroad system issues.**—Provides for research in railroad system safety, performance-based regulations, railroad systems and infrastructure security, railroad environmental issues, and locomotive R&D.

**Human factors.**—Provides for research in train operations, and yard and terminal accidents and incidents.

**Rolling stock and components.**—Provides for research in on-board monitoring systems, wayside monitoring systems, and material and design improvements.

**Track and structures.**—Provides for research in inspection techniques, material and component reliability, track and structure design and performance, and track stability data processing and feedback.

**Track and train interaction.**—Provides for research in derailment mechanisms, and vehicle/track performance.

**Train control.**—Provides for research in train control test and evaluation.

**Grade crossings.**—Provides for research in grade crossing human factors and infrastructure.

**Hazardous materials transportation.**—Provides for research in hazmat transportation safety, damage assessment and inspection, and tank car safety.

**Train occupant protection.**—Provides for research in locomotive safety, and passenger car safety/performance.

**R&D facilities and test equipment.**—Provides support to the Transportation Technology Center (TTC) and the track re-

General and special funds—Continued

RAILROAD RESEARCH AND DEVELOPMENT—Continued

search instrumentation platform. The TTC is a government-owned facility near Pueblo, Colorado, operated by the Association of American Railroads under a contract for care, custody and control.

**NDGPS.**—Provides for the operation and maintenance of the Nationwide Differential GPS (NDGPS) network and capital expenses for the continued expansion of this network. NDGPS provides precise positioning information and integrity monitoring of the GPS constellation for all transportation modes. By the end of FY 2004, the NDGPS network will provide single-station coverage over 85 percent of the continental U.S., and dual-station coverage over 65 percent of the continental U.S.

Object Classification (in millions of dollars)

Identification code 69-0745-0-1-401	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.2 Other services .....	13	11	17
25.4 Operation and maintenance of facilities .....	1	1	1
25.5 Research and development contracts .....	15	18	15
41.0 Grants, subsidies, and contributions .....	3	2	2
99.0 Direct obligations .....	32	32	35
99.0 Reimbursable obligations .....		1	1
99.9 Total new obligations .....	32	33	36

RAILROAD RESEARCH AND DEVELOPMENT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 69-0745-2-1-401	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		-14	
42.00 Transferred from other accounts .....		14	
43.00 Appropriation (total discretionary) .....			
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

RHODE ISLAND RAIL DEVELOPMENT

Program and Financing (in millions of dollars)

Identification code 69-0726-0-1-401	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	35	28	22
73.20 Total outlays (gross) .....	-7	-6	-14
74.40 Obligated balance, end of year .....	28	22	8
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	7	6	14
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	7	6	14

Funds were previously provided to continue the construction of a third rail line and related costs between Davisville and Central Falls, RI. No funds are requested for 2004, as the 2001 funding completed the Administration's total funding commitment to this project.

PENNSYLVANIA STATION REDEVELOPMENT PROJECT

Program and Financing (in millions of dollars)

Identification code 69-0723-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Pennsylvania Station redevelopment project .....		60	
10.00 Total new obligations (object class 41.0) .....		60	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	20	40	
22.00 New budget authority (gross) .....	20	20	
23.90 Total budgetary resources available for obligation .....	40	60	
23.95 Total new obligations .....		-60	
24.40 Unobligated balance carried forward, end of year .....	40		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	20	20	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			55
73.10 Total new obligations .....		60	
73.20 Total outlays (gross) .....		-5	-24
74.40 Obligated balance, end of year .....		55	31
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		2	
86.93 Outlays from discretionary balances .....		3	24
87.00 Total outlays (gross) .....		5	24
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	20	20	
90.00 Outlays .....		5	24

Funds are used to redevelop the Pennsylvania Station in New York City, which involves renovating the James A. Farley Post Office building as a train station and commercial center, and basic upgrades to Pennsylvania Station. Funding for this project was included in the Grants to the National Railroad Passenger Corporation appropriation in 1995 through 1997, and the Northeast Corridor Improvement Program in 1998. In 2000 an advance appropriation of \$20 million was provided for 2001, 2002, and 2003. In 2001 the \$20 million in advance appropriations for the Farley Building was made available specifically for fire and life safety initiatives. No funds are requested in FY 2004.

ALASKA RAILROAD REHABILITATION

Program and Financing (in millions of dollars)

Identification code 69-0730-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Alaska Railroad rehabilitation .....	20		
10.00 Total new obligations (object class 41.0) .....	20		
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	20		
23.95 Total new obligations .....	-20		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	20		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	42	21	13
73.10 Total new obligations .....	20		
73.20 Total outlays (gross) .....	-41	-8	-13
74.40 Obligated balance, end of year .....	21	13	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	8		
86.93 Outlays from discretionary balances .....	33	8	13

87.00	Total outlays (gross) .....	41	8	13
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	20		
90.00	Outlays .....	41	8	13

These funds provided direct payments to the Alaska railroad. No funds are requested for 2004.

WEST VIRGINIA RAIL DEVELOPMENT  
Program and Financing (in millions of dollars)

Identification code 69-0758-0-1-401	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	West Virginia rail development .....	10	2	
10.00	Total new obligations (object class 41.0) .....	10	2	
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	12	2	
23.95	Total new obligations .....	-10	-2	
24.40	Unobligated balance carried forward, end of year .....	2		
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	3	9	9
73.10	Total new obligations .....	10	2	
73.20	Total outlays (gross) .....	-4	-2	-6
74.40	Obligated balance, end of year .....	9	9	3
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	4	2	6
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			6
90.00	Outlays .....	4	2	6

Funding for capital costs associated with track, signal and crossover rehabilitation and improvements on the MARC Brunswick line in West Virginia. No funds are requested in 2004.

CAPITAL GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For necessary expenses of the National Railroad Passenger Corporation as authorized by 49 U.S.C. 24104(a), \$900,000,000 of which not to exceed \$671,000,000 shall be for operations and to implement restructuring initiatives; and \$229,000,000 shall be for maintenance, and capital and infrastructure improvements.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 69-0704-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Operating Expenses and Restructuring Initiatives .....		671
00.02	Capital and Infrastructure .....		229
00.03	General Capital Grants .....	1,115	545
10.00	Total new obligations (object class 41.0) .....	1,115	545
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	312	24
22.00	New budget authority (gross) .....	826	521
23.90	Total budgetary resources available for obligation .....	1,138	545
23.95	Total new obligations .....	-1,115	-545
24.40	Unobligated balance carried forward, end of year .....	24	
<b>Net budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	826	521

<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	1	50
73.10	Total new obligations .....	1,115	545
73.20	Total outlays (gross) .....	-1,067	-595
74.40	Obligated balance, end of year .....	50	

<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	754	521
86.93	Outlays from discretionary balances .....	313	74
87.00	Total outlays (gross) .....	1,067	595

<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	826	521
90.00	Outlays .....	1,067	595

The National Railroad Passenger Corporation (Amtrak) was established in 1970 through the Rail Passenger Service Act. Amtrak is operated and managed as a for profit corporation with all Board members appointed by the Executive Branch of the Federal Government, with the advice and consent of the Senate. Amtrak is not an agency or instrumentality of the U.S. Government.

Grant funding, administered by the Federal Railroad Administration, is being provided to support Amtrak's operating and capital requirements including Northeast Corridor improvements, railroad retirement, debt service interest and principal payments, operating assistance, preservation of capital and investments, and rolling stock maintenance. The request supports the Administration's Amtrak reform principles. To facilitate these changes, the budget proposes funding to support operations, expand capital and infrastructure maintenance programs and begin to address structural reform through employee buyouts and other measures that will improve Amtrak's future viability. In an effort to ensure that States play a major role in determining the route structure of a national passenger rail system, the proposal will encourage States to contribute to those routes they believe are critical to their transportation needs.

AMTRAK REFORM COUNCIL

Program and Financing (in millions of dollars)

Identification code 69-0152-0-1-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Direct program activity .....	1	
10.00	Total new obligations (object class 99.5) .....	1	
<b>Budgetary resources available for obligation:</b>			
23.95	Total new obligations .....	-1	
<b>Change in obligated balances:</b>			
73.10	Total new obligations .....	1	
73.20	Total outlays (gross) .....	-1	
<b>Outlays (gross), detail:</b>			
86.93	Outlays from discretionary balances .....	1	
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....	1	

The Amtrak Reform Council was created by the Amtrak Reform and Accountability Act of 1997 (P.L. 105-134) to perform an independent assessment of Amtrak. The 1999 Department of Transportation and Related Agencies Appropriations Act expanded the Council's mandate to include identifying Amtrak routes that could be candidates for closure or realignment. The Council was an independent entity and its funding was presented within the Federal Railroad Administration for display purposes only. The Council's charter expired in December 2002.

**General and special funds—Continued**

**NEXT GENERATION HIGH-SPEED RAIL**

*For necessary expenses of the Next Generation High-Speed Rail program, as authorized under 49 U.S.C. 26101 and 26102, \$23,200,000 to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-0722-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 High-speed train control systems .....	12	10	10
00.02 High-speed non-electric locomotives .....	4	11	6
00.03 Grade crossing hazard mitigation/low-cost innovative technologies .....	4	5	4
00.04 Track/structures technology .....	2	1	1
00.05 Corridor planning .....	6	3	2
00.06 Maglev .....	1	2	
10.00 Total new obligations .....	29	32	23
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	9	
22.00 New budget authority (gross) .....	32	23	23
23.90 Total budgetary resources available for obligation .....	38	32	23
23.95 Total new obligations .....	-29	-32	-23
24.40 Unobligated balance carried forward, end of year .....	9		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	32	23	23
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	62	54	66
73.10 Total new obligations .....	29	32	23
73.20 Total outlays (gross) .....	-37	-20	-12
74.40 Obligated balance, end of year .....	54	66	77
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	3	3
86.93 Outlays from discretionary balances .....	32	17	9
87.00 Total outlays (gross) .....	37	20	12
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	32	23	23
90.00 Outlays .....	37	20	12

The Next Generation High-Speed Rail Program will fund: research, development, and technology demonstration programs and the planning and analysis required to evaluate technology proposals under the program.

**Object Classification (in millions of dollars)**

Identification code 69-0722-0-1-401	2002 actual	2003 est.	2004 est.
25.2 Other services .....	27	29	20
41.0 Grants, subsidies, and contributions .....	2	3	3
99.9 Total new obligations .....	29	32	23

**NORTHEAST CORRIDOR IMPROVEMENT PROGRAM**

**Program and Financing (in millions of dollars)**

Identification code 69-0123-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.04 System engineering, program management and administration .....		3	
10.00 Total new obligations (object class 25.2) .....		3	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	3	

23.95 Total new obligations .....		-3	
24.40 Unobligated balance carried forward, end of year .....	3		

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	15	15	14
73.10 Total new obligations .....		3	
73.20 Total outlays (gross) .....		-4	-9
74.40 Obligated balance, end of year .....	15	14	5

**Outlays (gross), detail:**

86.93 Outlays from discretionary balances .....		4	9
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**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....		4	9

This program provided funds to continue the upgrade of passenger rail service in the corridor between Washington, D.C. and Boston. Beginning in 2001, funding is available within the Amtrak appropriation.

**EMERGENCY RAILROAD REHABILITATION AND REPAIR**

**Program and Financing (in millions of dollars)**

Identification code 69-0124-0-1-401	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.20 Total outlays (gross) .....			-1
74.40 Obligated balance, end of year .....	1	1	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....			1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			1

This schedule displays emergency funding programs that no longer require appropriations and thus reflects outlays from 1997 and 1998 appropriations. In 1997, the funds were used to repair and rebuild freight rail lines of regional and short-line railroads or State-owned railroads damaged by floods in South Dakota, North Dakota, Minnesota, West Virginia and Iowa. In 1998, all states became eligible for this program.

**LOCAL RAIL FREIGHT ASSISTANCE**

**Program and Financing (in millions of dollars)**

Identification code 69-0714-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Local rail freight assistance .....		1	
10.00 Total new obligations (object class 41.0) .....		1	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	
23.95 Total new obligations .....		-1	
24.40 Unobligated balance carried forward, end of year .....	1		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		1	
73.20 Total outlays (gross) .....		-1	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....		1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

This program provided discretionary and flat-rate grants to States for rail planning, and for acquisition, track rehabili-

tation, and rail facility construction with respect to light density freight lines. No funds are requested for this account in 2004.

CONRAIL COMMUTER TRANSITION ASSISTANCE

Program and Financing (in millions of dollars)

Identification code 69-0747-0-1-401	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		
73.20 Total outlays (gross) .....	-1		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1		

These funds helped to defray the one-time-only start-up costs of commuter service and other transition expenses connected with the transfer of rail commuter services from Conrail to other operators. Between 1986 and 1993, funds were appropriated for commuter rail and bridge improvements in the Philadelphia, Pennsylvania region. No additional funds are requested in 2004.

Credit accounts:

ALAMEDA CORRIDOR DIRECT LOAN FINANCING PROGRAM

The Alameda Transportation Corridor is an intermodal project connecting the Ports of Los Angeles and Long Beach to downtown Los Angeles. The project replaces the current 20 miles of at-grade rail line with a high-speed, below-grade corridor, thereby eliminating over 200 grade crossings. It also widens and improves the adjacent major highway on this alignment and mitigates the impact of increased international traffic transferring through the San Pedro Ports. The loan has permitted construction to continue without interruption through the sale of debt obligations, the proceeds of which funded the majority of the project's costs.

The amount of subsidy budget authority originally provided for the Alameda Corridor Transportation project was \$59 million. The Alameda Corridor Transportation Authority (ACTA) has now completely drawn down the DOT loan proceeds totaling \$400 million. In January 1999, ACTA received investment grade ratings from three rating agencies on its debt obligations financing construction of the project.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loan obligated in 1997. The subsidy amounts are estimated on a present value basis. No funds are requested for this account in 2004, as all funds required to complete this project were provided in 1997.

ALAMEDA CORRIDOR DIRECT LOAN FINANCING ACCOUNT

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 69-4183-0-3-401	2002 actual	2003 est.	2004 est.
0101 Negative subsidies/subsidy reestimates .....		67	

Program and Financing (in millions of dollars)

Identification code 69-4183-0-3-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Interest paid to Treasury .....	59	32	34

08.02 Downward subsidy reestimate .....		50	
08.04 Interest on downward reestimate of subsidy .....		17	
08.91 Direct Program by Activities—Subtotal (1 level) .....		67	
10.00 Total new obligations .....	59	99	34

Budgetary resources available for obligation:

22.00 New financing authority (gross) .....	59	99	34
23.95 Total new obligations .....	-59	-99	-34

New financing authority (gross), detail:

<b>Mandatory:</b>			
67.10 Authority to borrow .....	59	97	30
69.00 Offsetting collections (cash) .....		2	4
70.00 Total new financing authority (gross) .....	59	99	34

Change in obligated balances:

73.10 Total new obligations .....	59	99	34
73.20 Total financing disbursements (gross) .....	-59	-99	-34
87.00 Total financing disbursements (gross) .....	59	99	34

Offsets:

<b>Against gross financing authority and financing disbursements:</b>			
88.40 Offsetting collections (cash) from: Non-Federal sources .....		-2	-4

Net financing authority and financing disbursements:

89.00 Financing authority .....	59	97	30
90.00 Financing disbursements .....	59	97	30

Status of Direct Loans (in millions of dollars)

Identification code 69-4183-0-3-401	2002 actual	2003 est.	2004 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans .....			
1150 Total direct loan obligations .....			
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	503	502	535
1251 Repayments: Repayments and prepayments .....			
1261 Adjustments: Capitalized interest .....	46	33	34
1264 Write-offs for default: Other adjustments, net .....	-47		
1290 Outstanding, end of year .....	502	535	569

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 69-4183-0-3-401	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	503	502	535	569
1405 Allowance for subsidy cost (-) .....				
1499 Net present value of assets related to direct loans .....	503	502	535	569
1999 Total assets .....	503	502	535	569
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt .....	503	502	535	569
2999 Total liabilities .....	503	502	535	569
4999 Total liabilities and net position .....	503	502	535	569

RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976

**Credit accounts—Continued**

**RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM—Continued**

(Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: Provided, That pursuant to section 502 of such Act, as amended, no new direct loans or loan guarantee commitments shall be made using Federal funds for the credit risk premium during fiscal year 2004.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 69-0750-0-1-401	2002 actual	2003 est.	2004 est.
0100 Negative subsidies/subsidy reestimates .....		5	

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 69-0750-0-1-401	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct loan levels—RR Rehab and Improvement .....	102		
115901 Total direct loan levels .....	102		
Direct loan subsidy (in percent):			
132001 Credit Risk Premium rate .....	0.00	0.00	
132901 Weighted average subsidy rate .....	0.00	0.00	
Direct loan subsidy budget authority:			
133001 Direct loan levels .....			
133901 Total subsidy budget authority .....			
Direct loan subsidy outlays:			
134001 Credit Risk Premium outlays .....			
134901 Total subsidy outlays .....			
Direct loan downward reestimate subsidy budget authority:			
137001 Direct loan levels—RR Rehab and Improvement .....		5	
137901 Total downward reestimate budget authority .....		5	
Direct loan downward reestimate subsidy outlays:			
138001 Direct loan levels—RR Rehab and Improvement .....		5	
138901 Total downward reestimate subsidy outlays .....		5	

Data above includes funds for the Railroad Rehabilitation and Improvement and Amtrak Corridor Improvement Loans program accounts. These accounts were funded under separate appropriations, and are displayed in a consolidated format. The two accounts are loan administration accounts. No funding is requested in 2004. No loans are proposed to be supported in 2004 with Federal funds.

TEA-21 expanded the Railroad Rehabilitation and Improvement program to permit non-Federal entities to provide the subsidy budget authority needed to support a loan through the payment of a credit risk premium. The final rule regarding the administration of the program was published on July 6, 2000.

**RAILROAD REHABILITATION AND IMPROVEMENT DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 69-4420-0-3-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Interest to Treasury .....	3	11	22
00.02 Direct loans .....	102	204	198
00.91 Direct Program by Activities—Subtotal (1 level)	105	215	220

08.02 Downward subsidy reestimate:			
Downward subsidy reestimate .....		5	
10.00 Total new obligations .....	105	220	220

**Budgetary resources available for obligation:**

22.00 New financing authority (gross) .....	105	220	220
23.95 Total new obligations .....	-105	-220	-220

**New financing authority (gross), detail:**

Mandatory:			
67.10 Authority to borrow .....	105	209	210
69.00 Offsetting collections (cash) .....		111	20
69.47 Portion applied to repay debt .....		-100	-10
69.90 Spending authority from offsetting collections (total mandatory) .....		11	10
70.00 Total new financing authority (gross) .....	105	220	220

**Change in obligated balances:**

72.40 Obligated balance, start of year .....		2	
73.10 Total new obligations .....	105	220	220
73.20 Total financing disbursements (gross) .....	-103	-222	-220
74.40 Obligated balance, end of year .....		2	
87.00 Total financing disbursements (gross) .....	103	222	220

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Credit premium .....		-10	-10
88.40 Principal repayment .....		-100	-10
88.40 Interest payment .....		-1	
88.90 Total, offsetting collections (cash) .....		-111	-20

**Net financing authority and financing disbursements:**

89.00 Financing authority .....	105	109	200
90.00 Financing disbursements .....	103	111	200

**Status of Direct Loans (in millions of dollars)**

Identification code 69-4420-0-3-401	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....			
1121 Limitation available from carry-forward .....	3,500	3,398	3,294
1143 Unobligated limitation carried forward (P.L. xx) (-) .....	-3,398	-3,194	-3,096
1150 Total direct loan obligations .....	102	204	198
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	4	105	210
1231 Disbursements: Direct loan disbursements .....	101	205	198
1251 Repayments: Repayments and prepayments .....		-100	-8
1263 Write-offs for default: Direct loans .....			-2
1290 Outstanding, end of year .....	105	210	398

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans. The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 69-4420-0-3-401	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....		102	204	198
1499 Net present value of assets related to direct loans .....		102	204	198
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross .....	4	3	11	22
1999 Total assets .....	4	105	215	220

<b>LIABILITIES:</b>					
2105	Federal liabilities: Other .....	4	105	215	220
2999	Total liabilities .....	4	105	215	220
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....				
3999	Total net position .....				
4999	Total liabilities and net position .....	4	105	215	220

**RAILROAD REHABILITATION AND IMPROVEMENT LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 69-4411-0-3-401	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Interest to Treasury .....	5	2	2
10.00	Total new obligations (object class 43.0) .....	5	2	2
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	7		
22.00	New budget authority (gross) .....	6	6	6
22.60	Portion applied to repay debt .....	-9	-4	-4
23.90	Total budgetary resources available for obligation .....	4	2	2
23.95	Total new obligations .....	-5	-2	-2
<b>New budget authority (gross), detail:</b>				
Mandatory:				
69.00	Offsetting collections (cash) .....	6	6	6
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....	5	2	2
73.20	Total outlays (gross) .....	-5	-2	-2
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	5	2	2
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-6	-6	-6
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	-2	-4	-4

**Status of Direct Loans (in millions of dollars)**

Identification code 69-4411-0-3-401	2002 actual	2003 est.	2004 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	49	40	36
1251	Repayments: Repayments and prepayments .....	-9	-4	-4
1290	Outstanding, end of year .....	40	36	32

*Section 505—Redeemable preference shares.*—Authority for the section 505 redeemable preference shares program expired on September 30, 1988. The account reflects actual outlays of -\$9 million in 2002, and projected outlays of -\$4 million in 2003 and -\$4 million in 2004 resulting from payments of principal and interest as well as repurchases of redeemable preference shares and the sale of redeemable preference shares to the private sector.

*Section 511—Loan repayments.*—This program reflects repayments of principal and interest on outstanding borrowings by the railroads to the Federal Financing Bank under the section 511 loan guarantee program.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in this program (including modifications of direct loans or loan guarantees that resulted from obligations or commit-

ments in any year) is recorded in corresponding program accounts and financing accounts.

**Balance Sheet (in millions of dollars)**

Identification code 69-4411-0-3-401	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	44	40	36	32
1602	Interest receivable .....	11	5	2	2
1699	Value of assets related to direct loans .....	55	45	38	34
1999	Total assets .....	55	45	38	34
<b>LIABILITIES:</b>					
Federal liabilities:					
2102	Interest payable .....	11	5	2	2
2103	Debt .....	44	40	36	32
2999	Total liabilities .....	55	45	38	34
4999	Total liabilities and net position .....	55	45	38	34

**AMTRAK CORRIDOR IMPROVEMENT DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 69-4164-0-3-401	2002 actual	2003 est.	2004 est.	
<b>Budgetary resources available for obligation:</b>				
22.40	Capital transfer to general fund .....		-1	
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1	1	
74.40	Obligated balance, end of year .....	1		
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....			
90.00	Financing disbursements .....			

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 69-4164-0-3-401	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1207	Non-Federal assets: Advances and prepayments .....	1	1	
1999	Total assets .....	1	1	
<b>LIABILITIES:</b>				
2202	Non-Federal liabilities: Interest payable .....	1	1	
2999	Total liabilities .....	1	1	
<b>NET POSITION:</b>				
3999	Total net position .....			
4999	Total liabilities and net position .....	1	1	

**Credit accounts—Continued**

**AMTRAK CORRIDOR IMPROVEMENT LOANS LIQUIDATING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 69-0720-0-1-401	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	1	3	
69.47 Portion applied to repay debt .....	-1	-3	
69.90 Spending authority from offsetting collections (total mandatory) .....			
<b>Change in obligated balances:</b>			
73.20 Total outlays (gross) .....			
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-1	-3	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-1	-3	
90.00 Outlays .....	-1	-3	

**Status of Direct Loans** (in millions of dollars)

Identification code 69-0720-0-1-401	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	4	3	
1251 Repayments: Repayments and prepayments .....	-1	-3	
1290 Outstanding, end of year .....	3		

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. All new activity in this program (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program accounts and financing accounts.

**Balance Sheet** (in millions of dollars)

Identification code 69-0720-0-1-401	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross .....	4	3		
1999 Total assets .....	4	3		
<b>LIABILITIES:</b>				
2105 Federal liabilities: Federal liabilities; Other .....	4	3		
2999 Total liabilities .....	4	3		
4999 Total liabilities and net position .....	4	3		

**FEDERAL TRANSIT ADMINISTRATION**

The Federal Transit Administration (FTA) provides funding to transit operators, State and local governments and other recipients for the construction of facilities; the purchase of vehicles and equipment; the improvement of technology, service techniques, and methods; the support of region-wide transportation planning; and transit operations. In addition to improving general mobility, FTA provides financial assistance to help implement other national goals relating to mobility for the elderly, people with disabilities, and economically disadvantaged individuals. The FTA budget includes program streamlining and consolidation to support the President's goal of creating a citizen-centered, outcome-based government. The

Administration proposes consolidating the myriad of separate transit programs in order to give States and localities additional flexibility to better meet the mobility needs in their communities. This consolidation has the added benefit of reducing the administrative burden or grantees, since fewer separate grant applications would be required. In addition, the FTA proposes new initiatives, including performance incentives and the President's New Freedom Initiative.

In 2004, \$7,226 million is proposed for transit programs. The following tables show the funding for the Federal Transit Administration programs.

	(In millions of dollars)		
Obligation Limitations:	2002 actual	2003 est.	2004 est.
Administrative expenses, general fund .....	13	15	76
Administrative expenses, trust fund .....	54	58	
Subtotal, obligation limitation .....	67	73	76
Transit planning and research, general fund .....	23	24	
Transit planning and research, trust fund .....	153	98	
Subtotal, obligation limitation .....	176	122	
University transportation centers, general fund .....	1	1	
University transportation centers, trust fund .....	5	5	
Subtotal, obligation limitation .....	6	6	
Job access and reverse commute, general fund .....	25	30	
Job access and reverse commute, trust fund .....	100	120	
Subtotal, obligation limitation .....	125	150	
Formula grants, general fund .....	692	768	
Formula grants, trust fund .....	3,989	3,071	
Subtotal, obligation limitation .....	4,681	3,839	
Capital investment grants, general fund .....	2,518	607	
Capital investment grants, trust fund .....	2,273	2,429	
Subtotal, obligation limitation .....	4,791	3,036	
Major Capital Investment Grants, general funds .....			1,214
Major Capital Investment Grants, trust funds .....			321
Total .....			1,535
Formula Grants and Research, trust funds .....			5,615
Trust fund share of expenses, total budget authority (non-add) .....	[6,573]	[5,781]	[321]
Trust fund share of expenses, available for obligation (non-add) .....	[6,573]	[5,781]	[321]
Total FTA, obligation limitation .....	9,845	7,226	7,226

Note.—In 2002, P.L. 107-38, P.L. 107-117 and P.L. 107-206 increased FTA budget authority and obligation limitation by \$23.5 million for Formula Grants and \$1,900 million for Capital Investment Grants. 2002 funds reflect the transfer of \$1,177 million from FHWA to FTA and \$2 million in funds transferred from FTA to FHWA. The budget assumes that flex funding transfer between FHWA and FTA will continue, and will be documented at the end of the fiscal year.

**Federal Funds**

**General and special funds:**

**ADMINISTRATIVE EXPENSES**

For necessary administrative expenses of the Federal Transit Administration's programs authorized by chapter 53 of title 49, United States Code, \$76,500,000: Provided, That of the funds in this Act available for the execution of contracts under section 5327(c) of title 49, United States Code, \$2,000,000 shall be reimbursed to the Department of Transportation's Office of Inspector General for costs associated with audits and investigations of transit-related issues, including reviews of new fixed guideway systems.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 69-1120-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	67	73	76
01.01 Reimbursable program .....	1	1	1
10.00 Total new obligations .....	68	74	77
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	68	74	77

23.95	Total new obligations .....	-68	-74	-77
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	13	15	76
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	55	59	1
70.00	Total new budget authority (gross) .....	68	74	77
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	10	18	7
73.10	Total new obligations .....	68	74	77
73.20	Total outlays (gross) .....	-60	-85	-76
73.40	Adjustments in expired accounts (net) .....	-1		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	1		
74.40	Obligated balance, end of year .....	18	7	8
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	50	67	69
86.93	Outlays from discretionary balances .....	10	18	7
87.00	Total outlays (gross) .....	60	85	76
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-55	-59	-1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	13	15	76
90.00	Outlays .....	6	26	75
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	4	4	4
99.01	Outlays .....	4	4	4

For 2004, \$76.5 million is requested to fund the personnel and other support costs associated with management and direction of FTA programs. FTA continues to focus on the President's Management Agenda, long-term management of the Federal workforce, and fostering a citizen-centered, results-based government that is organized to be flexible and lean. FTA remains committed to continuing aggressive efforts to increase efficiency and productivity within available staffing resources, and to improve the services offered to its customers. FTA has been a leader in the Department by expanding its automated systems to provide direct access by our customers. The Transportation Electronic Award and Management (TEAM) system provides on-line access to grantees for grant awards and disbursements.

**Object Classification** (in millions of dollars)

Identification code 69-1120-0-1-401	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent .....	37	41	44
11.3	Other than full-time permanent .....	1	1	1
11.9	Total personnel compensation .....	38	42	45
12.1	Civilian personnel benefits .....	8	9	10
21.0	Travel and transportation of persons .....	2	2	2
23.1	Rental payments to GSA .....	5	5	5
23.3	Communications, utilities, and miscellaneous charges .....	2	2	2
25.2	Other services .....	11	12	11
31.0	Equipment .....	1	1	1
99.0	Direct obligations .....	67	73	76
99.0	Reimbursable obligations .....	1	1	1
99.9	Total new obligations .....	68	74	77

**Personnel Summary**

Identification code 69-1120-0-1-401	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	499	517	527

<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	8	13	5

**MAJOR CAPITAL INVESTMENT GRANTS**  
(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out 49 U.S.C. 5303, 5304, 5305, and 5309, \$1,213,500,000, to remain available until expended: Provided, That no more than \$1,534,094,000 of budget authority shall be available for these purposes, of which \$1,514,917,825 is for new fixed guideway systems and \$19,176,175 is for metropolitan and statewide planning activities.

**Program and Financing** (in millions of dollars)

Identification code 69-1139-0-1-401	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Major capital investment grants .....			1,534
10.00	Total new obligations .....			1,534
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....			1,535
23.95	Total new obligations .....			-1,534
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....			1,214
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....			321
70.00	Total new budget authority (gross) .....			1,535
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....			1,534
73.20	Total outlays (gross) .....			-185
74.40	Obligated balance, end of year .....			1,349
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....			185
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....			-321
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			1,214
90.00	Outlays .....			-136

**New Starts.**—\$1,515 million for the construction of new fixed guideway systems and extensions to existing fixed guideway systems. FTA is implementing a number of changes to the New Starts evaluation process. In addition, the Administration proposes to expand the New Starts program to make new non-fixed guideway transportation corridor systems and extensions ("small starts") eligible for funding, in order to more cost-effectively address the transit needs of some communities. In order to accommodate growth in the "small starts" category and ensure that meritorious New Starts projects can be funded in the future, FTA seeks a modest increase in the New Starts program.

**Planning.**—\$19 million for Metropolitan and Statewide Planning activities. This portion of the Metropolitan and Statewide planning activities will be funded from Major Capital Investment Grants. Fixed guideway modernization funding is provided in the Formula Grants and Research account.

**Object Classification** (in millions of dollars)

Identification code 69-1139-0-1-401	2002 actual	2003 est.	2004 est.	
25.2	Other services .....			15
41.0	Grants, subsidies, and contributions .....			1,519
99.9	Total new obligations .....			1,534

General and special funds—Continued

FORMULA GRANTS

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 69-1129-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Salt Lake Olympics .....	5		
00.02 Urban formula-capital .....	4,265	3,298	1,247
00.03 Alaska Railroad .....		5	5
00.04 Clean fuels .....		40	10
00.05 Elderly and disabled .....	140	87	
00.06 Nonurban formula .....	276	235	67
00.07 Over-the-road-bus .....	5	6	7
00.08 Emergency response funds .....	25	9	
00.09 New freedom initiative .....		145	
10.00 Total new obligations .....	4,716	3,825	1,336
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1,327	1,322	1,336
22.00 New budget authority (gross) .....	4,681	3,839	
22.10 Resources available from recoveries of prior year obligations .....	21		
22.22 Unobligated balance transferred from other accounts	10		
23.90 Total budgetary resources available for obligation	6,039	5,161	1,336
23.95 Total new obligations .....	-4,716	-3,825	-1,336
24.40 Unobligated balance carried forward, end of year .....	1,322	1,336	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	742	768	
40.76 Reduction pursuant to P.L. 107-206 .....			
41.00 Transferred to other accounts .....	-50		
43.00 Appropriation (total discretionary) .....	692	768	
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	3,989	3,071	
70.00 Total new budget authority (gross) .....	4,681	3,839	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6,338	6,650	6,605
73.10 Total new obligations .....	4,716	3,825	1,336
73.20 Total outlays (gross) .....	-4,383	-3,870	-3,291
73.45 Recoveries of prior year obligations .....	-21		
74.40 Obligated balance, end of year .....	6,650	6,605	4,650
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	943	400	
86.93 Outlays from discretionary balances .....	3,440	3,470	3,291
87.00 Total outlays (gross) .....	4,383	3,870	3,291
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-3,989	-3,071	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	692	768	
90.00 Outlays .....	395	799	3,291

Beginning in 2004, Formula Grants will be funded as a Trust Fund account.

Object Classification (in millions of dollars)

Identification code 69-1129-0-1-401	2002 actual	2003 est.	2004 est.
25.2 Other services .....	18	18	5
41.0 Grants, subsidies, and contributions .....	4,698	3,807	1,331
99.9 Total new obligations .....	4,716	3,825	1,336

UNIVERSITY TRANSPORTATION RESEARCH

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 69-1136-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	6	6	
10.00 Total new obligations (object class 41.0) .....	6	6	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	6	6	
23.95 Total new obligations .....	-6	-6	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	1	
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	5	5	
70.00 Total new budget authority (gross) .....	6	6	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	13	11	11
73.10 Total new obligations .....	6	6	
73.20 Total outlays (gross) .....	-8	-6	-5
74.40 Obligated balance, end of year .....	11	11	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	1	
86.93 Outlays from discretionary balances .....	6	5	5
87.00 Total outlays (gross) .....	8	6	5
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-5	-5	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	
90.00 Outlays .....	3	1	5

Beginning in 2004 University Transportation Research will be funded in the Formula Grants and Research account.

TRANSIT PLANNING AND RESEARCH

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 69-1137-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	176	124	32
09.01 Reimbursable program .....	20	20	
10.00 Total new obligations .....	196	144	32
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	25	34	32
22.00 New budget authority (gross) .....	196	142	
22.10 Resources available from recoveries of prior year obligations .....	3		
22.22 Unobligated balance transferred from other accounts	6		
23.90 Total budgetary resources available for obligation	230	176	32
23.95 Total new obligations .....	-196	-144	-32
24.40 Unobligated balance carried forward, end of year .....	34	32	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	23	24	
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	158	118	

68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	15		
68.90	Spending authority from offsetting collections (total discretionary) .....	173	118	
70.00	Total new budget authority (gross) .....	196	142	
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	281	268	246
73.10	Total new obligations .....	196	144	32
73.20	Total outlays (gross) .....	-191	-166	-148
73.45	Recoveries of prior year obligations .....	-3		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-15		
74.40	Obligated balance, end of year .....	268	246	130
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	35	31	
86.93	Outlays from discretionary balances .....	156	135	148
87.00	Total outlays (gross) .....	191	166	148
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-158	-118	
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-15		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	23	24	
90.00	Outlays .....	33	48	148

In 2004, the National Research program, Transit Cooperative Research, and Nation Transit Institute are funded in the Formula Grants and Research account. Funds supporting metropolitan and statewide planning activities are made available from the Formula Grants and Research account and the Major Capital Investment grants account. The Rural Transit Assistance program will be funded within the Formula Grants and Research account as part of the Non-urbanized Area Formula Program.

**Object Classification** (in millions of dollars)

Identification code 69-1137-0-1-401	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.1	Advisory and assistance services .....	1	1
25.5	Research and development contracts .....	10	10
41.0	Grants, subsidies, and contributions .....	165	113
99.0	Direct obligations .....	176	124
99.0	Reimbursable obligations .....	20	20
99.9	Total new obligations .....	196	144

**JOB ACCESS AND REVERSE COMMUTE GRANTS**

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 69-1125-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Direct program activity .....	71	150
10.00	Total new obligations (object class 41.0) .....	71	150
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	91	145
22.00	New budget authority (gross) .....	125	150
23.90	Total budgetary resources available for obligation .....	216	295
23.95	Total new obligations .....	-71	-150
24.40	Unobligated balance carried forward, end of year .....	145	145

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	25	30
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	100	120
70.00	Total new budget authority (gross) .....	125	150
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	103	109
73.10	Total new obligations .....	71	150
73.20	Total outlays (gross) .....	-65	-96
74.40	Obligated balance, end of year .....	109	163
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	4	8
86.93	Outlays from discretionary balances .....	61	88
87.00	Total outlays (gross) .....	65	96
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-100	-120
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	25	30
90.00	Outlays .....	-35	-24

In 2004, funds requested for the Job Access and Reverse Commute Grants program are included in the Formula Grants and Research account.

**CAPITAL INVESTMENT GRANTS**

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 69-1134-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Capital investment grants .....	2,871	3,153
00.02	Emergency Supplemental P.L. 107-117 .....	43	57
00.03	Lower Manhattan Recovery P.L. 107-206 .....		400
10.00	Total new obligations .....	2,914	3,610
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	1,217	3,092
22.00	New budget authority (gross) .....	4,791	3,036
22.10	Resources available from recoveries of prior year obligations .....	3	
22.21	Unobligated balance transferred to other accounts .....	-5	
23.90	Total budgetary resources available for obligation .....	6,006	6,128
23.95	Total new obligations .....	-2,914	-3,610
24.40	Unobligated balance carried forward, end of year .....	3,092	2,518
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	2,468	607
42.00	Transferred from other accounts .....	50	
43.00	Appropriation (total discretionary) .....	2,518	607
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	2,273	2,429
70.00	Total new budget authority (gross) .....	4,791	3,036
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	3,052	3,562
73.10	Total new obligations .....	2,914	3,610
73.20	Total outlays (gross) .....	-2,401	-2,508
73.45	Recoveries of prior year obligations .....	-3	
74.40	Obligated balance, end of year .....	3,562	4,664
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	795	364
86.93	Outlays from discretionary balances .....	1,606	2,144
87.00	Total outlays (gross) .....	2,401	2,508

**General and special funds—Continued**

**CAPITAL INVESTMENT GRANTS—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 69-1134-0-1-401	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2,273	-2,429	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	2,518	607	
90.00 Outlays	128	79	2,719

In 2004, funds requested for fixed guideway modernization are included under the Formula Grants and Research. Funding for new major capital investment grants (i.e., New Starts) is being proposed in a new account, Major Capital Investment Grants.

**Object Classification (in millions of dollars)**

Identification code 69-1134-0-1-401	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent			1
25.2 Other services	28	35	5
41.0 Grants, subsidies, and contributions	2,886	3,575	1,912
99.9 Total new obligations	2,914	3,610	1,918

**Personnel Summary**

Identification code 69-1134-0-1-401	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment		10	10

**RESEARCH, TRAINING, AND HUMAN RESOURCES**

**Program and Financing (in millions of dollars)**

Identification code 69-1121-0-1-401	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
22.10 Resources available from recoveries of prior year obligations	1		
22.21 Unobligated balance transferred to other accounts	-1		
23.90 Total budgetary resources available for obligation			
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	3	1	1
73.20 Total outlays (gross)	-1	-1	
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	1	1	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	1	1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays		1	

Since 1993, the activities of this account have been financed in the Transit Planning and Research.

**INTERSTATE TRANSFER GRANTS—TRANSIT**

**Program and Financing (in millions of dollars)**

Identification code 69-1127-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity		7	
10.00 Total new obligations (object class 41.0)		7	

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	6	7	
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	7	7	
23.95 Total new obligations		-7	
24.40 Unobligated balance carried forward, end of year	7		

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year		-8	-1
73.10 Total new obligations		7	
73.20 Total outlays (gross)	-8	1	
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	-8	-1	

<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	8	-1	

<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	8	-1	

This account funds transit capital projects substituted for previously withdrawn segments of the Interstate Highway System under the provisions of 23 U.S.C. 103(e)(4).

**WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

**Program and Financing (in millions of dollars)**

Identification code 69-1128-0-1-401	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	121	32	17
73.20 Total outlays (gross)	-89	-14	-10
74.40 Obligated balance, end of year	32	17	9
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	89	14	10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	89	14	10

The National Capital Transportation Amendments of 1979 (Stark-Harris) authorized \$1.7 billion in Federal funds to support the construction of the Washington Metrorail system. In addition, the National Capital Transportation Amendments of 1990 authorized another \$1.3 billion in Federal capital assistance to complete construction of the planned 103-mile system. The Federal commitment to complete the 103-mile system was fully funded in 1999. No new budget authority is proposed.

**MISCELLANEOUS EXPIRED ACCOUNTS**

**Program and Financing (in millions of dollars)**

Identification code 69-1122-0-1-401	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays			

This schedule displays program balances that are no longer required.

**Trust Funds**

**DISCRETIONARY GRANTS**

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

**Program and Financing (in millions of dollars)**

Identification code 69-8191-0-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Discretionary grants .....	8	47	
10.00 Total new obligations (object class 41.0) .....	8	47	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			
21.40 Unobligated balance carried forward, start of year Contract Authority .....	48	47	
22.10 Resources available from recoveries of prior year obligations .....	7		
23.90 Total budgetary resources available for obligation .....	55	47	
23.95 Total new obligations .....	-8	-47	
24.40 Unobligated balance carried forward, end of year .....			
24.40 Unobligated balance carried forward, end of year Contract Authority .....	47		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,243	749	341
73.10 Total new obligations .....	8	47	
73.20 Total outlays (gross) .....	-495	-455	-220
73.45 Recoveries of prior year obligations .....	-7		
74.40 Obligated balance, end of year .....	749	341	121
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	495	455	220
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	495	455	220

In 2004, no additional liquidating cash is requested to pay previous obligations in the Discretionary Grants account.

**TRUST FUND SHARE OF EXPENSES**

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

*Notwithstanding any other provision of law, for payment of obligations incurred in carrying out 49 U.S.C. 5305, 5309, and 5327, \$320,594,000, to remain available until expended, to be derived from the Mass Transit Account of the Highway Trust Fund, and to be paid to the Federal Transit Administration's capital investment grants account.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-8350-0-7-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Administrative expenses .....	54	58	
00.02 Job access and reverse commute .....	100	120	
00.03 Formula programs .....	3,989	3,071	
00.04 University transportation research .....	5	5	
00.05 Transit planning and research .....	153	98	
00.06 Capital investment grants .....	2,273	2,429	
00.07 Major Capital Investment Grants .....			321
10.00 Total new obligations (object class 94.0) .....	6,573	5,781	321
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year Contract Authority .....	29	29	29
22.00 New budget authority (gross) .....	6,573	5,781	321

23.90 Total budgetary resources available for obligation	6,602	5,810	350
23.95 Total new obligations .....	-6,573	-5,781	-321
24.40 Unobligated balance carried forward, end of year Contract Authority .....	29	29	29

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.26 Appropriation (trust fund) .....	5,398	5,781	321
40.49 Portion applied to liquidate contract authority used .....	-6,573	-5,781	-321
41.00 Transferred to other accounts .....	-2		
42.00 Transferred from other accounts .....	1,177		
43.00 Appropriation (total discretionary) .....			
<b>Mandatory:</b>			
66.10 Contract authority .....	5,398	5,781	321
66.61 Transferred to other accounts .....	-2		
66.62 Transferred from other accounts .....	1,177		
66.90 Contract authority (total mandatory) .....	6,573	5,781	321
70.00 Total new budget authority (gross) .....	6,573	5,781	321

**Change in obligated balances:**

73.10 Total new obligations .....	6,573	5,781	321
73.20 Total outlays (gross) .....	-6,573	-5,781	-321

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	6,573	5,781	321
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**Net budget authority and outlays:**

89.00 Budget authority .....	6,573	5,781	321
90.00 Outlays .....	6,573	5,781	321

**Status of Contract Authority (in millions of dollars)**

Identification code 69-8350-0-7-401	2002 actual	2003 est.	2004 est.
<b>Contract authority:</b>			
0200 Contract authority .....	6,573	5,781	321
0400 Appropriation to liquidate contract authority .....	-6,573	-5,781	-321

For 2004, this account tracks the portion of funds for each of FTA's programs derived from the Mass Transit Account of the Highway Trust Fund.

**STATUS OF THE MASS TRANSIT ACCOUNT OF THE HIGHWAY TRUST FUND**

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year .....	7,368	6,096	4,531
<b>Cash income during the year, Governmental receipts:</b>			
Motor fuel taxes .....	4,621	4,671	4,793
Total annual income .....	4,621	4,671	4,793
<b>Cash outlays during the year:</b>			
Discretionary grants/Major capital investments .....	495	455	220
Formula Grants and Research .....			578
Trust fund share of transit programs .....	5,398	5,781	321
Total annual outlays .....	5,893	6,236	1,119
Unexpended balance, end of year .....	6,096	4,531	8,205

**Trust Funds**

**FORMULA GRANTS AND RESEARCH**

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND, MASS TRANSIT ACCOUNT)

*None of the funds in this Act shall be available for programs, the obligations for which are in excess of the \$5,615,406,000 for formula grants, to be derived from the Mass Transit Account of the Highway Trust Fund, together with reimbursements received by the Federal Transit Administration, to remain available until expended: Provided, That within the obligation limitation of \$5,615,406,000, not more than:*

*\$70,192,575 shall be for Planning programs authorized under 49 U.S.C. 5303, 5304, and 5305;*

*\$3,500,000 shall be for the National Transit database authorized under 49 U.S.C. 5335;*

FORMULA GRANTS AND RESEARCH—Continued

(HIGHWAY TRUST FUND, MASS TRANSIT ACCOUNT)—Continued

\$4,849,950 shall be for grants to the Alaska Railroad for improvements to its passenger operations under 49 U.S.C. 5307;

\$6,950,000 shall be for the Rural Transportation Accessibility Incentive program authorized under section 3038 of the Transportation Equity Act for the 21st Century, as amended;

\$43,750,000 shall be for programs authorized under 49 U.S.C. 5312, 5313–5315 and 5322, of which \$8,250,000 shall be for transit cooperative research under section 5313, \$4,000,000 shall be for that National Transit Institute under section 5315, including not more than \$1,000,000 for workplace safety under section 5315(a)(16), and \$31,500,000 shall be for national research programs under sections 5312, 5313, 5314 and 5322;

\$145,000,000 shall be for the New Freedom Initiative;

\$3,000,000 shall be for the Bus Testing program authorized under 49 U.S.C. 5318;

\$6,000,000 shall be for University Transportation Research authorized under 49 U.S.C. 5505;

\$359,385,984 shall be for grants to other than urbanized areas under 49 U.S.C. 5311, of which \$5,250,000 shall be for the rural transit assistance program;

\$87,038,793 shall be for financial assistance for services for elderly persons and persons with disabilities authorized under 49 U.S.C. 5310;

\$150,000,000 shall be for financial assistance for job access and reverse commute projects;

\$1,214,400,000 shall be for fixed guideway modernization grants; and

\$3,521,338,698 shall be for grants to urbanized areas under 49 U.S.C. 5307, apportioned in accordance with 49 U.S.C. 5336.

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND, MASS TRANSIT ACCOUNT)

For payment of obligations incurred in carrying out 49 U.S.C. 5303, 5304, 5305, 5307, 5310, 5311–5315, 5318, 5322, 5335, 5505, the New Freedom Initiative, job access and reverse commute projects, and section 3038 of Public Law 105–178, as amended, \$690,000,000, to remain available until expended and to be derived from the Mass Transit Account of the Highway Trust Fund.

Program and Financing (in millions of dollars)

Identification code 69–8303–0–7–401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Urbanized area programs .....			2,643
00.02 Fixed guideway modernization .....			1,214
00.03 Alaska railroad .....			5
00.04 Over-the-road bus .....			7
00.05 National transit database .....			4
00.06 State administered programs .....			556
00.07 National research .....			50
00.08 Planning .....			70
00.09 Reimbursable program .....			20
10.00 Total new obligations .....			4,569
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			5,635
23.95 Total new obligations .....			–4,569
24.40 Unobligated balance carried forward, end of year .....			1,066
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....			690
40.49 Portion applied to liquidate contract authority .....			–690
43.00 Appropriation (total discretionary) .....			
Mandatory:			
66.10 Contract authority .....			5,615
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....			20
70.00 Total new budget authority (gross) .....			5,635
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			4,569
73.20 Total outlays (gross) .....			–598

74.40 Obligated balance, end of year .....			3,971
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			598
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....			–20
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			5,615
90.00 Outlays .....			578

Formula Grants and Research funds totaling \$5,615.4 million are requested in 2004. Formula Grant funds can be used for all transit purposes including planning, bus and railfare purchases, facility repair and construction, maintenance and where eligible, operating expenses. Increased investment levels help transit succeed in alleviating congestion, ensuring basic mobility, promoting economically vital communities and meeting the requirements of the Americans with Disabilities Act (ADA) and the Clean Air Act (CAA). In 2004, the budget requests \$4.8 million for the Alaska Railroad, \$7 million for the Rural Transportation Accessibility Incentive Program, commonly referred to as the Over-the-Road Bus Accessibility Program, and \$3.5 million for the National Transit Database.

**National Transit Database (NTD).**—\$3.5 million for operation and maintenance of the NTD system, a database of statistics for the transit industry, and is Congressionally mandated under 49 U.S.C. 5335(a)(1)(2). The NTD provides for the national collection and dissemination of a uniform system of transit system financial accounts and operating data. As set forth in legislative formulas, these data are used in the national allocation of FTA formula funding.

**Over-the-Road Bus Accessibility Program.**—\$7 million for the Rural Transportation Accessibility Incentive Program established in TEA–21 will assist operators of over-the-road buses to finance the incremental capital and training costs of complying with the Department of Transportation’s final rule regarding accessibility of over-the-road buses required by the ADA.

**Urbanized Area Formula.**—\$3,521.3 million in funds will be apportioned to areas with populations of 50,000 or more. Funds may be used for any transit capital purpose, including preventive maintenance for these capital assets, in urban areas over 200,000 in population. In urbanized areas under 200,000, both capital and operating costs are eligible expenditures. This funding will assist public transit agencies in meeting the requirements of the Clean Air Act Amendments and the Americans with Disabilities Act.

**Fixed Guideway Modernization.**—\$1,214.4 million for the acquisition, reconstruction and improvement of facilities and equipment for use on fixed guideways including heavy and light rail, commuter rail, and ferryboat operations. Funding for this program will help ensure that the Nation’s older fixed guideway systems continue to meet the transportation needs of the communities they serve.

**State Administered Programs.**—\$741.4 million. Nonurbanized Area Formula—\$359.4 million, will be apportioned according to a legislative formula based on State’s nonurban population to areas with populations of less than 50,000. Available funding may be used to support intercity bus service as well as to help meet rural and small urban areas’ transit needs, including \$5 million for the Rural Transit Assistance Program formerly apportioned from Transit Planning and Research funds. Formula Grants for Elderly and Individuals with Disabilities—\$87 million will be apportioned to each State according to a legislatively required formula to assist in providing transportation to the elderly and individuals with disabilities. Grants are made for the purchase of vehicles and equipment and for transportation services under a contract, lease or similar arrangement. Job Access and Reverse

Commuter—\$150 million to be apportioned to the States by formula to provide grants to non-profit organizations and local transit agencies to fund transportation services in urban, suburban and rural areas to assist welfare recipients and low income individuals to access employment opportunities. Federal transit funds would provide 50 percent of the project costs, with grant recipients supplying the remaining 50 percent from local or Federal sources other than the Department of Transportation. New Freedom Initiative—\$145 million to provide additional tools to overcome significant barriers facing Americans with disabilities seeking access to jobs and integration into the workforce. FTA is requesting authority to provide \$145 million to be allocated to States by formula to fund competitive grants for alternative transportation services so that persons with disabilities have greater access to the workplace.

*National and University Research.*—\$49.8 million to fund National and University Research. The National Research program is funded at \$31.5 million. These funds will be used to cover costs for FTA's essential safety and security activities and transit safety data collection. Additional research programs include \$8 million for Transit Cooperative Research, and \$4 million for the National Transit Institute. Under the national component of the program, FTA is a catalyst in the research, development and deployment of transportation methods and technologies which address such issues as accessibility for the disabled, air quality, traffic congestion, and transit service and operational improvements. The National Research Program supports the development of innovative transit technologies, such as hybrid electric buses, fuel cells, and battery powered propulsion systems. Proposed funding for the University Transportation Research program is \$6 million. This program provides continued support for research, education and technology transfer activities aimed at addressing regional and national transportation problems. These funds are matched with support from non-Federal sources. This program also receives funding from the Federal Highway Administration.

*Planning.*—\$70.2 million to fund Metropolitan and State-wide planning activities.

**Status of Contract Authority** (in millions of dollars)

Identification code 69-8303-0-7-401	2002 actual	2003 est.	2004 est.
<b>Contract authority:</b>			
0200 Contract authority .....			5,615
0400 Appropriation to liquidate contract authority .....			-690

**Object Classification** (in millions of dollars)

Identification code 69-8303-0-7-401	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.2 Other services .....			53
25.5 Research and development contracts .....			10
41.0 Grants, subsidies, and contributions .....			4,486
<b>Direct obligations .....</b>			
99.0 .....			4,549
99.0 Reimbursable obligations .....			20
<b>Total new obligations .....</b>			
99.9 .....			4,569

**SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION**

**Public enterprise funds:**

**SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION**

*The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government*

*Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 69-4089-0-3-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Operations and maintenance .....	13	14	14
09.02 Replacements and improvements .....	1	1	1
<b>Total new obligations .....</b>			
10.00 .....	14	15	15
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	14	14	14
22.00 New budget authority (gross) .....	14	15	15
<b>Total budgetary resources available for obligation .....</b>			
23.90 .....	28	29	29
23.95 Total new obligations .....	-14	-15	-15
24.40 Unobligated balance carried forward, end of year .....	14	14	14
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	14	15	15
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	3	3
73.10 Total new obligations .....	14	15	15
73.20 Total outlays (gross) .....	-14	-15	-15
74.40 Obligated balance, end of year .....	3	3	3
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	14	15	15
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-13	-14	-14
88.40 Non-Federal sources .....	-1	-1	-1
<b>Total, offsetting collections (cash) .....</b>			
88.90 .....	-14	-15	-15
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....		1	1
99.01 Outlays .....		1	1

The Saint Lawrence Seaway Development Corporation (SLSDC) is a wholly owned Government Corporation responsible for the operation, maintenance and development of the United States portion of the St. Lawrence Seaway between Montreal and Lake Erie. Major agency priorities include providing system availability, ensuring the structural integrity and upkeep of the U.S. Seaway locks, and encouraging increased use of the Seaway system.

Appropriations from the Harbor Maintenance Trust Fund and revenues from non-Federal sources are intended to finance the operations and maintenance portion of the Seaway for which the Corporation is responsible.

**Statement of Operations** (in millions of dollars)

Identification code 69-4089-0-3-403	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	13	13	14	14
0102 Expense .....	-13	-13	-14	-14
<b>Net income or loss (-) .....</b>				
0105 .....				

**Public enterprise funds—Continued**

**SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION—Continued**

**Balance Sheet (in millions of dollars)**

Identification code 69-4089-0-3-403	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	2	3	3	3
Other Federal assets:				
1801 Cash and other monetary assets .....	13	12	12	12
1803 Property, plant and equipment, net .....	83	82	82	82
1901 Other assets .....	2	2	2	2
1999 Total assets .....	100	99	99	99
<b>LIABILITIES:</b>				
Non-Federal liabilities:				
2201 Accounts payable .....	2	2	2	2
2206 Pension and other actuarial liabilities .....	2	2	2	2
2999 Total liabilities .....	4	4	4	4
<b>NET POSITION:</b>				
3100 Invested Capital .....	98	97	95	95
3300 Cumulative results of operations .....	-2	-2		
3999 Total net position .....	96	95	95	95
4999 Total liabilities and net position .....	100	99	99	99

**Object Classification (in millions of dollars)**

Identification code 69-4089-0-3-403	2002 actual	2003 est.	2004 est.
<b>Reimbursable obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	8	9	9
12.1 Civilian personnel benefits .....	2	2	2
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1		
32.0 Land and structures .....		1	1
99.0 Reimbursable obligations .....	12	13	13
99.5 Below reporting threshold .....	2	2	2
99.9 Total new obligations .....	14	15	15

**Personnel Summary**

Identification code 69-4089-0-3-403	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	152	157	157

**Trust Funds**

**OPERATIONS AND MAINTENANCE**

**(HARBOR MAINTENANCE TRUST FUND)**

For necessary expenses for operations and maintenance of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation, \$14,400,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99-662.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-8003-0-7-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	13	14	14
10.00 Total new obligations (object class 25.3) .....	13	14	14
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	13	14	14
23.95 Total new obligations .....	-13	-14	-14

**New budget authority (gross), detail:**

40.26 Discretionary: Appropriation (trust fund) .....	13	14	14
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**Change in obligated balances:**

73.10 Total new obligations .....	13	14	14
73.20 Total outlays (gross) .....	-13	-14	-14

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	13	14	14
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**Net budget authority and outlays:**

89.00 Budget authority .....	13	14	14
90.00 Outlays .....	13	14	14

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The Water Resources Development Act of 1986 authorizes use of the Harbor Maintenance Trust Fund as the major source of funding for the Corporation's operations and maintenance activities.

**RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION**

The following table depicts funding for all the Research and Special Programs Administration programs.

	[In millions of dollars]		
Budget authority:	2002 actual	2003 est.	2004 est.
Research and special programs .....	40	44	51
Emergency preparedness grants .....	14	14	14
Pipeline safety .....	50	56	48
Trust fund share of pipeline safety .....	8	7	19
Pipeline safety, subtotal .....	58	64	67
Total budget authority .....	112	123	132
<b>Program level (obligations):</b>			
Research and special programs .....	37	47	51
Emergency preparedness grants .....	13	14	14
Pipeline safety .....	61	70	67
Trust fund share of pipeline safety .....	5	11	19
Pipeline safety, subtotal .....	66	81	86
Volpe transportation systems center (reimbursable) .....	244	238	240
Total program level .....	360	380	391
<b>Outlays:</b>			
Research and special programs .....	-26	111	48
Emergency preparedness grants .....	13	15	15
Pipeline safety .....	37	60	60
Trust fund share of pipeline safety .....	5	7	13
Volpe transportation systems center .....	-2		
Total outlays .....	27	193	137

**Federal Funds**

**General and special funds:**

**RESEARCH AND SPECIAL PROGRAMS**

For expenses necessary to discharge the functions of the Research and Special Programs Administration, \$50,723,000, of which \$645,000 shall be derived from the Pipeline Safety Fund, and of which \$3,473,000 shall remain available until September 30, 2006: Provided, That up to \$1,200,000 in fees collected under 49 U.S.C. 5108(g) shall be deposited in the general fund of the Treasury as offsetting receipts: Provided further, That there may be credited to this appropriation, to be available until expended, funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, for reports publication and dissemination, and for travel expenses incurred in performance of hazardous materials exemptions and approvals functions.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 69-0104-0-1-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Hazardous materials safety .....	20	24	24
00.03 Emergency transportation .....	3	4	4
00.04 Research and technology .....	3	3	4
00.05 Program and administrative support .....	11	16	19
01.00 Subtotal direct program .....	37	47	51
09.01 Reimbursable program .....	43	55	55
10.00 Total new obligations .....	80	102	106
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	56	
22.00 New budget authority (gross) .....	136	46	106
23.90 Total budgetary resources available for obligation	137	102	106
23.95 Total new obligations .....	-80	-102	-106
24.40 Unobligated balance carried forward, end of year	56		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	39	44	50
42.00 Transferred from other accounts .....	1	1	1
43.00 Appropriation (total discretionary) .....	40	44	51
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	101	1	55
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-5		
68.90 Spending authority from offsetting collections (total discretionary) .....	96	1	55
70.00 Total new budget authority (gross) .....	136	46	106
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	17	25	14
73.10 Total new obligations .....	80	102	106
73.20 Total outlays (gross) .....	-81	-112	-103
73.40 Adjustments in expired accounts (net) .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	5		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	5		
74.40 Obligated balance, end of year .....	25	14	16
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	34	31	89
86.93 Outlays from discretionary balances .....	47	81	14
87.00 Total outlays (gross) .....	81	112	103
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-107	-1	-55
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	5		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	6		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	40	44	51
90.00 Outlays .....	-26	111	48
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The Research and Special Programs Administration provides vital services to advance safety in hazardous materials transportation, protect the environment, foster innovation in transportation by supporting scientific and technological research, and minimize the consequences of natural and man-made disasters affecting transportation in American communities. In 2004 resources are requested for hazardous materials

safety, emergency transportation, research and technology, and program support.

**Object Classification** (in millions of dollars)

Identification code 69-0104-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	14	16	20
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	15	17	21
12.1 Civilian personnel benefits .....	4	4	5
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	1		
25.1 Advisory and assistance services .....		8	6
25.2 Other services .....		1	3
25.3 Other purchases of goods and services from Government accounts .....	13	7	5
25.5 Research and development contracts .....		5	6
25.7 Operation and maintenance of equipment .....		1	1
26.0 Supplies and materials .....	1		
31.0 Equipment .....		1	1
99.0 Direct obligations .....	37	47	51
99.0 Reimbursable obligations .....	43	55	55
99.9 Total new obligations .....	80	102	106

**Personnel Summary**

Identification code 69-0104-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	202	215	240
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	48	59	64

**Program and Financing** (in millions of dollars)

Identification code 69-0104-2-1-407	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		-6	
Appropriation (special fund):			
40.20 Appropriation (Pipeline safety) .....			
40.20 Appropriation (Hazardous materials fund) .....		6	
43.00 Appropriation (total discretionary) .....			
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

**PIPELINE SAFETY**

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

For expenses necessary to conduct the functions of the pipeline safety program, for grants-in-aid to carry out a pipeline safety program, as authorized by 49 U.S.C. 60107, and to discharge the pipeline program responsibilities of the Oil Pollution Act of 1990, \$67,077,000, of which \$18,741,000 shall be derived from the Oil Spill Liability Trust Fund and shall remain available until September 30, 2006; of which \$48,336,000 shall be derived from the Pipeline Safety Fund, of which \$22,710,000 shall remain available until September 30, 2006.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General and special funds—Continued**

**PIPELINE SAFETY—Continued**

**(PIPELINE SAFETY FUND)—Continued**

**(OIL SPILL LIABILITY TRUST FUND)—Continued**

**Unavailable Collections (in millions of dollars)**

Identification code 69-5172-0-2-407	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	15	18	18
Receipts:			
02.60 Pipeline safety user fees .....	52	57	49
02.80 Pipeline safety, offsetting collections .....	5	11	19
02.99 Total receipts and collections .....	57	68	68
04.00 Total: Balances and collections .....	72	86	86
Appropriations:			
05.01 Pipeline safety .....	-56	-68	-68
05.99 Total appropriations .....	-56	-68	-68
06.10 Unobligated balance returned to receipts .....	2		
07.99 Balance, end of year .....	18	18	18

**Program and Financing (in millions of dollars)**

Identification code 69-5172-0-2-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Operations .....	30	35	39
00.02 Research and development .....	6	15	9
00.03 Grants .....	25	20	19
10.00 Total new obligations .....	61	70	67
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	3	
22.00 New budget authority (gross) .....	55	67	67
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	64	70	67
23.95 Total new obligations .....	-61	-70	-67
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	3		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) .....	51	57	49
41.00 Transferred to other accounts— .....	-1	-1	-1
43.00 Appropriation (total discretionary) .....	50	56	48
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	5	11	19
70.00 Total new budget authority (gross) .....	55	67	67
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	32	47	46
73.10 Total new obligations .....	61	70	67
73.20 Total outlays (gross) .....	-43	-71	-79
73.40 Adjustments in expired accounts (net) .....	-1		
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	47	46	34
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	18	38	43
86.93 Outlays from discretionary balances .....	25	33	36
87.00 Total outlays (gross) .....	43	71	79
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-5	-11	-19
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	50	56	48
90.00 Outlays .....	37	60	60
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1

99.01 Outlays .....	1	1	1
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The Research and Special Programs Administration (RSPA) is responsible for the Department's pipeline safety program. RSPA oversees the safety, security, and environmental protection of pipelines through analysis of data, damage prevention, education and training, enforcement of regulations and standards, research and development, grants for State pipeline safety programs, and emergency planning and response to accidents.

**Object Classification (in millions of dollars)**

Identification code 69-5172-0-2-407	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	7	11	13
12.1 Civilian personnel benefits .....	2	3	4
21.0 Travel and transportation .....	1	2	2
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.1 Advisory and assistance services .....	8	15	15
25.2 Other services .....		5	5
25.3 Other purchases of goods and services from Government accounts .....	14	11	5
25.5 Research and development contracts .....		2	2
31.0 Equipment .....	2		
41.0 Grants, subsidies, and contributions .....	24	19	19
99.0 Direct obligations .....	60	70	67
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	61	70	67

**Personnel Summary**

Identification code 69-5172-0-2-407	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	100	143	160

**EMERGENCY PREPAREDNESS GRANTS**

**(EMERGENCY PREPAREDNESS FUND)**

*For necessary expenses to carry out 49 U.S.C. 5127(c), \$200,000, to be derived from the Emergency Preparedness Fund, to remain available until September 30, 2006: Provided, That not more than \$14,300,000 shall be made available for obligation in fiscal year 2004 from amounts made available by 49 U.S.C. 5116(i), 5127(c) and 5127(d): Provided further, That none of the funds made available by 49 U.S.C. 5116(i), 5127(c) and 5127(d) shall be made available for obligation by individuals other than the Secretary of Transportation, or his designee.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 69-5282-0-2-407	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	20	31	23
Receipts:			
02.20 Emergency preparedness, hazardous materials .....	25	12	6
04.00 Total: Balances and collections .....	45	43	29
Appropriations:			
05.00 Emergency preparedness grants .....	-15	-14	-14
05.00 Research and special programs .....		-6	
05.99 Total appropriations .....	-15	-20	-14
06.10 Unobligated balance returned to receipts .....	1		
07.99 Balance, end of year .....	31	23	15

Program and Financing (in millions of dollars)				
Identification code 69-5282-0-2-407	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01 Grants .....	13	13	13	
00.02 Emergency response guidebook .....		1	1	
10.00 Total new obligations .....	13	14	14	
<b>Budgetary resources available for obligation:</b>				
22.00 New budget authority (gross) .....	14	14	14	
23.95 Total new obligations .....	-13	-14	-14	
23.98 Unobligated balance expiring or withdrawn .....	-1			
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.20 Appropriation (special fund) .....	25	6	6	
60.28 Appropriation (unavailable balances) .....	20	30	22	
60.45 Portion precluded from obligation .....	-30	-22	-14	
62.50 Appropriation (total mandatory) .....	14	14	14	
<b>Change in obligated balances:</b>				
72.40 Obligated balance, start of year .....	21	22	22	
73.10 Total new obligations .....	13	14	14	
73.20 Total outlays (gross) .....	-13	-15	-15	
74.40 Obligated balance, end of year .....	22	22	20	
<b>Outlays (gross), detail:</b>				
86.97 Outlays from new mandatory authority .....	1			
86.98 Outlays from mandatory balances .....	12	15	15	
87.00 Total outlays (gross) .....	13	15	15	
<b>Net budget authority and outlays:</b>				
89.00 Budget authority .....	14	14	14	
90.00 Outlays .....	13	15	15	

Federal hazardous materials law (49 U.S.C. 5101 et seq.), established a national registration program for shippers and carriers of hazardous materials. In 2004, to reduce the unobligated balance in the Emergency Preparedness Grant account, RSPA will impose fees of \$150 for small businesses and \$300 for large businesses. The reduced fees should result in annual collections of \$6 million. These fees finance emergency preparedness planning and training grants, development of a training curriculum for emergency responders, and technical assistance to States, political subdivisions, and Indian tribes. In 2004, obligations are proposed to be limited to \$14.3 million.

Object Classification (in millions of dollars)				
Identification code 69-5282-0-2-407	2002 actual	2003 est.	2004 est.	
41.0 Direct obligations: Grants, subsidies, and contributions .....	12	13	13	
99.5 Below reporting threshold .....	1	1	1	
99.9 Total new obligations .....	13	14	14	

**Intragovernmental funds:**

WORKING CAPITAL FUND, VOLPE NATIONAL TRANSPORTATION SYSTEMS CENTER

Program and Financing (in millions of dollars)				
Identification code 69-4522-0-4-407	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
09.01 Reimbursable program .....	244	238	240	
10.00 Total new obligations .....	244	238	240	
<b>Budgetary resources available for obligation:</b>				
21.40 Unobligated balance carried forward, start of year .....	158	174	174	
22.00 New budget authority (gross) .....	258	238	240	
22.10 Resources available from recoveries of prior year obligations .....	2			

23.90 Total budgetary resources available for obligation	418	412	414	
23.95 Total new obligations .....	-244	-238	-240	
24.40 Unobligated balance carried forward, end of year .....	174	174	174	
<b>New budget authority (gross), detail:</b>				
Spending authority from offsetting collections:				
Discretionary:				
68.00 Offsetting collections (cash) .....	246	238	240	
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	12			
68.90 Spending authority from offsetting collections (total discretionary) .....	258	238	240	
<b>Change in obligated balances:</b>				
72.40 Obligated balance, start of year .....	-96	-111	-111	
73.10 Total new obligations .....	244	238	240	
73.20 Total outlays (gross) .....	-243	-238	-240	
73.45 Recoveries of prior year obligations .....	-2			
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-12			
74.40 Obligated balance, end of year .....	-111	-111	-111	
<b>Outlays (gross), detail:</b>				
86.90 Outlays from new discretionary authority .....	243	238	240	
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00 Federal sources .....	-244	-237	-239	
88.40 Non-Federal sources .....	-2	-1	-1	
88.90 Total, offsetting collections (cash) .....	-246	-238	-240	
Against gross budget authority only:				
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-12			
<b>Net budget authority and outlays:</b>				
89.00 Budget authority .....				
90.00 Outlays .....	-2			

The Working Capital Fund finances multidisciplinary research, evaluation, analytical and related activities undertaken at the Volpe National Transportation Systems Center (VNTSC) in Cambridge, MA. The fund is financed through negotiated agreements with the Office of the Secretary, Departmental operating administrations, and other governmental elements requiring the Center's capabilities. These agreements also define the activities undertaken at VNTSC.

Object Classification (in millions of dollars)				
Identification code 69-4522-0-4-407	2002 actual	2003 est.	2004 est.	
<b>Personnel compensation:</b>				
11.1 Full-time permanent .....	39	42	44	
11.3 Other than full-time permanent .....	3	3	3	
11.5 Other personnel compensation .....	1	1	1	
11.9 Total personnel compensation .....	43	46	48	
12.1 Civilian personnel benefits .....	10	10	10	
21.0 Travel and transportation of persons .....	4	3	3	
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3	
25.2 Other services .....	57	55	55	
25.3 Other purchases of goods and services from Government accounts .....	7	7	7	
25.4 Operation and maintenance of facilities .....	5	5	5	
25.5 Research and development contracts .....	98	94	94	
26.0 Supplies and materials .....	1	1	1	
31.0 Equipment .....	14	12	12	
32.0 Land and structures .....	2	2	2	
99.9 Total new obligations .....	244	238	240	

**Personnel Summary**

Identification code 69-4522-0-4-407	2002 actual	2003 est.	2004 est.	
<b>Reimbursable:</b>				
2001 Total compensable workyears: Civilian full-time equivalent employment .....	550	550	550	

**Intragovernmental funds—Continued**

**WORKING CAPITAL FUND, VOLPE NATIONAL TRANSPORTATION  
SYSTEMS CENTER—Continued**

**Trust Funds**

**TRUST FUND SHARE OF PIPELINE SAFETY**

**Program and Financing (in millions of dollars)**

Identification code 69-8121-0-7-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	5	11	19
10.00 Total new obligations (object class 94.0) .....	5	11	19
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	3	
22.00 New budget authority (gross) .....	8	7	19
23.90 Total budgetary resources available for obligation .....	9	10	19
23.95 Total new obligations .....	-5	-11	-19
24.40 Unobligated balance carried forward, end of year .....	3		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	8	7	19
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	6
73.10 Total new obligations .....	5	11	19
73.20 Total outlays (gross) .....	-5	-7	-13
74.40 Obligated balance, end of year .....	1	6	11
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	3	9
86.93 Outlays from discretionary balances .....		4	4
87.00 Total outlays (gross) .....	5	7	13
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	8	7	19
90.00 Outlays .....	5	7	13

The Oil Pollution Act of 1990 requires the preparation of oil spill response plans by pipeline operators to minimize the environmental impact of oil spills and to improve public and private sector response capabilities. The Research and Special Programs Administration (RSPA) is responsible for the review, approval and testing of these plans, and for ensuring that the public and the environment are provided with an adequate level of protection from such spills. RSPA does this through data analysis, spill monitoring, pipeline mapping, environmental indexing, and advanced technologies to detect and prevent leaks.

**OFFICE OF INSPECTOR GENERAL**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Office of Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, \$55,000,000: Provided, That the Inspector General shall have all necessary authority, in carrying out the duties specified in the Act to investigate allegations of fraud, including false statements to the government (18 U.S.C. 1001), by any person or entity that is subject to regulation by the Department: Provided further, That the funds made available under this heading shall be used to investigate, pursuant to section 41712 of title 49, United States Code: (1) unfair or deceptive practices and unfair methods of competition by domestic and foreign air carriers and ticket agents; and (2) the compliance of domestic and foreign air carriers with respect to item (1) of this proviso.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-0130-0-1-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 General administration .....	40	45	55
09.01 Reimbursable program .....	9	9	8
10.00 Total new obligations .....	49	54	63
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	50	54	63
23.95 Total new obligations .....	-49	-54	-63
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	41	45	55
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	9	9	8
70.00 Total new budget authority (gross) .....	50	54	63
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	10	4
73.10 Total new obligations .....	49	54	63
73.20 Total outlays (gross) .....	-46	-60	-63
73.40 Adjustments in expired accounts (net) .....	1		
74.40 Obligated balance, end of year .....	10	4	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	41	50	58
86.93 Outlays from discretionary balances .....	5	10	5
87.00 Total outlays (gross) .....	46	60	63
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-9	-9	-8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	41	45	55
90.00 Outlays .....	37	51	55
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	3	3
99.01 Outlays .....	2	3	3

This appropriation finances the cost of conducting and supervising audits and investigations relating to the programs and operations of the Department to promote economy, efficiency and effectiveness and to prevent and detect fraud, waste, and abuse in such programs and operations. In addition, reimbursable funding will be received from the Federal Highway Administration, the Federal Transit Administration, the Federal Aviation Administration, and the National Transportation Safety Board.

**Object Classification (in millions of dollars)**

Identification code 69-0130-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	23	26	30
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	1	1	2
11.9 Total personnel compensation .....	25	28	33
12.1 Civilian personnel benefits .....	7	8	9
21.0 Travel and transportation of persons .....	2	2	3
23.1 Rental payments to GSA .....	2	3	4
25.1 Advisory and assistance services .....	1	2	2
25.2 Other services .....	1	1	1
25.3 Other purchases of goods and services from Government accounts .....	1	1	3
31.0 Equipment .....	1		
99.0 Direct obligations .....	40	45	55
99.0 Reimbursable obligations .....	9	9	8
99.9 Total new obligations .....	49	54	63

**Personnel Summary**

Identification code 69-0130-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	391	409	371
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	63	61	59

**SURFACE TRANSPORTATION BOARD**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Surface Transportation Board, including services authorized by 5 U.S.C. 3109, \$19,521,000: Provided, That notwithstanding any other provision of law, not to exceed \$1,050,000 from fees established by the Chairman of the Surface Transportation Board shall be credited to this appropriation as offsetting collections and used for necessary and authorized expenses under this heading: Provided further, That the sum herein appropriated from the general fund shall be reduced on a dollar-for-dollar basis as such offsetting collections are received during fiscal year 2004, to result in a final appropriation from the general fund estimated at no more than \$18,471,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-0301-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Rail carriers .....	16	16	17
00.02 Other surface transportation carriers .....	1	2	2
01.00 Total direct obligations .....	17	18	19
09.12 Reimbursable rail carriers .....	1	1	1
10.00 Total new obligations .....	18	19	20
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross) .....	18	19	20
23.90 Total budgetary resources available for obligation	19	20	21
23.95 Total new obligations .....	-18	-19	-20
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	18	18	19
40.35 Appropriation rescinded .....	-1		
43.00 Appropriation (total discretionary) .....	17	18	19
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	18	19	20
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	6	2
73.10 Total new obligations .....	18	19	20
73.20 Total outlays (gross) .....	-16	-23	-20
74.40 Obligated balance, end of year .....	6	2	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	15	17	18
86.93 Outlays from discretionary balances .....	1	6	2
87.00 Total outlays (gross) .....	16	23	20
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-1	-1	-1

**Net budget authority and outlays:**

89.00 Budget authority .....	17	18	19
90.00 Outlays .....	15	22	19

The Surface Transportation Board was created on January 1, 1996, by P.L. 104-88, the ICC Termination Act of 1995 (ICCTA). The Board is specifically responsible for the regulation of the rail and pipeline industries and certain non-licensing regulation of motor carriers and water carriers.

**Rail Carriers.**—This regulatory oversight encompasses the regulation of rates, mergers, and acquisitions, construction, and abandonment of railroad lines, as well as the planning, analysis and policy development associated with these activities.

**Other Surface Transportation Carriers.**—This regulatory oversight includes certain regulation of the intercity bus industry and surface pipeline carriers as well as the rate regulation of water transportation in the non-contiguous domestic trade, household good carriers, and collectively determined motor rates.

**2004 Program Request.**—\$19 million is requested to implement rulemakings and adjudicate the ongoing caseload within the directives and deadlines set forth by the ICCTA.

The following paragraph is presented in compliance with Section 703 of the ICCTA. It is presented without change or correction.

**The Board's Request to OMB.**—The Board had submitted to the Secretary of Transportation and the Office of Management and Budget a 2004 appropriation request of \$19.238 million and a request for \$1.050 million from reimbursements from the offsetting collection of user fees. The offsetting collection of user fees is based on the costs incurred by the Board for fee-related activities and is commensurate with the costs of processing parties' submissions. In past fiscal years, the Board received both an appropriation and authorization for offsetting collections to be made available to the appropriation for the Board's expenses. In light of Congressional action on the FY 2003 appropriation act, the FY 2004 request reflects offsetting collections as a credit to the appropriation received, to the extent that they are collected.

**Object Classification (in millions of dollars)**

Identification code 69-0301-0-1-401	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	11	13	13
12.1 Civilian personnel benefits .....	2	2	2
23.1 Rental payments to GSA .....	2	2	2
25.2 Other services .....	1		1
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
99.0 Direct obligations .....	17	18	19
99.0 Reimbursable obligations .....	1	1	1
99.9 Total new obligations .....	18	19	20

**Personnel Summary**

Identification code 69-0301-0-1-401	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	134	136	136
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	9	9	9

**BUREAU OF TRANSPORTATION STATISTICS**

The Bureau's (BTS') 2004 request reflects a reauthorization proposal that sharpens the agency's focus. BTS' data programs will develop useful and reliable data on freight movement, personal travel behavior, transportation economics, air-

line data, and geographic information systems. The research programs will develop and publish key indicators of national transportation system performance and improve statistical methods to address transportation-specific problems.

BTS will continue to provide guidance on good statistical practice to Department of Transportation operating administrations and publish the National Transportation Statistics and Pocket Guide to Transportation as basic references.

In 2004, \$36 million is proposed for the BTS. Of this total, \$32 million is derived from the Highway Trust Fund and \$4 million—for airline data collection and analysis—is from the Airport and Airways Trust Fund.

**Trust Funds**

**AIRLINE DATA AND ANALYSIS**

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses of the Bureau of Transportation Statistics for the collection and analysis of airline data, \$3,971,000, to be derived from the Airport and Airways Trust Fund.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared. The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-8091-0-7-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		4	4
10.00 Total new obligations .....		4	4
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		4	4
23.95 Total new obligations .....		-4	-4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....		4	4
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		4	4
73.20 Total outlays (gross) .....		-4	-4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		4	4
90.00 Outlays .....		4	4

The Office of Airline Information (OAI) is part of the Bureau of Transportation Statistics (BTS). OAI will remain BTS' primary airline data program. OAI collects and publishes on-time data for airlines (monthly data that are used widely in marketing airline performance), as well as more extensive operating data for both foreign and domestic airlines. It also collects detailed financial statistics for domestic airlines, and various statistics on service quality. The data reporting is mandated by law.

OAI data is used by the Secretary of Transportation to analyze airline competition, negotiate international agreements, set international and intra-Alaska mail rates, determine community eligibility for essential air service subsidies, evaluate air carrier fitness, and conduct policy analyses. In 2001 and 2002, it was used to distribute airline assistance funds in the wake of the September 11th terrorist attacks.

The Federal Aviation Administration uses OAI data to help allocate airline safety inspection resources, analyze traffic levels to plan control tower staffing requirements, allocate grant funding through its Airport Improvement Program (AIP), forecast traffic, analyze airport capacity and noise abatement policies, and monitor flight delays.

OAI data is also used by other agencies to estimate the Gross Domestic Product, prepare producer and consumer price indexes, measure labor productivity, assist with antitrust investigations, and administer the collection of USDA and Customs fees.

**Object Classification (in millions of dollars)**

Identification code 69-8091-0-7-402	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....		2	2
25.1 Advisory and assistance services .....		1	1
99.0 Direct obligations .....		3	3
99.5 Below reporting threshold .....		1	1
99.9 Total new obligations .....		4	4

**Personnel Summary**

Identification code 69-8091-0-7-402	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....		23	23

**MARITIME ADMINISTRATION**

The Maritime Administration (MARAD) is responsible for programs authorized by the Merchant Marine Act, 1936, as amended. MARAD's mission is to strengthen the U.S. maritime industry in support of the nation's security and economic needs. MARAD, working closely with the Department of Defense (DOD), helps provide a seamless, time-phased transition from peacetime to wartime operations, while balancing the defense and commercial elements of the maritime transportation system. MARAD establishes DOD's prioritized use of ports and related intermodal facilities during DOD mobilizations to ensure the smooth flow of military cargo through commercial ports. MARAD also manages the Maritime Security Program, the Voluntary Intermodal Sealift Agreement Program and the Ready Reserve Force, which assure DOD access to commercial and strategic sealift and associated intermodal capacity. Further, MARAD's Education and Training Programs, through the U.S. Merchant Marine Academy and six state maritime schools, help provide skilled U.S. merchant marine officers.

In FY 2004, MARAD requests funds to continue its support of the U.S. as a maritime nation, and to help meet its management challenge to dispose of obsolete merchant-type vessels in the National Defense Reserve Fleet by the end of 2006.

(In millions of dollars)

Budget authority:	2002 actual	2003 est.	2004 est.
Ship construction .....	-4		
Operations and training .....	89	93	104
Maritime security program (054) .....	99	99	99
Ocean freight differential .....	157	-119	83
Maritime guaranteed loan program (Title XI) (403) .....	32	4	4
Federal ship financing fund .....		1	1
Subsidy re-estimate .....	208	71	
Ship disposal .....		11	11
Other .....	2	2	2
Total budget authority .....	583	163	304
Direct obligations:			
Operations and training .....	84	93	104
Maritime security program (054) .....	96	99	99
Ocean freight differential .....	54	45	38
Ready reserve force <sup>1</sup> .....	6	4	
Federal ship financing fund .....	1	1	1
War risk insurance revolving fund .....		1	1
Maritime guaranteed loan program (Title XI) (403) .....	19	25	4
Subsidy re-estimate .....	208	71	
Ship disposal .....		11	11

Obligations, total direct .....	468	350	258
<b>Outlays:</b>			
Operations and training .....	89	95	104
Operating-differential subsidies .....	5	31	2
Maritime security program (054) .....	96	100	99
Ocean freight differential .....	58	38	38
Ready reserve force <sup>1</sup> .....	5	4	-1
Vessel operations revolving fund .....	86	-36	7
War risk insurance revolving fund .....	-2	-1	-1
Federal ship financing fund .....		-1	-1
Maritime guaranteed loan program (Title XI) (403) .....	42	52	4
Subsidy re-estimate .....	208	71	
Ship construction .....	-2		
Ship disposal .....		6	12
<b>Total outlays .....</b>	<b>585</b>	<b>366</b>	<b>263</b>

<sup>1</sup> Appropriated directly to MARAD prior to 1996.

**Federal Funds**

**General and special funds:**

**OPERATIONS AND TRAINING**

For necessary expenses of operations and training activities authorized by law, \$104,400,000, of which \$13,000,000 shall remain available until expended for capital improvements at the United States Merchant Marine Academy, and \$7,063,000 shall remain available until September 30, 2005 for state maritime schoolship maintenance and repair.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 69-1750-0-1-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Merchant Marine Academy .....	43	50	55
00.02 State marine schools .....	7	7	10
00.03 MARAD operations .....	34	36	39
01.00 Subtotal, Direct program .....	84	93	104
09.01 Reimbursable program .....	138	50	50
10.00 Total new obligations .....	222	143	154
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	7	7
22.00 New budget authority (gross) .....	226	143	154
23.90 Total budgetary resources available for obligation	230	150	161
23.95 Total new obligations .....	-222	-143	-154
24.40 Unobligated balance carried forward, end of year .....	7	7	8
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	89	93	104
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	33	50	50
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	104		
68.90 Spending authority from offsetting collections (total discretionary) .....	137	50	50
70.00 Total new budget authority (gross) .....	226	143	154
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	16	23	22
73.10 Total new obligations .....	222	143	154
73.20 Total outlays (gross) .....	-120	-145	-154
73.40 Adjustments in expired accounts (net) .....	7		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-104		
74.40 Obligated balance, end of year .....	23	22	24
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	109	129	138
86.93 Outlays from discretionary balances .....	11	16	16

87.00 Total outlays (gross) .....	120	145	154
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Ready Reserve Force/National Defense Reserve Fleet .....	-27	-32	-32
88.00 Merchant Marine Academy .....	-2	-2	-2
88.00 Title XI administrative expenses .....	-4	-4	-4
88.00 Marine Board research program and others .....	-2	-12	-12
88.90 Total, offsetting collections (cash) .....	-33	-50	-50
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-104		

**Net budget authority and outlays:**

89.00 Budget authority .....	89	93	104
90.00 Outlays .....	89	95	104

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	2	4	4
99.01 Outlays .....	2	4	4

This appropriation finances costs incurred by headquarters and region staffs in the administration and direction of Maritime Administration programs; the total cost of officer training at the U.S. Merchant Marine Academy as well as Federal financial support to six state maritime academies; planning for coordination of U.S. maritime industry activities under emergency conditions; activities promoting port and intermodal development; activities under the American Fisheries Act; and Federal technology assessment projects designed to achieve advancements in ship design, construction and operations.

Within the total Operations and Training budget request of \$104 million, the U.S. Merchant Marine Academy will use \$13 million, primarily to accelerate its major design and construction project awards, as indicated in its ten-year capital improvement plan.

**Object Classification (in millions of dollars)**

Identification code 69-1750-0-1-403	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	34	35	36
11.3 Other than full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	38	39	40
12.1 Civilian personnel benefits .....	8	9	9
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	3	3	3
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.2 Other services .....	12	16	24
25.3 Other purchases of goods and services from Government accounts .....	5	6	6
25.4 Operation and maintenance of facilities .....	8	9	11
26.0 Supplies and materials .....	3	4	4
31.0 Equipment .....	2	2	2
41.0 Grants, subsidies, and contributions .....	2	2	2
99.0 Direct obligations .....	84	93	104
99.0 Reimbursable obligations .....	138	50	50
99.9 Total new obligations .....	222	143	154

**Personnel Summary**

Identification code 69-1750-0-1-403	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	432	484	488
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	427	470	470

## General and special funds—Continued

## SHIP DISPOSAL

For necessary expenses related to the disposal of obsolete vessels in the National Defense Reserve Fleet of the Maritime Administration, \$11,422,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared. The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 69-1768-0-1-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Ship disposal .....		11	11
10.00 Total new obligations (object class 25.2) .....		11	11
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		11	11
23.95 Total new obligations .....		-11	-11
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		11	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			5
73.10 Total new obligations .....		11	11
73.20 Total outlays (gross) .....		-6	-12
74.40 Obligated balance, end of year .....		5	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		6	6
86.93 Outlays from discretionary balances .....			6
87.00 Total outlays (gross) .....		6	12
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		11	11
90.00 Outlays .....		6	12

The Ship disposal program provides resources to dispose of obsolete merchant-type vessels in the National Defense Reserve Fleet (NDRF), which the Maritime Administration is required by law to dispose of by the end of 2006. There is a backlog of over 130 ships awaiting disposal as of December 2002. These vessels, many of which are 50 years in age, pose significant environmental threat due to the presence of hazardous substances such as asbestos and solid and liquid polychlorinated biphenyls (PCBs).

## MARITIME SECURITY PROGRAM

For necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, \$98,700,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 69-1711-0-1-054	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	96	99	99
10.00 Total new obligations (object class 41.0) .....	96	99	99
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	3	3
22.00 New budget authority (gross) .....	99	99	99
23.90 Total budgetary resources available for obligation .....	100	102	102
23.95 Total new obligations .....	-96	-99	-99
24.40 Unobligated balance carried forward, end of year .....	3	3	3

## New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation .....	99	99	99
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	8	8
73.10 Total new obligations .....	96	99	99
73.20 Total outlays (gross) .....	-96	-100	-99
74.40 Obligated balance, end of year .....	8	8	8
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	88	92	92
86.93 Outlays from discretionary balances .....	8	8	7
87.00 Total outlays (gross) .....	96	100	99
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	99	99	99
90.00 Outlays .....	96	100	99

The Maritime Security Program provides resources to maintain a U.S.-flag merchant fleet crewed by U.S. citizens to serve both the commercial and national security needs of the United States. The program provides direct payments to U.S.-flag ship operators engaged in U.S.-foreign trade. Participating operators are required to keep the vessels in active commercial service and are required to provide intermodal sealift support to the Department of Defense in times of war or national emergency.

## SHIP CONSTRUCTION

## Program and Financing (in millions of dollars)

Identification code 69-1708-0-1-403	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	2	4
22.00 New budget authority (gross) .....	-2		
23.90 Total budgetary resources available for obligation .....	2	2	4
24.40 Unobligated balance carried forward, end of year .....	2	4	4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance rescinded .....	-4		
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2		
70.00 Total new budget authority (gross) .....	-2		
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-4		
90.00 Outlays .....	-2		

The Ship Construction account is currently inactive except for determinations regarding the use of vessels built under the program, final settlement of open contracts, and closing of financial accounts.

OPERATING-DIFFERENTIAL SUBSIDIES  
(LIQUIDATION OF CONTRACT AUTHORITY)

## Program and Financing (in millions of dollars)

Identification code 69-1709-0-1-403	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	125	125	125
24.40 Unobligated balance carried forward, end of year .....	125	125	125
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	37	32	2

73.20	Total outlays (gross) .....	-5	-31	-2
74.40	Obligated balance, end of year .....	32	2	
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	5	31	2
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	5	31	2

The Operating-Differential Subsidies (ODS) account helped to maintain a U.S.-flag merchant fleet to serve both the commercial and national security needs of the U.S. by providing operating subsidies to U.S.-flag ship operators to offset certain differences between U.S. and foreign operating costs. This program has been replaced by the Maritime Security Program.

OCEAN FREIGHT DIFFERENTIAL

Program and Financing (in millions of dollars)

Identification code 69-1751-0-1-403	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Ocean freight differential .....	54	45	38
10.00	Total new obligations (object class 22.0) .....	54	45	38
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	113	164	
22.00	New budget authority (gross) .....	157	-119	83
22.10	Resources available from recoveries of prior year obligations .....	131		
22.60	Portion applied to repay debt .....	-58		
22.75	Balance of contract authority withdrawn .....	-124		
23.90	Total budgetary resources available for obligation .....	219	45	83
23.95	Total new obligations .....	-54	-45	-38
24.40	Unobligated balance carried forward, end of year .....	164		45
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.00	Appropriation .....	109	-164	45
67.10	Authority to borrow .....	48	45	38
70.00	Total new budget authority (gross) .....	157	-119	83
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	134		
73.10	Total new obligations .....	54	45	38
73.20	Total outlays (gross) .....	-58	-45	-38
73.45	Recoveries of prior year obligations .....	-131		
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	58	45	38
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	157	-119	83
90.00	Outlays .....	58	45	38

Public Law 99-198 amended section 901 of the Merchant Marine Act to increase from 50 to 75 percent the amount of agricultural commodities under specified programs that must be carried on U.S.-flag vessels. The increased cost associated with this expanded U.S.-flag shipping requirement stems from higher rates charged by U.S.-flag carriers compared with foreign-flag carriers. The Maritime Administration is required to reimburse the Department of Agriculture for ocean freight differential costs for the added tonnage above 50 percent. These reimbursements are funded through borrowings from the Treasury.

The Maritime Administration's ocean freight differential costs are one portion of the government's cargo preference program. The ocean transportation subsidy costs related to cargo preference for all relevant agencies are presented in the following schedule.

CARGO PREFERENCE PROGRAM COSTS

Status of Contract Authority (in millions of dollars)

Identification code 69-1751-0-1-403	2002 actual	2003 est.	2004 est.	
0600	Balance of contract authority withdrawn .....	-124		

READY RESERVE FORCE

Program and Financing (in millions of dollars)

Identification code 69-1710-0-1-054	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.02	Maintenance and operations .....	6	4	
10.00	Total new obligations (object class 25.2) .....	6	4	
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	10	4	2
23.95	Total new obligations .....	-6	-4	
24.40	Unobligated balance carried forward, end of year .....	4	2	2
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	5	6	6
73.10	Total new obligations .....	6	4	
73.20	Total outlays (gross) .....	-5	-4	
74.40	Obligated balance, end of year .....	6	6	6
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	5	4	
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	5	4	

Funding for the Ready Reserve Force (RRF) account is included in appropriations for the Department of Defense. Management of the RRF remains with MARAD. Reimbursements from the Department of Defense for the RRF account are reflected in MARAD's Vessel Operations Revolving Fund account. Obligations shown above are the spendout of funding appropriated directly to MARAD prior to 1996 for the RRF.

The RRF is comprised of Government-owned, U.S.-flag merchant ships laid up in the National Defense Reserve Fleet (NDRF). The RRF is maintained in an advanced state of readiness to meet surge shipping requirements during a national emergency.

Public enterprise funds:

VESSEL OPERATIONS REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 69-4303-0-3-403	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
09.01	Reimbursable program .....	267	325	325
10.00	Total new obligations .....	267	325	325
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	78	8	8
22.00	New budget authority (gross) .....	178	325	325
22.10	Resources available from recoveries of prior year obligations .....	20		
23.90	Total budgetary resources available for obligation .....	276	333	333
23.95	Total new obligations .....	-267	-325	-325
24.40	Unobligated balance carried forward, end of year .....	8	8	8
<b>New budget authority (gross), detail:</b>				
Discretionary:				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	178	325	325
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	55	39	75

## Public enterprise funds—Continued

## VESSEL OPERATIONS REVOLVING FUND—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 69-4303-0-3-403	2002 actual	2003 est.	2004 est.
73.10 Total new obligations .....	267	325	325
73.20 Total outlays (gross) .....	-264	-289	-332
73.45 Recoveries of prior year obligations .....	-20		
74.40 Obligated balance, end of year .....	39	75	68
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	178	228	228
86.93 Outlays from discretionary balances .....	86	61	104
87.00 Total outlays (gross) .....	264	289	332
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Ready Reserve Force .....	-151	-225	-225
88.00 Activations and deactivations .....	-11	-48	-48
88.00 Afloat Prepositioning Force (APF) and Army Prepositioning Stock (APS) .....	-9	-30	-30
88.00 DOD exercises and other .....	-7	-22	-22
88.90 Total, offsetting collections (cash) .....	-178	-325	-325
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	86	-36	7

The Maritime Administration is authorized to reactivate, operate, deactivate, and charter merchant vessels. These operations are financed through the Vessel Operations Revolving Fund with reimbursements from sponsoring agencies. In addition, the fund is available to finance the necessary expenses to protect, maintain, preserve, acquire, and use vessels involved in mortgage foreclosure or forfeiture proceedings instituted by the United States other than those financed by the Federal Ship Financing Fund or the Maritime Guaranteed Loan (Title XI) Financing Account; and to process advances received from Federal agencies. Also the acquisition and disposal of ships under the trade-in/scrap-out program is financed through this account.

Reimbursements from other Federal agencies also pay for various DOD/Navy-sponsored activities, such as the operation of activated RRF vessels, installation of sealift enhancement features and other special projects. The Vessel Operations Revolving Fund account includes DOD/Navy reimbursements for the RRF account. DOD/Navy funding for RRF provides for additional RRF vessels, RRF ship activations and deactivations, maintaining RRF ships in an advanced state of readiness, berthing costs, capital improvements at fleet sites, and other RRF support costs.

## Object Classification (in millions of dollars)

Identification code 69-4303-0-3-403	2002 actual	2003 est.	2004 est.
21.0 Travel and transportation of persons .....	3	3	3
23.3 Communications, utilities, and miscellaneous charges .....	21	21	21
24.0 Printing and reproduction .....	2	2	2
25.2 Other services .....	203	261	261
26.0 Supplies and materials .....	36	36	36
31.0 Equipment .....	1	1	1
42.0 Insurance claims and indemnities .....	1	1	1
99.9 Total new obligations .....	267	325	325

## WAR RISK INSURANCE REVOLVING FUND

## Program and Financing (in millions of dollars)

Identification code 69-4302-0-3-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		1	1
10.00 Total new obligations (object class 25.2) .....		1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	34	36	37
22.00 New budget authority (gross) .....	2	2	2
23.90 Total budgetary resources available for obligation .....	36	38	39
23.95 Total new obligations .....		-1	-1
24.40 Unobligated balance carried forward, end of year .....	36	37	38
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	2	2	2
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-1		-1
73.10 Total new obligations .....		1	1
73.20 Total outlays (gross) .....	-1	-1	-1
74.40 Obligated balance, end of year .....		-1	-1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	2	2
86.93 Outlays from discretionary balances .....	-1	-1	-1
87.00 Total outlays (gross) .....	1	1	1
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.20 Offsetting collections (cash) from: Interest on Fed- eral securities .....	-2	-2	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-2	-1	-1
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	31	31	36
92.02 Total investments, end of year: Federal securities: Par value .....	31	36	36

The Maritime Administration is authorized to insure against loss or damage from marine war risks until commercial insurance can be obtained on reasonable terms and conditions. This insurance includes war risk hull and disbursements interim insurance, war risk protection and indemnity interim insurance, second seamen's war risk interim insurance, and war risk cargo insurance standby program.

## Credit accounts:

## FEDERAL SHIP FINANCING FUND LIQUIDATING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 69-4301-0-3-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operating expenses .....	1	1	1
10.00 Total new obligations (object class 25.2) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		
22.00 New budget authority (gross) .....		1	1
23.90 Total budgetary resources available for obligation .....	1	1	1
23.95 Total new obligations .....	-1	-1	-1
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....		1	1

**Change in obligated balances:**

73.10	Total new obligations .....	1	1	1
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**Offsets:**  
Against gross budget authority and outlays:

88.40	Offsetting collections (cash) from: Insurance premiums and fees .....		-1	-1
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**Net budget authority and outlays:**

89.00	Budget authority .....			
90.00	Outlays .....		-1	-1

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 69-4301-0-3-403	2002 actual	2003 est.	2004 est.	
<b>Cumulative balance of guaranteed loans outstanding:</b>				
2210	Outstanding, start of year .....	182	108	78
2251	Repayments and prepayments .....	-74	-30	-30
2290	Outstanding, end of year .....	108	78	48
<b>Memorandum:</b>				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	108	78	48

The Merchant Marine Act of 1936, as amended, established the Federal Ship Financing Fund to assist in the development of the U.S. merchant marine by guaranteeing construction loans and mortgages on U.S.-flag vessels built in the United States. No new commitments for loan guarantees are projected for the Federal Ship Financing Fund as this Fund is used only to underwrite guarantees made under the Title XI loan guarantee program prior to 1992.

**Statement of Operations (in millions of dollars)**

Identification code 69-4301-0-3-403	2001 actual	2002 actual	2003 est.	2004 est.
0101	Revenue .....	2	1	1
0102	Expense .....	-2	-1	-1
0105	Net income or loss (-) .....			

**Balance Sheet (in millions of dollars)**

Identification code 69-4301-0-3-403	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury .....	1		
1206	Non-Federal assets: Receivables, net .....			
1803	Other Federal assets: Property, plant and equipment, net .....			
1999	Total assets .....	1		
<b>LIABILITIES:</b>				
2104	Federal liabilities: Resources payable to Treasury .....	1		
2201	Non-Federal liabilities: Accounts payable .....			
2999	Total liabilities .....	1		
<b>NET POSITION:</b>				
3300	Cumulative results of operations .....			
3999	Total net position .....			
4999	Total liabilities and net position .....	1		

**MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT**

For administrative expenses to carry out the guaranteed loan program, not to exceed \$4,498,000, which shall be transferred to and merged with the appropriation for Operations and Training.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 69-1752-0-1-403	2002 actual	2003 est.	2004 est.	
0101	Maritime (Title XI) loan program, downward reestimates of subsidies .....	6	59	

**Program and Financing (in millions of dollars)**

Identification code 69-1752-0-1-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02	Loan guarantee subsidy .....	15	21
00.07	Reestimates of loan guarantee subsidy .....	191	66
00.08	Interest on reestimates of loan guarantee subsidy .....	17	5
00.09	Administrative expense .....	4	4
10.00	Total new obligations .....	227	96

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year .....	7	21
22.00	New budget authority (gross) .....	240	75
23.90	Total budgetary resources available for obligation .....	247	96
23.95	Total new obligations .....	-227	-96
24.40	Unobligated balance carried forward, end of year .....	21	

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00	Appropriation .....	37	4
40.36	Unobligated balance rescinded .....	-5	
43.00	Appropriation (total discretionary) .....	32	4
<b>Mandatory:</b>			
60.00	Appropriation .....	208	71
70.00	Total new budget authority (gross) .....	240	75

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	51	28
73.10	Total new obligations .....	227	96
73.20	Total outlays (gross) .....	-250	-124
74.40	Obligated balance, end of year .....	28	

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	4	4
86.93	Outlays from discretionary balances .....	38	49
86.97	Outlays from new mandatory authority .....	208	71
87.00	Total outlays (gross) .....	250	124

**Net budget authority and outlays:**

89.00	Budget authority .....	240	75
90.00	Outlays .....	250	124

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 69-1752-0-1-403	2002 actual	2003 est.	2004 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001	Risk category 1A .....		
215002	Risk category 1B .....		
215003	Risk category 1C .....		
215004	Risk category 2A .....	36	40
215005	Risk category 2B .....	185	277
215006	Risk category 2C .....	4	21
215007	Risk category 3 .....		
215901	Total loan guarantee levels .....	225	338
<b>Guaranteed loan subsidy (in percent):</b>			
232001	Risk category 1A .....	1.77	1.69
232002	Risk category 1B .....	2.28	2.22
232003	Risk category 1C .....	2.77	2.76
232004	Risk category 2A .....	4.34	4.37
232005	Risk category 2B .....	5.91	5.98
232006	Risk category 2C .....	7.46	7.57
232007	Risk category 3 .....	12.40	12.74
232901	Weighted average subsidy rate .....	6.22	6.21
<b>Guaranteed loan subsidy budget authority:</b>			
233001	Risk category 1A .....		
233002	Risk category 1B .....		
233003	Risk category 1C .....		
233004	Risk category 2A .....	1	

## Credit accounts—Continued

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT—  
ContinuedSummary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in  
millions of dollars)—Continued

Identification code 69-1752-0-1-403	2002 actual	2003 est.	2004 est.
233005 Risk category 2B .....	12		
233006 Risk category 2C .....	1		
233007 Risk category 3 .....			
233901 Total subsidy budget authority .....	14		
Guaranteed loan subsidy outlays:			
234001 Risk category 1A .....			
234002 Risk category 1B .....			
234003 Risk category 1C .....			
234004 Risk category 2A .....	18	27	
234005 Risk category 2B .....	13	21	
234006 Risk category 2C .....		1	
234007 Risk category 3 .....			
234901 Total subsidy outlays .....	31	49	
Guaranteed loan upward reestimate subsidy budget au- thority:			
235008 MARAD upward reestimate .....	208	71	
235901 Total upward reestimate budget authority .....	208	71	
Guaranteed loan upward reestimate subsidy outlays:			
236008 MARAD upward reestimate .....	208	71	
236901 Total upward reestimate subsidy outlays .....	208	71	
Guaranteed loan downward reestimate subsidy budget authority:			
237008 MARAD downward reestimate .....	6	59	
237901 Total downward reestimate subsidy budget authority .....	6	59	
Guaranteed loan downward reestimate subsidy outlays:			
238008 MARAD downward reestimate .....	6	59	
238901 Total downward reestimate subsidy outlays .....	6	59	
Administrative expense data:			
351001 Budget authority .....	4	4	4
359001 Outlays from new authority .....	4	4	4

This program provides for guaranteed loans for purchasers of ships from the U.S. shipbuilding industry and for modernization of U.S. shipyards.

As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantee commitments made in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Funds for administrative expenses for the Title XI program are appropriated to this account, then transferred by reimbursement to the Operations and Training account to be obligated and outlayed. The schedule above shows the post-transfer amounts for 2002. For 2003 and 2004, the schedule displays pre-transfer amounts in order to comply with the Federal Credit Reform Act of 1990.

In an effort to reduce corporate subsidies, no new funds for loan guarantees are requested for 2004.

## Object Classification (in millions of dollars)

Identification code 69-1752-0-1-403	2002 actual	2003 est.	2004 est.
25.2 Other services .....	4	4	4
41.0 Grants, subsidies, and contributions .....	223	92	
99.9 Total new obligations .....	227	96	4

## MARITIME GUARANTEED LOAN (TITLE XI) FINANCING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 69-4304-0-3-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 Defaults .....	365	35	35
Downward re-estimates:			
08.02 Downward re-estimates .....	4	39	
08.04 Interest on downward re-estimates .....	2	20	
08.91 Subtotal, downward re-estimates .....	6	59	
10.00 Total new obligations .....	371	94	35
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	260	225	315
22.00 New financing authority (gross) .....	484	213	52
22.60 Portion applied to repay debt .....	-148	-29	
23.90 Total budgetary resources available for obligation .....	596	409	367
23.95 Total new obligations .....	-371	-94	-35
24.40 Unobligated balance carried forward, end of year .....	225	315	332
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	169		
Discretionary:			
68.00 Spending authority from offsetting collections: Off- setting collections (cash) .....	315	213	52
70.00 Total new financing authority (gross) .....	484	213	52
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8		
73.10 Total new obligations .....	371	94	35
73.20 Total financing disbursements (gross) .....	-379	-94	-35
87.00 Total financing disbursements (gross) .....	379	94	35
<b>Offsets:</b>			
Against gross financing authority and financing dis- bursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Program account .....	-31	-49	
88.00 Federal sources: Payments from program ac- count—Upward reestimate .....	-208	-71	
88.25 Interest on uninvested funds .....	-23	-25	-20
Non-Federal sources:			
88.40 Loan Repayment .....	-16	-40	-30
88.40 Fees and other payments .....	-37	-28	-2
88.90 Total, offsetting collections (cash) .....	-315	-213	-52
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	169		
90.00 Financing disbursements .....	65	-119	-17

## Status of Guaranteed Loans (in millions of dollars)

Identification code 69-4304-0-3-999	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lend- ers .....	563		
2121 Limitation available from carry-forward .....		338	
2143 Uncommitted limitation carried forward .....	-338		
2150 Total guaranteed loan commitments .....	225	338	
2199 Guaranteed amount of guaranteed loan commitments .....	225	338	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	4,738	4,176	4,404
2231 Disbursements of new guaranteed loans .....	225	338	
2251 Repayments and prepayments .....	-65	-75	-75
Adjustments:			
2262 Terminations for default that result in acquisition of property .....	-365	-35	-35
2264 Other adjustments, net .....	-357		
2290 Outstanding, end of year .....	4,176	4,404	4,294

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	4,176	4,404	4,294
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 69-4304-0-3-999	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	267	225	250	275
1106	Investments in US securities: Receivables, net .....	132	400	350	300
1999	Total assets .....	399	625	600	575
<b>LIABILITIES:</b>					
2101	Federal liabilities: Accounts payable .....	6	29		
2204	Non-Federal liabilities: Liabilities for loan guarantees .....	393	596	600	575
2999	Total liabilities .....	399	625	600	575
4999	Total liabilities and net position .....	399	625	600	575

**ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION**

Notwithstanding any other provision of this Act, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Maritime Administration, and payments received therefore shall be credited to the appropriation charged with the cost thereof: Provided, That rental payments under any such lease, contract, or occupancy for items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

No obligations shall be incurred during the current fiscal year from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act or in any prior appropriation Act.

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.	
Offsetting receipts from the public:				
69-085500	Registration, filing, and permit fees, hazardous materials transportation .....	1	1	1
69-272830	Maritime (title XI) loan program, Downward reestimates of subsidies .....	6	59	
69-273530	Alameda corridor, Downward reestimates of subsidies .....		67	
69-276030	Downward reestimates, railroad rehabilitation and improvement program .....		5	
69-309900	Miscellaneous recoveries and refunds, not otherwise classified .....	1		
General Fund	Offsetting receipts from the public .....	8	132	1

**OTHER CONSOLIDATED RECEIPTS ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.	
69-977110	Proprietary receipts, Miscellaneous trust funds .....	1		

**TITLE III—GENERAL PROVISIONS**

(INCLUDING TRANSFERS OF FUNDS)

*SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).*

*SEC. 302. Such sums as may be necessary for fiscal year 2004 pay raises for programs funded in this Act shall be absorbed within the levels appropriated in this Act or previous appropriations Acts.*

*SEC. 303. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for an Executive Level IV.*

*SEC. 304. None of the funds in this Act shall be available for salaries and expenses of more than 110 political and Presidential appointees in the Department of Transportation.*

*SEC. 305. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.*

*SEC. 306. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.*

*SEC. 307. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.*

*SEC. 308. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.*

*SEC. 309. The limitations on obligations for the programs of the Federal Transit Administration shall not apply to any authority under 49 U.S.C. 5338, previously made available for obligation, or to any other authority previously made available for obligation.*

*SEC. 310. (a) No recipient of funds made available in this Act shall disseminate personal information (as defined in 18 U.S.C. 2725(3)) obtained by a State department of motor vehicles in connection with a motor vehicle record as defined in 18 U.S.C. 2725(1), except as provided in 18 U.S.C. 2721 for a use permitted under 18 U.S.C. 2721.*

*(b) Notwithstanding subsection (a), the Secretary shall not withhold funds provided in this Act for any grantee if a State is in noncompliance with this provision.*

*SEC. 311. Notwithstanding any other provision of law, airports may transfer, without consideration, to the Federal Aviation Administration (FAA) instrument landing systems (along with associated approach lighting equipment and runway visual range equipment) which conform to FAA design and performance specifications, the purchase of which was assisted by a Federal airport-aid program, airport development aid program or airport improvement program grant: Provided, That, the Federal Aviation Administration shall accept such equipment, which shall thereafter be operated and maintained by FAA in accordance with agency criteria.*

*SEC. 312. Notwithstanding any other provision of law, and except for fixed guideway modernization projects, funds made available by this Act under "Federal Transit Administration, Major Capital investment grants" for projects specified in this Act or identified in reports accompanying this Act not obligated by September 30, 2006, and other recoveries, shall be made available for other projects under 49 U.S.C. 5309.*

*SEC. 313. Notwithstanding any other provision of law, any funds appropriated before October 1, 2003, under any section of chapter 53 of title 49, United States Code, that remain available for expenditure may be transferred to and administered under the most recent appropriation heading for any such section.*

*SEC. 314. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited*

## (INCLUDING TRANSFERS OF FUNDS)—Continued

respectively to the Federal Highway Administration's "Federal-Aid Highways" account, the Federal Transit Administration's "Transit Planning and Research" account, and to the Federal Railroad Administration's "Safety and Operations" account, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

SEC. 315. None of the funds in this Act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegraph, telephone, letter, printed or written material, radio, television, video presentation, electronic communications, or other device, intended or designed to influence in any manner a Member of Congress or of a State legislature to favor or oppose by vote or otherwise, any legislation or appropriation by Congress or a State legislature after the introduction of any bill or resolution in Congress proposing such legislation or appropriation, or after the introduction of any bill or resolution in a State legislature proposing such legislation or appropriation: Provided, That this shall not prevent officers or employees of the Department of Transportation or related agencies funded in this Act from communicating to Members of Congress or to Congress, on the request of any Member, or to members of State legislature, or to a State legislature, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of business.

SEC. 316. (a) IN GENERAL.—(1) None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with the Buy American Act (41 U.S.C. 10a–10c) or the Buy America Act (49 U.S.C. 5323(j)), as applicable.

(2) None of the funds appropriated or otherwise made available in this Act may be made available to any person or entity convicted of violating the Buy America Act (41 U.S.C. 10a–10c).

(b) SENSE OF THE CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) Purchase of american-made equipment and products.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products to the greatest extent practicable.

(2) Notice to recipients of assistance.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 317. Rebates, refunds, incentive payments, minor fees and other funds received by the Department from travel management centers, charge card programs, the subleasing of building space, and miscellaneous sources are to be credited to appropriations of the Department and allocated to elements of the Department using fair and equitable criteria and such funds shall be available until expended.

SEC. 318. Notwithstanding any other provision of law, rule or regulation, the Secretary of Transportation is authorized to allow the issuer of any preferred stock heretofore sold to the Department to redeem or repurchase such stock upon the payment to the Department of an amount determined by the Secretary.

SEC. 319. None of the funds in this Act shall be used to pursue or adopt guidelines or regulations requiring airport sponsors to provide to the Federal Aviation Administration without cost building construction, maintenance, utilities and expenses, or space in airport sponsor-owned buildings for services relating to air traffic control, air navigation or weather reporting: Provided, That the prohibition of funds in this section does not apply to negotiations between the agency and airport sponsors to achieve agreement on "below-market" rates for these items or to grant assurances that require airport sponsors to provide land without cost to the FAA for air traffic control facilities.

SEC. 320. For an airport project that the Administrator of the Federal Aviation Administration (FAA) determines will add critical airport capacity to the national air transportation system, the Administrator is authorized to accept funds from an airport sponsor, including entitlement funds provided under the "Grants-in-Aid for Airports" program, for the FAA to hire additional staff or obtain the services of consultants: Provided, That the Administrator is authorized to accept and utilize such funds only for the purpose of facilitating the timely processing, review, and completion of environmental activities associated with such project.

SEC. 321. The federal share of funds available for new fixed guideway projects under 49 U.S.C. 5309, after September 30, 2004, shall not be more than 50 percent: Provided, That this limitation shall not apply to projects for which a full funding grant agreement has been executed prior to October 1, 2004.

SEC. 322. Amounts made available in this or any other Act that the Secretary determines represent improper payments by the Department of Transportation to a third party contractor under a financial assistance award, which are recovered pursuant to law, shall be available for the following—

(a) to reimburse the actual expenses incurred by the Department of Transportation in recovering improper payments;

(b) to pay contractors for services provided in recovering improper payments; and

(c) amounts in excess of that required for subsections (a) and (b):

(1) shall be credited to and merged with the appropriation from which the improper payments were made, and shall be available for the purposes and period for which such appropriations are available; or

(2) if no such appropriation remains available, shall be deposited in the Treasury as miscellaneous receipts.

For purposes of this section, the term, "improper payments," has the same meaning as that provided in section 2(d)(2) of Pub. L. 107–300.

SEC. 323. The Secretary of Transportation is authorized to transfer the unexpended balances available for the bonding assistance program from the Office of the Secretary, Salaries and Expenses account to the Minority Business Outreach account.

SEC. 324. Notwithstanding sections 41732(b), 41733, 41734(b)–(h), 41735, 41736, and 41742 of subchapter II of Chapter 417 of title 49, United States Code, and section 332 of Public Law 106–69, subsidies for essential air service, or ground or other services supporting such transportation, shall be provided as follows:

(a) The Secretary shall rank all subsidized points that are willing and able to provide 25% of their subsidy need from non-Federal sources, except that points that are more than 210 highway miles from the nearest large or medium hub airport shall be willing and able to provide only 10% of their subsidy need from non-Federal sources, in their order of relative decreasing highway distance from the nearest large/medium or small hub airport, making allowances for the fact that a small hub airport provides less connection to the national air transportation system than does a large/medium hub. As used herein, "highway distance" means the shortest driving distance as determined by the Federal Highway Administration.

(b) The Secretary shall provide subsidy first to the most isolated community, as determined in subsection (a), that requires subsidy and is willing and able to provide the portion of its subsidy need from non-Federal sources specified in paragraph (a), and then the next most isolated community requiring subsidy and willing and able to provide the portion of its subsidy need from non-Federal sources as specified in paragraph (a), and so on, in order, until the Secretary has obligated not more than \$50,000,000 for subsidy in fiscal year 2004, which shall come from the amounts received by the Federal Aviation Administration credited to the account established under 49 U.S.C. 45303.

(c) If a community becomes eligible to receive subsidy after the Secretary makes the determinations in subsections (a) and (b) of this section, the Secretary shall determine the community's eligibility for subsidy in accordance with those subsections, making whatever recalculations are required. In making such recalculations, the Secretary may deny subsidy for any time in the future to any community already receiving subsidy.

(d) The limitation in section 209 of P.L. 106–181 is repealed.

(e) There are no minimum service requirements for eligible places. Service may consist, among others, of ground transportation, single-

*engine, single-pilot operations, air taxi, charter service, or regionalized service.*

*(f) In determining between or among carriers competing to provide service at a community, the Secretary shall consider the relative subsidy requirements of the carriers.*

*SEC. 325. Beginning in fiscal year 2004 and thereafter, the Secretary may use up to 1 percent of the amounts made available to carry out sections 5307, 5309, and 5311 of title 49, U.S.C. for oversight activities under 49 U.S.C. 5327.*



# DEPARTMENT OF THE TREASURY

## DEPARTMENTAL OFFICES

### SALARIES AND EXPENSES

*For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; not to exceed \$3,500,000 for official travel expenses; not to exceed \$3,000,000, to remain available until September 30, 2005 for information technology modernization requirements; not to exceed \$150,000 for official reception and representation expenses; not to exceed \$258,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate, \$166,875,000: Provided, That of these amounts \$2,900,000 is for grants to State and local law enforcement groups to help fight money laundering: Provided further, That no less than \$21,855,000 is for the Office of Foreign Assets Control: Provided further: That of these amounts, \$3,393,000, to remain available until September 30, 2005, shall be for the Treasury-wide Financial Statement Audit Program, of which such amounts as may be necessary may be transferred to accounts of the Department's offices and bureaus to conduct audits: Provided further, That this transfer authority shall be in addition to any other provided in this Act.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 20-0101-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Economic policies and programs .....	56	56	59
00.02 Financial policies and programs .....	44	43	46
00.03 Enforcement policies and programs .....	61	.....	.....
00.04 Treasury-wide management policies and programs .....	32	32	32
00.05 Treasury-wide financial statement audit .....	.....	3	3
00.06 Office of Foreign Assets Control .....	20	22	22
01.00 Subtotal, Direct programs .....	213	156	162
09.11 Reimbursable program .....	13	20	20
09.99 Subtotal, reimbursable program .....	13	20	20
10.00 Total new obligations .....	226	176	182
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	71	4	9
22.00 New budget authority (gross) .....	162	181	187
22.10 Resources available from recoveries of prior year obligations .....	4	.....	.....
23.90 Total budgetary resources available for obligation .....	237	185	196
23.95 Total new obligations .....	-226	-176	-182
23.98 Unobligated balance expiring or withdrawn .....	-7	.....	.....
24.40 Unobligated balance carried forward, end of year .....	4	9	14
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	149	161	167
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	14	20	20
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-1	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	13	20	20
70.00 Total new budget authority (gross) .....	162	181	187
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	64	82	51

73.10 Total new obligations .....	226	176	182
73.20 Total outlays (gross) .....	-200	-208	-187
73.40 Adjustments in expired accounts (net) .....	-3	.....	.....
73.45 Recoveries of prior year obligations .....	-4	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	1	.....	.....
74.40 Obligated balance, end of year .....	82	51	46
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	147	161	166
86.93 Outlays from discretionary balances .....	53	47	21
87.00 Total outlays (gross) .....	200	208	187
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-14	-20	-20
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	1	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	149	161	167
90.00 Outlays .....	188	188	167
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	1	1	.....
92.02 Total investments, end of year: Federal securities:			
Par value .....	1	.....	.....

Departmental Offices' function in the Department of the Treasury is to provide basic support to the Secretary of the Treasury, who is the chief operating executive of the Department. The Secretary of the Treasury maintains the primary role in formulating and managing the domestic and international tax and financial policies of the Federal Government. The Secretary's responsibilities funded by the Salaries and Expenses appropriation include: recommending and implementing United States domestic and international economic and tax policy; fiscal policy; governing the fiscal operations of the Government; maintaining foreign assets control; managing the public debt; managing development financial policy; representing the United States on international monetary, trade and investment issues; overseeing Department of the Treasury overseas operations; and directing the administrative operations of the Department of the Treasury.

In support of the Secretary, the Salaries and Expenses appropriation provides resources for policy formulation and implementation in the areas of domestic and international financial, investment, tax, economic, trade and financial operations and general fiscal policy. This appropriation also provides resources for administrative support to the Secretary and policy components, and coordination of Departmental administrative policies in financial and personnel management, procurement operations, and automated information systems and telecommunications.

*Economic Policies and Programs.*—The function of the Economic Policies and Programs Activity is to advise the Secretary and Deputy Secretary in economic areas such as: (1) monitors macro- and micro-economic developments and assists in determining appropriate economic policies; develops an overall appraisal of the current state of, and outlook for the economy; provides written and oral briefing materials for the Secretary, other officials, and outsiders; participates in inter-agency groups working on economic matters to develop and maintain a coordinated and consistent government-wide economic program; and (2) the formulation and execution of U.S. international economic and financial policies regarding a wide

SALARIES AND EXPENSES—Continued

range of international development and analysis functions involving: trade and investment, energy policy, monetary affairs, development financing, and general economic research into international financial issues. The Office of International Affairs works closely with other Federal agencies and international financial institutions, and coordinates international financial and macro-economic policy with the National Economic Council (Annual Economic Summit), the National Security Council, the Council of Economic Advisors, the Office of Management and Budget (foreign country risk review), the United States Trade Representative (financial services, investment, etc.), and all components of the Executive Office of the President. Under Presidential Executive order, the Office of International Affairs participates with the Department of State in the collection and analysis of economic information on foreign countries. In the areas of international monetary and foreign exchange policy, the Office of International Affairs shares responsibility with the Federal Reserve (principally, the Board of Governors, but also the Federal Reserve Bank of New York) in working closely with the International Monetary Fund. In the area of international development, the Office of International Affairs formulates resource needs, notably U.S. contributions, policies and programs for various Multilateral Development Banks. With the Export-Import Bank, the Office of International Affairs has responsibility for export credit finance. This activity includes the Office of the Assistant Secretary (Economic Policy), the immediate offices of the Under Secretary (International Affairs), the Assistant Secretary (International Affairs) and the Office of International Affairs.

**Financial Policies and Programs.**—The function of the Financial Policies and Programs Activity is to advise the Secretary and Deputy Secretary in areas of domestic finance, banking, fiscal policy and operations, and other related financial matters, including development of policies and guidance in the areas of financial institutions, federal debt finance, financial regulation, and capital markets. Specifically, this activity ensures that the management of the Federal government's cash minimizes risk and strikes a balance between cash needs and short-term investments. This activity provides decision makers and stakeholders with: (1) timely, concise and thorough policies, guidance and analysis in the areas of: financial institutions, financial regulation, the equitable and efficient delivery of financial services, the availability of credit, financial crimes, federal debt finance, capital markets, the privatization of government assets, and any other issues related to domestic finance and financial services; and (2) recommendations regarding the development and implementation of tax policies and programs; official estimates of all Government receipts for the President's Budget, fiscal policy decisions, and cash management decisions; policy criteria reflected in regulations and rulings to implement the Internal Revenue Code; negotiation of tax treaties for the United States; and economic and legal policy analysis for domestic and international tax policy decisions. This activity includes the immediate office of the Under Secretary (Domestic Finance), the Assistant Secretary (Financial Institutions), the Assistant Secretary (Financial Markets), the Fiscal Assistant Secretary, and the Deputy Assistant Secretary for Community Development Policy and the Assistant Secretary (Tax Policy).

**Treasury-wide Management Policies and Programs.**—The Treasury-wide Management Policies and Programs Activity provides policy advice on matters involving the internal management of the Department and its bureaus; coinage and currency production and security; the sale and retention of savings bonds; financial management, information systems, security, property management, human resources, procurement and contracting, strategic planning; and customer service. This activity is responsible for implementing the functions

of the Chief Financial Officer (CFO), the Government Performance Results Act (GPRA), and the Information Technology Management Reform Act which includes efficient and effective use of the Treasury's resources. This activity includes the Office of the Assistant Secretary (Management) and Chief Financial Officer and the Treasurer of the United States.

**Treasury-wide Financial Statement Audit.**—This activity has responsibility for contracting and funding all financial statement audit work that will be done by the OIG. The OIG would streamline the process, provide costs savings and accountability for getting these audits done, and ensure timeliness and consistency of financial statement audits in the Department. The audits would include those of the Financial Management Service, the Bureau of Public Debt, the Federal Financing Board, the Alcohol and Tobacco Tax and Trade Bureau, the Community Development Financial Institutions, and the Departmental Offices.

**Office of Foreign Assets Control.**—Manages and enforces economic sanctions and embargo programs against targeted foreign governments and groups that pose threats to the national security, foreign policy, or economy of the United States. These include sanctions programs administered under the International Emergency Economic Powers Act, the Trading with the Enemy Act, the United Nations Participation Act, the Anti-Terrorism and Effective Death Penalty Act, the Foreign Narcotics Kingpin Designation Act and other related Executive Orders and statutes.

PERFORMANCE MEASURES

	2004 est.
Economic conditions in developing countries (overall percent change in Gross Domestic Product from prior calendar year) .....	GDP Growth
Economic conditions in transitional economies (overall percent change in Gross Domestic Product from prior calendar year) .....	GDP Growth
Announce borrowing policies and borrowing requirements to financial market participants in a timely manner .....	100%
Number of open material weaknesses (significant management problems identified by GAO, the IGs, and/or the bureaus) .....	5%
Percent of new IT capital investments tracked that are within costs, on schedule, and meeting performance targets .....	100%

Object Classification (in millions of dollars)

Identification code 20-0101-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	87	86	90
12.1 Civilian personnel benefits .....	20	15	17
21.0 Travel and transportation of persons .....	4	3	3
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	10	9	9
24.0 Printing and reproduction .....	2	2	2
25.2 Other services .....	81	32	32
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	5	5	5
99.0 Direct obligations .....	213	156	162
99.0 Reimbursable obligations .....	13	20	20
99.9 Total new obligations .....	226	176	182

Personnel Summary

Identification code 20-0101-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	825	865	860
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	92	112	112

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS (INCLUDING TRANSFER OF FUNDS)

For development and acquisition of automatic data processing equipment, software, and services for the Department of the Treasury, \$36,928,000, to remain available until September 30, 2006: Provided,

That these funds shall be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department's offices, bureaus, and other organizations: Provided further, That this transfer authority shall be in addition to any other transfer authority provided in this Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 20-0115-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	24	37	37
10.00 Total new obligations	24	37	37
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	10	27	27
22.00 New budget authority (gross)	37	37	37
22.10 Resources available from recoveries of prior year obligations	5		
23.90 Total budgetary resources available for obligation	52	64	64
23.95 Total new obligations	-24	-37	-37
24.40 Unobligated balance carried forward, end of year	27	27	27
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	44	37	37
41.00 Transferred to other accounts	-7		
43.00 Appropriation (total discretionary)	37	37	37
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	24	21	15
73.10 Total new obligations	24	37	37
73.20 Total outlays (gross)	-23	-43	-42
73.45 Recoveries of prior year obligations	-5		
74.40 Obligated balance, end of year	21	15	10
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	2	16	16
86.93 Outlays from discretionary balances	21	27	26
87.00 Total outlays (gross)	23	43	42
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	37	37	37
90.00 Outlays	23	43	42

The 1997 Treasury Postal Appropriations Act established this account which is authorized to be used by or on behalf of Treasury bureaus, at the Secretary's discretion, to modernize business processes and increase efficiency through technology investments.

**Object Classification** (in millions of dollars)

Identification code 20-0115-0-1-803	2002 actual	2003 est.	2004 est.
23.1 Rental payments to GSA	1	1	1
25.2 Other services	20	34	34
26.0 Supplies and materials	1		
31.0 Equipment	2	2	2
99.9 Total new obligations	24	37	37

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

**Program and Financing** (in millions of dollars)

Identification code 20-0106-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	11	11	
09.01 Reimbursable program	1	1	

09.99 Total reimbursable program	1	1	
10.00 Total new obligations	12	12	

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year		1	1
22.00 New budget authority (gross)	12	12	
22.21 Unobligated balance transferred to other accounts			-1
22.22 Unobligated balance transferred from other accounts	1		
23.90 Total budgetary resources available for obligation	13	13	
23.95 Total new obligations	-12	-12	
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	1	1	

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation	11	11	
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	
70.00 Total new budget authority (gross)	12	12	

**Change in obligated balances:**

72.40 Obligated balance, start of year	2	2	2
73.10 Total new obligations	12	12	
73.20 Total outlays (gross)	-12	-11	-2
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	2	2	

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	11	9	
86.93 Outlays from discretionary balances	1	2	2
87.00 Total outlays (gross)	12	11	2

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	

**Net budget authority and outlays:**

89.00 Budget authority	11	11	
90.00 Outlays	11	10	2

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority	1	1	
99.01 Outlays	1	1	

To maximize efficiencies and effectiveness, legislative language is being proposed which will merge the Treasury Inspector General and the Treasury Inspector General for Tax Administration into a new Inspector General office, called the Inspector General for Treasury. The new organization will have all of the same powers and authorities as its predecessors have under current law.

**Object Classification** (in millions of dollars)

Identification code 20-0106-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent	6	6	
12.1 Civilian personnel benefits	1	1	
21.0 Travel and transportation of persons	1	1	
23.1 Rental payments to GSA	1	1	
23.3 Communications, utilities, and miscellaneous charges	1	1	
25.2 Other services	1	1	
99.0 Direct obligations	11	11	
99.0 Reimbursable obligations	1	1	
99.9 Total new obligations	12	12	

**Personnel Summary**

Identification code 20-0106-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment	87	87	

INSPECTOR GENERAL FOR TREASURY  
SALARIES AND EXPENSES

For necessary expenses of the Inspector General for the Department of the Treasury in carrying out the provisions of the Inspector General Act of 1978, as amended, including purchase (not to exceed 150 for replacement only for police-type use) and hire of passenger motor vehicles (31 U.S.C. § 1343(b)); services authorized by 5 U.S.C. § 3109, at such rates as may be determined by the Inspector General; not to exceed \$7,000,000 for official travel expenses; and not to exceed \$600,000 for unforeseen emergencies of a confidential nature, to be allocated and expanded under the direction of the Inspector General for the Department of the Treasury, \$134,949,000: Provided, That unobligated balances available under the headings, "Office of the Inspector General" and "Inspector General for Tax Administration," shall be transferred to this heading.

Note.—A regular 2003 appropriation for activities financed by this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 20-0119-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Audit .....	49	50	56
00.02 Investigations .....	76	74	79
09.01 Reimbursable program .....	4	2	3
10.00 Total new obligations .....	129	126	138
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	130	126	138
22.22 Unobligated balance transferred from other accounts .....			1
23.90 Total budgetary resources available for obligation .....	130	126	139
23.95 Total new obligations .....	-129	-126	-138
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	126	124	135
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	4	2	3
70.00 Total new budget authority (gross) .....	130	126	138
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	15	11	12
73.10 Total new obligations .....	129	126	138
73.20 Total outlays (gross) .....	-133	-126	-138
74.40 Obligated balance, end of year .....	11	12	12
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	120	114	125
86.93 Outlays from discretionary balances .....	13	12	13
87.00 Total outlays (gross) .....	133	126	138
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-4	-2	-3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	126	124	135
90.00 Outlays .....	129	124	135
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	7	8	9
99.01 Outlays .....	7	8	9

To maximize efficiencies and effectiveness, legislative language is being proposed which will merge the Treasury Inspector General and the Treasury Inspector General for Tax Administration into a new Inspector General office, called the Inspector General for Treasury. The new organization will have all of the same powers and authorities as its predecessors have under current law.

The Inspector General for Treasury conducts and supervises audits, investigations, and evaluations to assess the operations and programs of the bureaus and offices of the Department

of the Treasury. It (1) promotes the economy, efficiency, and effectiveness of Departmental programs and operations by preventing fraud, waste, and abuse in those programs and operations, (2) keeps the Secretary and the Congress fully and currently informed of these issues and the progress made toward resolving them, (3) reviews existing and proposed legislation and regulations relating to the programs and operations of the Department, and makes recommendations concerning the impact of such legislation and regulations on the economy and efficiency in the administration of programs and operations of the Department of the Treasury. The audit function provides program audit, contract audit, information technology audit, and financial statement audit services. Program audits review and audit all facets of agency programs and operations and related entities. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Information technology audits review all aspects of the acquisition, implementation, and security of electronic systems. Financial statement audits assess whether financial statements fairly present the agency's financial condition and results of operations, the adequacy of accounting controls, and compliance with laws and regulations. These audits contribute significantly to improved financial management by helping Treasury managers identify improvements needed in their accounting and internal control systems. The evaluations function reviews program performance and issues critical to the mission of the Department of the Treasury, including assessing the Department's implementation of the Government Performance and Results Act. The investigative function provides for the detection, investigation of and protection against improper and illegal activities involving programs, personnel, and operations of Department of the Treasury including external attempts to corrupt or threaten their employees, systems and facilities.

Object Classification (in millions of dollars)

Identification code 20-0119-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	68	68	75
11.5 Other personnel compensation .....	8	8	8
11.9 Total personnel compensation .....	76	76	83
12.1 Civilian personnel benefits .....	20	19	21
21.0 Travel and transportation of persons .....	5	5	5
23.1 Rental payments to GSA .....	8	9	10
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.1 Advisory and assistance services .....	4	4	4
25.2 Other services .....	1	2	2
25.3 Other purchases of goods and services from Government accounts .....		1	2
25.4 Operation and maintenance of facilities .....	1		
25.7 Operation and maintenance of equipment .....	1		
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	6	5	5
99.0 Direct obligations .....	125	124	135
99.0 Reimbursable obligations .....	4	2	3
99.9 Total new obligations .....	129	126	138

Personnel Summary

Identification code 20-0119-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	928	947	987
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	15	15	15

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

For the repair, alteration, and improvement of the Treasury Building and Annex, \$25,000,000, to remain available until September 30, 2006.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 20-0108-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Repair and improvement of Main Treasury .....	27	33	25
10.00 Total new obligations .....	27	33	25
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	8	8
22.00 New budget authority (gross) .....	29	33	25
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	35	41	33
23.95 Total new obligations .....	-27	-33	-25
24.40 Unobligated balance carried forward, end of year .....	8	8	8
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	29	33	25
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	44	27	19
73.10 Total new obligations .....	27	33	25
73.20 Total outlays (gross) .....	-42	-41	-34
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	27	19	10
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	15	11	
86.93 Outlays from discretionary balances .....	42	26	23
87.00 Total outlays (gross) .....	42	41	34
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	29	33	25
90.00 Outlays .....	42	41	34

This appropriation funds repairs and selected improvements to maintain the Main Treasury and Annex buildings.

Object Classification (in millions of dollars)

Identification code 20-0108-0-1-803	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1
23.1 Rental payments to GSA .....	4	5	5
25.2 Other services .....	4	5	3
26.0 Supplies and materials .....	1	1	
31.0 Equipment .....	1	1	
32.0 Land and structures .....	16	20	16
99.9 Total new obligations .....	27	33	25

Personnel Summary

Identification code 20-0108-0-1-803	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	10	10	10

EXPANDED ACCESS TO FINANCIAL SERVICES

Program and Financing (in millions of dollars)

Identification code 20-0121-0-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Expanded access to financial services .....	9	2	1

10.00	Total new obligations (object class 41.0) .....	9	2	1
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	10	1	1
22.00	New budget authority (gross) .....		2	
23.90	Total budgetary resources available for obligation .....	10	3	1
23.95	Total new obligations .....	-9	-2	-1
24.40	Unobligated balance carried forward, end of year .....	1	1	
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....		2	
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....		9	2
73.10	Total new obligations .....	9	2	1
73.20	Total outlays (gross) .....		-9	-3
74.40	Obligated balance, end of year .....	9	2	
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....		1	
86.93	Outlays from discretionary balances .....		8	3
87.00	Total outlays (gross) .....		9	3
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....		2	
90.00	Outlays .....		9	3

The Budget does not seek additional funding for Expanded Access to Financial Services, though the program will continue to operate on unobligated balances of budget authority. Appropriated amounts from 2002 remain unavailable, however, as the program lacks congressional authorization.

Personnel Summary

Identification code 20-0121-0-1-808	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1	3	2

TERRORISM INSURANCE PROGRAM

Program and Financing (in millions of dollars)

Identification code 20-0123-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Administrative Expenses .....		8	9
10.00 Total new obligations .....		8	9
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		8	9
23.95 Total new obligations .....		-8	-9
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation, P.L. 107-297 .....		8	9
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		8	9
73.20 Total outlays (gross) .....		-7	-8
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		7	7
86.98 Outlays from mandatory balances .....			1
87.00 Total outlays (gross) .....		7	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		8	9
90.00 Outlays .....		7	8

On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002 (P.L. 107-297). The Act establishes and provides mandatory funding for a

TERRORISM INSURANCE PROGRAM—Continued

temporary Terrorism Insurance Program to be administered by the Department of the Treasury. Under the program, the Federal Government is responsible for paying 90 percent of the insured losses arising from acts of terrorism above the applicable insurer deductible and below the \$100 billion annual cap.

The budget includes estimates of the general administrative costs of the program. Given the uncertainty surrounding the risk of future terrorist attacks, the budget does not include estimates of the timing or magnitude of potential insurance claims under the program, which is scheduled to sunset on December 31, 2005. Any such claims would be paid from permanent, indefinite authority and would not require subsequent appropriations.

Object Classification (in millions of dollars)

Identification code 20-0123-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....		1	1
25.1 Advisory and assistance services .....		7	7
99.0 Direct obligations .....		8	8
99.5 Below reporting threshold .....			1
99.9 Total new obligations .....		8	9

Personnel Summary

Identification code 20-0123-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....		5	9

TREASURY FORFEITURE FUND

Unavailable Collections (in millions of dollars)

Identification code 20-5697-0-2-751	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
<b>Receipts:</b>			
02.00 Forfeited cash and proceeds from the sale of forfeited property .....	172	213	213
02.00 Forfeited cash and proceeds from the sale of forfeited property .....			-213
<b>Offsetting receipts (intragovernmental):</b>			
02.40 Earnings on investments .....	6	8	8
02.40 Earnings on investments .....			-8
02.99 Total receipts and collections .....	178	221	
<b>Appropriations:</b>			
<b>Appropriations:</b>			
05.00 Department of the Treasury forfeiture fund .....	-178	-221	-221
05.00 Department of the Treasury forfeiture fund .....			221
05.99 Total appropriations .....	-178	-221	
07.99 Balance, end of year .....			

Program and Financing (in millions of dollars)

Identification code 20-5697-0-2-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Asset forfeiture fund .....	229	238	221
10.00 Total new obligations .....	229	238	221
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	90	59	52
22.00 New budget authority (gross) .....	178	221	221
22.10 Resources available from recoveries of prior year obligations .....	20	10	
23.90 Total budgetary resources available for obligation .....	288	290	273

23.95 Total new obligations .....	-229	-238	-221
24.40 Unobligated balance carried forward, end of year .....	59	52	52

New budget authority (gross), detail:

<b>Mandatory:</b>			
60.20 Appropriation (special fund) .....	178	221	221

Change in obligated balances:

72.40 Obligated balance, start of year .....	190	157	170
73.10 Total new obligations .....	229	238	221
73.20 Total outlays (gross) .....	-242	-215	-221
73.45 Recoveries of prior year obligations .....	-20	-10	
74.40 Obligated balance, end of year .....	157	170	170

Outlays (gross), detail:

86.97 Outlays from new mandatory authority .....	178	182	199
86.98 Outlays from mandatory balances .....	64	33	22
87.00 Total outlays (gross) .....	242	215	221

Net budget authority and outlays:

89.00 Budget authority .....	178	221	221
90.00 Outlays .....	242	215	221

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value .....	175	132	280
92.02 Total investments, end of year: Federal securities:			
Par value .....	132	280	280

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	178	221	221
Outlays .....	242	215	221
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority .....			-221
Outlays .....			-221
<b>Total:</b>			
Budget Authority .....	178	221	
Outlays .....	242	215	

Public Law 102-393 authorized the establishment of the Treasury Forfeiture Fund. It is available to pay or reimburse certain costs and expenses related to seizures and forfeitures that occur pursuant to the Treasury Department's law enforcement activities. The Coast Guard also participates in the program. The Treasury Forfeiture Fund is being transferred to the Department of Justice Asset Forfeiture Fund in 2004. Proposed legislation to effect this transfer will follow.

The following performance measurements are provided in compliance with the Government Performance and Results Act of 1993 (GPRA).

Object Classification (in millions of dollars)

Identification code 20-5697-0-2-751	2002 actual	2003 est.	2004 est.
25.2 Other services .....	151	163	146
41.0 Grants, subsidies, and contributions .....	78	75	75
99.9 Total new obligations .....	229	238	221

TREASURY FORFEITURE FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 20-5697-4-2-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Asset forfeiture fund .....			-221
10.00 Total new obligations .....			-221
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			-221

22.21	Unobligated balance transferred to other accounts .....			-52
23.90	Total budgetary resources available for obligation .....			-273
23.95	Total new obligations .....			221
24.40	Unobligated balance carried forward, end of year .....			-52
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.20	Appropriation (special fund) .....			-221
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....			-221
73.20	Total outlays (gross) .....			221
73.31	Obligated balance transferred to other accounts .....			-170
74.40	Obligated balance, end of year .....			-170
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....			-199
86.98	Outlays from mandatory balances .....			-22
87.00	Total outlays (gross) .....			-221
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			-221
90.00	Outlays .....			-221

**Object Classification (in millions of dollars)**

Identification code 20-5697-4-2-751	2002 actual	2003 est.	2004 est.
25.2 Other services .....			-146
41.0 Grants, subsidies, and contributions .....			-75
99.9 Total new obligations .....			-221

**PRESIDENTIAL ELECTION CAMPAIGN FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 20-5081-0-2-808	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Presidential election campaign fund .....	67	67	67
Appropriations:			
05.00 Presidential election campaign fund .....	-67	-67	-67
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 20-5081-0-2-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Matching Funds in Primaries .....			66
00.02 Nominating conventions for parties .....		29	1
00.03 General Elections .....			151
10.00 Total new obligations (object class 41.0) .....		29	218
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	72	140	178
22.00 New budget authority (gross) .....	67	67	67
23.90 Total budgetary resources available for obligation .....	139	207	245
23.95 Total new obligations .....		-29	-218
24.40 Unobligated balance carried forward, end of year .....	140	178	27
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	67	67	67
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		29	218
73.20 Total outlays (gross) .....		-29	-218
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			67
86.98 Outlays from mandatory balances .....		29	151
87.00 Total outlays (gross) .....		29	218
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	67	67	67

90.00	Outlays .....	29	218
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*Matching funds in primaries.*—Upon certification by the Federal Election Commission, every candidate eligible to receive payments is entitled to receive \$250 in Federal matching funds for each eligible \$250 private contribution received after the beginning of the calendar year immediately preceding the election year through the end of the calendar year of the election.

*Nominating conventions of parties.*—Upon certification by the Commission, payments may be made to the national committee of a major party or a minor party which elects to receive its entitlement. The total of such payments will be limited to the amount in the account at the time of payment. The national committee of each party may receive payments beginning on July 1 of the year immediately preceding the calendar year in which a presidential nominating convention of the political party is held. By statute, the two major parties receive \$4 million each, plus a cost-of-living increase. In 2000, both parties received \$13.5 million for their nominating conventions.

*Candidates for general elections.*—By statute, the eligible candidates of each major party in a presidential election are entitled to equal payments in an amount which, in the aggregate, shall not exceed \$20 million each, plus a cost-of-living increase. In 2000, this amounted to \$67.6 million for each candidate.

Also, provision is made for new parties, minor parties and candidates, who may receive in excess of 5 percent of the popular vote and therefore be entitled to reimbursement of qualified campaign expenditures.

**SALLIE MAE ASSESSMENTS**

**Unavailable Collections (in millions of dollars)**

Identification code 20-5407-0-2-808	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Sallie Mae assessments .....		1	1
Appropriations:			
05.00 Sallie Mae assessments .....		-1	-1
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 20-5407-0-2-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		1	1
10.00 Total new obligations (object class 99.5) .....		1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			1
22.00 New budget authority (gross) .....		1	1
23.90 Total budgetary resources available for obligation .....		1	2
23.95 Total new obligations .....		-1	-1
24.40 Unobligated balance carried forward, end of year .....		1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) .....		1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		1	1
73.20 Total outlays (gross) .....		-1	-2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		1	1
86.93 Outlays from discretionary balances .....			1
87.00 Total outlays (gross) .....		1	2

## SALLIE MAE ASSESSMENTS—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 20-5407-0-2-808	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		1	1
90.00 Outlays .....		1	2

The Secretary of the Treasury is authorized by the Higher Education Act of 1965, as amended to collect from the Student Loan Marketing Association an annual assessment of up to \$800,000, adjusted by the Consumer Price Index, to cover the expenses relating to providing financial oversight of the Association.

## Personnel Summary

Identification code 20-5407-0-2-808	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	3	4	4

## Public enterprise funds:

## EXCHANGE STABILIZATION FUND

## Program and Financing (in millions of dollars)

Identification code 20-4444-0-3-155	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Direct Program Activity .....	211	215	226
10.00 Total new obligations .....	211	215	226
<b>Budgetary resources available for obligation:</b>			
Unobligated balance carried forward, start of year:			
21.40 Unobligated balance carried forward, start of year (Special drawing rights) .....	22,829	23,138	23,444
21.40 Unobligated balance carried forward, start of year (Fund balance) .....			
21.40 Unobligated balance carried forward, start of year (US Securities) .....			
22.00 New budget authority (gross) .....	520	521	547
23.90 Total budgetary resources available for obligation	23,349	23,659	23,991
23.95 Total new obligations .....	-211	-215	-226
Unobligated balance carried forward, end of year:			
24.40 Unobligated balance carried forward, end of year (Fund Balance) .....	23,138	23,444	23,765
24.40 Unobligated balance carried forward, end of year (US Securities) .....			
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	520	521	547
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	13,924	14,135	14,350
73.10 Total new obligations .....	211	215	226
73.20 Total outlays (gross) .....			
74.40 Obligated balance, end of year .....	14,135	14,350	14,576
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities .....	-184	-184	-193
88.40 Interest on foreign investments .....	-336	-337	-354
88.90 Total, offsetting collections (cash) .....	-520	-521	-547
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-520	-521	-547

## Memorandum (non-add) entries:

Total investments, start of year: Federal securities:				
Par value:				
92.01 Total investments, start of year: Federal securities:				
Par value .....	10,014	9,717	10,202	
Total investments, end of year: Federal securities:				
Par value:				
92.02 Total investments, end of year: Federal securities:				
Par value .....	9,717	10,202	10,713	

The Secretary of the Treasury is authorized to deal in gold and foreign exchange and other instruments of credit and securities as deemed necessary, consistent with U.S. obligations in the International Monetary Fund (IMF), regarding orderly exchange arrangements and a stable system of exchange rates. An Exchange Stabilization Fund, with a capital of \$200 million, is authorized by law for this purpose (31 U.S.C. 5302). All earnings and interest accruing to this fund are available for the purposes thereof. Transactions in special drawing rights (SDR's) and U.S. holdings of SDR's are administered by the fund. U.S. drawings from the IMF, if any, are also advanced to the fund.

The principal sources of the fund's income have been profits on foreign exchange transactions and earnings on investments held by the fund, including interest earned on fund holdings of U.S. Government securities.

The amounts reflected in the 2002 and 2003 estimates entail only projected net interest earnings on Exchange Stabilization Fund (ESF) assets. The estimates are subject to considerable variance, depending on changes in the amount and composition of assets and the interest rates applied to investments. In addition, exchange rate fluctuations can cause the dollar value of income received on foreign currency and SDR investments to fluctuate. Moreover, estimates make no attempt to forecast gains or losses reflecting SDR valuation or foreign currency valuation. As required by Public Law 95-612, the fund is not used to meet the administrative expenses.

## Statement of Operations (in millions of dollars)

Identification code 20-4444-0-3-155	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	342	1,504	1,579	1,658
0102 Expense .....		-312	-328	-344
0105 Net income or loss (-) .....	342	1,192	1,251	1,314

## Balance Sheet (in millions of dollars)

Identification code 20-4444-0-3-155	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
Investments in US securities:				
1102 Treasury securities, par .....	10,014	9,717	10,202	10,713
1106 Receivables, net .....	2			
Non-Federal assets:				
1201 Foreign Currency Investments .....	15,294	16,046	16,848	17,691
1206 Receivables, net .....	65	118	120	126
1801 Other Federal assets: Cash and other monetary assets .....	10,979	11,710	11,800	11,900
1999 Total assets .....	36,354	37,591	38,970	40,430
<b>LIABILITIES:</b>				
2207 Non-Federal liabilities: Other .....	8,660	8,705	9,140	9,597
2999 Total liabilities .....	8,660	8,705	9,140	9,597
<b>NET POSITION:</b>				
3100 Appropriated capital .....	200	200	200	200
3300 Cumulative results of operations .....	27,494	28,686	29,630	30,633
3999 Total net position .....	27,694	28,886	29,830	30,833
4999 Total liabilities and net position .....	36,354	37,591	38,970	40,430

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 20-4501-0-4-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.10 Working capital fund .....	312	279	283
09.11 Administrative overhead .....	10	10	11
10.00 Total new obligations .....	322	289	294
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	30	27	27
22.00 New budget authority (gross) .....	278	289	294
22.10 Resources available from recoveries of prior year obligations .....	41		
23.90 Total budgetary resources available for obligation	349	316	321
23.95 Total new obligations .....	-322	-289	-294
24.40 Unobligated balance carried forward, end of year .....	27	27	27
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	308	289	294
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-30		
69.90 Spending authority from offsetting collections (total mandatory) .....	278	289	294
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	159	190	190
73.10 Total new obligations .....	322	289	294
73.20 Total outlays (gross) .....	-278	-289	-294
73.45 Recoveries of prior year obligations .....	-41		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	30		
74.40 Obligated balance, end of year .....	190	190	190
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	278	289	294
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-308	-289	-294
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	30		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-28		

Central services in the Department of the Treasury working capital fund include: telecommunications, printing, reproduction, computer support/usage, personnel/payroll, automated financial management systems, training, centralized short-term management assistance, procurement information, information technology services, public education, an environmental health and safety program, and printing procurement services. These services are provided on a reimbursable basis at rates which will recover the fund's operating expenses, including accrual of annual leave and depreciation of equipment.

**Object Classification (in millions of dollars)**

Identification code 20-4501-0-4-803	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	22	26	27
12.1 Civilian personnel benefits .....	5	6	6
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	3	1	1
23.3 Communications, utilities, and miscellaneous charges	5	11	11
25.1 Advisory and assistance services .....	16	12	12
25.2 Other services .....	37	162	167
25.3 Other purchases of goods and services from Government accounts .....	205	52	52
26.0 Supplies and materials .....	1	2	2
31.0 Equipment .....	27	16	15

99.9 Total new obligations .....	322	289	294
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**Personnel Summary**

Identification code 20-4501-0-4-803	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	283	327	322

**TREASURY FRANCHISE FUND**

**Program and Financing (in millions of dollars)**

Identification code 20-4560-0-4-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	333	351	388
10.00 Total new obligations .....	333	351	388
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	104	139	139
22.00 New budget authority (gross) .....	354	347	384
22.10 Resources available from recoveries of prior year obligations .....	15	4	4
22.21 Unobligated balance transferred to other accounts	-1		
23.90 Total budgetary resources available for obligation	472	490	527
23.95 Total new obligations .....	-333	-351	-388
24.40 Unobligated balance carried forward, end of year .....	139	139	139
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	323	353	390
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	31	-6	-6
68.90 Spending authority from offsetting collections (total discretionary) .....	354	347	384
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-49	-74	-63
73.10 Total new obligations .....	333	351	388
73.20 Total outlays (gross) .....	-312	-342	-379
73.45 Recoveries of prior year obligations .....	-15	-4	-4
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-31	6	6
74.40 Obligated balance, end of year .....	-74	-63	-52
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	162	302	334
86.93 Outlays from discretionary balances .....	150	40	45
87.00 Total outlays (gross) .....	312	342	379
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-322	-353	-390
88.40 Non-Federal sources .....	-1		
88.90 Total, offsetting collections (cash) .....	-323	-353	-390
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-31	6	6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-11	-11	-11

Department of the Treasury was chosen as a pilot Franchise Fund under P.L. 103-356, the Government Management and Reform Act of 1994. Begun in 1997, financial and administrative services included in the Franchise Fund (Fund) are financed on a fee-for-service basis. Treasury's Fund is a revolving fund used to supply financial and administrative services on the basis of services supplied. For 2004, service activities are expected to have spending authority of \$384 million and employ 543 people.

**Intragovernmental funds—Continued**

**TREASURY FRANCHISE FUND—Continued**

Activities included in the Fund are financial training, accounting cross-servicing, and various administrative support services. The Fund concept is intended to increase competition for government and financial administrative services, resulting in lower costs and higher quality.

**Object Classification** (in millions of dollars)

Identification code 20-4560-0-4-803	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	27	30	30
12.1 Civilian personnel benefits .....	7	9	9
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
24.0 Printing and reproduction .....	3	4	4
25.2 Other services .....	285	297	334
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	6	6	6
99.9 Total new obligations .....	333	351	388

**Personnel Summary**

Identification code 20-4560-0-4-803	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	473	530	543

**Credit accounts:**

**AIR TRANSPORTATION STABILIZATION PROGRAM ACCOUNT**

For necessary expenses to administer the Air Transportation Stabilization Board, established by section 102 of the Air Transportation Safety and System Stabilization Act (Public Law 107-42), \$2,538,000, to remain until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 20-0122-0-1-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Loan guarantee subsidy .....	172	386	
00.07 Reestimates of loan guarantee subsidy .....		113	
00.08 Interest on reestimates of loan guarantee subsidy .....		1	
00.09 Administrative expenses .....	7	6	3
10.00 Total new obligations .....	179	506	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		2	2
22.00 New budget authority (gross) .....	172	506	3
22.22 Unobligated balance transferred from other accounts .....	9		
23.90 Total budgetary resources available for obligation .....	181	508	5
23.95 Total new obligations .....	-179	-506	-3
24.40 Unobligated balance carried forward, end of year .....	2	2	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		6	3
Mandatory:			
60.00 Appropriation .....	172	500	
70.00 Total new budget authority (gross) .....	172	506	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		4	1
73.10 Total new obligations .....	179	506	3
73.20 Total outlays (gross) .....	-175	-509	-5
74.40 Obligated balance, end of year .....	4	1	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		5	3

86.93 Outlays from discretionary balances .....	3	4	2
86.97 Outlays from new mandatory authority .....	172	500	
87.00 Total outlays (gross) .....	175	509	5

**Net budget authority and outlays:**

89.00 Budget authority .....	172	506	3
90.00 Outlays .....	175	509	5

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 20-0122-0-1-402	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Airline loan guarantees .....	429	1,433	
215901 Total loan guarantee levels .....	429	1,433	
Guaranteed loan subsidy (in percent):			
232001 Airline loan guarantees .....	40.11	26.94	
232901 Weighted average subsidy rate .....	40.11	26.94	
Guaranteed loan subsidy budget authority:			
233001 Airline loan guarantees .....	172	386	
233901 Total subsidy budget authority .....	172	386	
Guaranteed loan subsidy outlays:			
234001 Airline loan guarantees .....	172	386	
234901 Total subsidy outlays .....	172	386	
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Airline loan guarantees .....		114	
235901 Total upward reestimate budget authority .....		114	
Guaranteed loan upward reestimate subsidy outlays:			
236001 Airline loan guarantees .....		114	
236901 Total upward reestimate subsidy outlays .....		114	
Administrative expense data:			
351001 Budget authority .....	9	6	
358001 Outlays from balances .....	3	4	
359001 Outlays from new authority .....		6	

On September 22, 2001, President Bush signed into law the Air Transportation Safety and System Stabilization Act, P.L. 107-42. The Act establishes the Air Transportation Stabilization Board. The Board may issue up to \$10 billion in loan guarantees.

**Object Classification** (in millions of dollars)

Identification code 20-0122-0-1-402	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.2 Other services .....	6	4	1
41.0 Grants, subsidies, and contributions .....	172	500	
99.0 Direct obligations .....	179	505	2
99.5 Below reporting threshold .....		1	1
99.9 Total new obligations .....	179	506	3

**Personnel Summary**

Identification code 20-0122-0-1-402	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	7	12	6

**AIR TRANSPORTATION STABILIZATION GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 20-4286-0-3-402	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Claim payments .....		495	105

10.00	Total new obligations .....	495	105
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	197	231
22.00	New financing authority (gross) .....	197	50
23.90	Total budgetary resources available for obligation .....	197	726
23.95	Total new obligations .....	-495	-105
24.40	Unobligated balance carried forward, end of year .....	197	231
176			
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10	Authority to borrow .....	10	
Offsetting collections (cash):			
69.00	Offsetting collections (cash) .....	172	500
69.00	Offsetting collections (cash) .....	25	10
69.00	Offsetting collections (cash) .....		33
69.00	Offsetting collections (cash) .....		9
69.90	Spending authority from offsetting collections (total mandatory) .....	197	519
50			
70.00	Total new financing authority (gross) .....	197	529
50			
<b>Change in obligated balances:</b>			
73.10	Total new obligations .....	495	105
73.20	Total financing disbursements (gross) .....	-495	-105
87.00	Total financing disbursements (gross) .....	495	105
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal sources .....	-172	-500
88.25	Interest on uninvested funds .....		-9
88.40	Non-Federal sources .....	-25	-10
88.90	Total, offsetting collections (cash) .....	-197	-519
-50			
<b>Net financing authority and financing disbursements:</b>			
89.00	Financing authority .....	10	
90.00	Financing disbursements .....	-197	-24
55			

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 20-4286-0-3-402	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders .....	10,000	
2121	Limitation available from carry-forward .....		9,571
2143	Uncommitted limitation carried forward .....	-9,571	-8,138
2150	Total guaranteed loan commitments .....	429	1,433
2199	Guaranteed amount of guaranteed loan commitments .....	380	1,361
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year .....	429	1,367
2231	Disbursements of new guaranteed loans .....	429	1,433
2251	Repayments and prepayments .....		-165
2261	Adjustments: Terminations for default that result in loans receivable .....		-495
2290	Outstanding, end of year .....	429	1,367
1,097			
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	380	1,230
987			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year .....		495
2331	Disbursements for guaranteed loan claims .....	495	105
2351	Repayments of loans receivable .....		-33
2361	Write-offs of loans receivable .....		-462
2390	Outstanding, end of year .....	495	105

Numbers shown for 2003 include estimates for loan guarantees that have received either conditional or final approval. This presentation should not be construed as prejudging the outcome of the Air Transportation Stabilization Board's deliberations. The Board does not anticipate making any new loan guarantees in 2004.

As required by the Federal Credit Reform Act of 1990, as amended, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 20-4286-0-3-402	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury .....	301	231	176
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501	Defaulted guaranteed loans receivable, gross .....		495	105
1505	Allowance for subsidy cost (-) .....		-464	-87
1599	Net present value of assets related to defaulted guaranteed loans .....		31	18
1999	Total assets .....	301	262	194
<b>LIABILITIES:</b>				
2104	Federal liabilities: Resources payable to Treasury .....		10	
2204	Non-Federal liabilities: Liabilities for loan guarantees .....	301	252	194
2999	Total liabilities .....	301	262	194
4999	Total liabilities and net position .....	301	262	194

**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS  
FUND PROGRAM ACCOUNT**

To carry out the Community Development Banking and Financial Institutions Act of 1994, including services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for ES-3, \$51,000,000, to remain available until September 30, 2005, of which \$3,000,000 shall be for financial and technical assistance and training programs designed to benefit Native American, Native Hawaiian, and Alaskan Native communities, and up to \$13,000,000 may be used for administrative expenses, including administration of the New Markets Tax Credit, up to \$6,000,000 may be used for the cost of direct loans, and up to \$250,000 may be used for administrative expenses to carry out the direct loan program: Provided, That the cost of direct loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$11,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 20-1881-0-1-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Direct loan subsidy .....	3	2
00.05	Restimate of direct loan subsidy .....		1
00.10	General administrative expenses .....	11	11
00.11	Bank enterprise awards program .....	23	17
00.12	Financial Assistance .....	37	28
00.13	Technical Assistance .....	3	10
00.14	Native American/Hawaiian Program .....	3	5
10.00	Total new obligations .....	80	74
51			
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....	4	5
22.00	New budget authority (gross) .....	80	69
23.90	Total budgetary resources available for obligation .....	84	74
23.95	Total new obligations .....	-80	-74
24.40	Unobligated balance carried forward, end of year .....	5	

**Credit accounts—Continued**

**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS—Continued**  
**FUND PROGRAM ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 20-1881-0-1-451	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	80	68	51
Mandatory:			
60.00		1	
Discretionary:			
68.00	1		
70.00	81	69	51
<b>Change in obligated balances:</b>			
72.40	173	114	79
73.10	80	74	51
73.20	-138	-109	-59
73.40	-2		
74.40	114	79	71
<b>Outlays (gross), detail:</b>			
86.90	16	9	7
86.93	122	99	52
86.97		1	
87.00	138	109	59
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40	-1		
<b>Net budget authority and outlays:</b>			
89.00	79	69	51
90.00	136	109	59

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 20-1881-0-1-451	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001	8	5	5
115901	8	5	5
Direct loan subsidy (in percent):			
132001	38.44	36.94	34.37
132901	38.44	36.94	34.37
Direct loan subsidy budget authority:			
133001	3	2	2
133901	3	2	2
Direct loan subsidy outlays:			
134001	3	2	2
134901	3	2	2
Direct loan upward reestimate subsidy budget authority:			
135001		1	
135901		1	
Direct loan upward reestimate subsidy outlays:			
136001		1	
136901		1	
Direct loan downward reestimate subsidy budget authority:			
137001		-1	
137901		-1	

Direct loan downward reestimate subsidy outlays:			
138001		-1	
138901		-1	

The Riegle Community Development and Regulatory Improvement Act of 1994 established the Community Development Financial Institutions (CDFI) Fund. The CDFI Fund provides equity investments, grants, loans, and technical assistance to new and existing community development financial institutions (CDFIs) such as community development banks, community development credit unions, community development loan and venture capital funds, and microenterprise loan funds. Funds provided by the CDFI Fund will enhance the capacity of these institutions to finance economic development, including small businesses, community facilities, housing, and other community development initiatives in distressed urban, rural, Native American, Native Hawaiian, and Alaska Native communities. The CDFI Fund also provides grants to insured depository institutions to facilitate investment in CDFIs and increase community lending activities. In addition, the CDFI Fund administers the New Markets Tax Credit Program by providing allocations of tax credits to Community Development Entities (CDEs) which in turn provide the tax credits to entities which invest in the CDEs. The Fund is seeking reauthorization of its activities under the Community Development Banking and Financial Institutions Act.

The CDFI Fund helps to address the urgent problems of declining economic and social infrastructure, loss of jobs, lack of private enterprise, and deteriorating housing facing many American communities today. Government investment and technical assistance supplements private funds and expertise to ensure that CDFIs are effective in restoring and creating healthy economies.

**PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
Number of CDFIs selected to receive financial assistance (includes Core, and SECA)	74	N/A	N/A
Number of organizations that receive technical assistance	119	N/A	N/A

**Object Classification (in millions of dollars)**

Identification code 20-1881-0-1-451	2002 actual	2003 est.	2004 est.
11.1	4	5	5
12.1	1	1	1
23.1	1	1	1
25.2	5	4	6
41.0	69	63	38
99.9	80	74	51

**Personnel Summary**

Identification code 20-1881-0-1-451	2002 actual	2003 est.	2004 est.
Direct:			
1001	59	68	71

**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 20-4088-0-3-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	8	5	5
08.02		1	
10.00	8	6	5

<b>Budgetary resources available for obligation:</b>				
22.00	New financing authority (gross) .....	10	7	7
22.70	Balance of authority to borrow withdrawn .....	-1		
23.90	Total budgetary resources available for obligation .....	9	7	7
23.95	Total new obligations .....	-8	-6	-5
<b>New financing authority (gross), detail:</b>				
Discretionary:				
47.00	Authority to borrow .....	5	2	2
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	10	5	5
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-5		
68.90	Spending authority from offsetting collections (total discretionary) .....	5	5	5
70.00	Total new financing authority (gross) .....	10	7	7

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	18	12	9
73.10	Total new obligations .....	8	6	5
73.20	Total financing disbursements (gross) .....	-20	-10	-10
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	5		
74.40	Obligated balance, end of year .....	12	9	6
87.00	Total financing disbursements (gross) .....	20	10	10

<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-3	-3	-2
Non-Federal sources:				
88.40	Non-Federal sources Interest repayments .....	-5	-1	-2
88.40	Non-Federal sources—Principal .....	-2	-1	-1
88.90	Total, offsetting collections (cash) .....	-10	-5	-5
Against gross financing authority only:				
88.95	Change in receivables from program accounts .....	5		

<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....	5	2	2
90.00	Financing disbursements .....	10	5	5

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Status of Direct Loans (in millions of dollars)**

Identification code 20-4088-0-3-451				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....	11	11	11
1150	Total direct loan obligations .....	11	11	11
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	24	41	50
1231	Disbursements: Direct loan disbursements .....	18	10	10
1251	Repayments: Repayments and prepayments .....	-1	-1	-1
1263	Write-offs for default: Direct loans .....			
1290	Outstanding, end of year .....	41	50	59

**Balance Sheet (in millions of dollars)**

Identification code 20-4088-0-3-451				
<b>ASSETS:</b>				
Investments in US securities:				
1106	Federal assets: Receivables, net .....	3		
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross .....	24	41	50
1405	Allowance for subsidy cost (-) .....	-9	-16	-20

1499	Net present value of assets related to direct loans .....	15	25	32	39
1999	Total assets .....	18	25	32	39
<b>LIABILITIES:</b>					
2103	Federal liabilities: Debt .....	18	25	32	39
2999	Total liabilities .....	18	25	32	39
<b>NET POSITION:</b>					
3999	Total net position .....				
4999	Total liabilities and net position .....	18	25	32	39

**Trust Funds**

**VIOLENT CRIME REDUCTION PROGRAMS**

**Program and Financing (in millions of dollars)**

Identification code 20-8526-0-1-751				
		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
Direct program:				
00.01	Departmental Offices .....	1	2	
00.04	Bureau of Alcohol, Tobacco and Firearms .....	3	3	
00.05	Customs Service .....	8	16	16
00.06	Secret Service .....	1	1	
10.00	Total new obligations .....	13	22	16

<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	46	38	16
22.00	New budget authority (gross) .....	-1		
22.10	Resources available from recoveries of prior year obligations .....	5		
23.90	Total budgetary resources available for obligation .....	50	38	16
23.95	Total new obligations .....	-13	-22	-16
24.40	Unobligated balance carried forward, end of year .....	38	16	

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.73	Reduction pursuant to P.L. 107-206 .....	-1		

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	81	39	1
73.10	Total new obligations .....	13	22	16
73.20	Total outlays (gross) .....	-50	-62	-17
73.45	Recoveries of prior year obligations .....	-5		
74.40	Obligated balance, end of year .....	39	1	

<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	50	62	17

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	-1		
90.00	Outlays .....	50	62	17

Amounts for the Department of the Treasury's portion of Crime Control Programs are derived from transfers from the Violent Crime Reduction Trust Fund (VCRTF) as authorized by the Crime Control and Law Enforcement Act of 1994. The VCRTF was authorized through 2000. Spending of prior-year appropriations continues.

**Object Classification (in millions of dollars)**

Identification code 20-8526-0-1-751				
		2002 actual	2003 est.	2004 est.
12.1	Civilian personnel benefits .....	1	1	
25.2	Other services .....	4	6	4
25.3	Other purchases of goods and services from Government accounts .....	5	12	9
26.0	Supplies and materials .....	1	1	1
31.0	Equipment .....	2	2	2
99.9	Total new obligations .....	13	22	16

**Federal Funds**

**FINANCIAL CRIMES ENFORCEMENT NETWORK**

**SALARIES AND EXPENSES**

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel expenses of non-Federal law enforcement personnel to attend meetings concerned with financial intelligence activities, law enforcement, and financial regulation; not to exceed \$14,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, \$57,571,000, of which not to exceed \$4,500,000 shall remain available until September 30, 2006; and of which \$8,152,000 shall remain available until September 30, 2005: Provided, That funds appropriated in this account may be used to procure personal services contracts.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 20-0173-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Investigative analysis, BSA administration, and international activities .....	39	43	50
00.02 Regulatory support programs, including money services businesses .....	7	8	8
09.01 Reimbursable program .....	4	4	1
10.00 Total new obligations .....	50	55	59
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	5	5
22.00 New budget authority (gross) .....	52	55	59
23.90 Total budgetary resources available for obligation .....	56	60	64
23.95 Total new obligations .....	-50	-55	-59
24.40 Unobligated balance carried forward, end of year .....	5	5	5
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	48	51	58
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	2	4	1
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
68.90 Spending authority from offsetting collections (total discretionary) .....	4	4	1
70.00 Total new budget authority (gross) .....	52	55	59
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	11	10
73.10 Total new obligations .....	50	55	59
73.20 Total outlays (gross) .....	-46	-54	-57
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
74.40 Obligated balance, end of year .....	11	10	12
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	37	44	46
86.93 Outlays from discretionary balances .....	9	10	11
87.00 Total outlays (gross) .....	46	54	57
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-2	-4	-1
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	48	51	58
90.00 Outlays .....	44	50	56
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	2	2
99.01 Outlays .....	1	2	2

FinCEN, created in 1990 and elevated to bureau status in 2001, supports law enforcement investigations to prevent and detect money laundering, terrorist financing, and other financial crimes. FinCEN links law enforcement, financial, and regulatory communities into a single information-sharing network. Using Bank Secrecy Act (BSA) information reported by banks and other financial institutions, FinCEN serves as the nation's central clearinghouse for broad-based financial intelligence and information sharing on money laundering. This information helps illuminate the financial trail for investigators to follow as they track criminals and their assets.

**Investigative Analysis, BSA Administration, and International Activities.**—Through their investigative analysis efforts, FinCEN provides support for the investigation and prosecution of law enforcement cases at the Federal, state, local and international levels, using financial data collected under the BSA, as well as other commercial and law enforcement information. FinCEN serves as a catalyst for research, analysis, and dissemination of information on money laundering methods and trends through joint case analysis with law enforcement, integration of all source information and the application of state-of-art data processing techniques. FinCEN also establishes policies to administer the BSA effectively while balancing the associated burden imposed on the regulated financial institutions. Internationally, FinCEN maintains in-depth, country-specific expertise concerning money laundering, terrorist financing, and other financial crimes around the world to assist decision makers in developing and promoting U.S. government anti-money laundering policies. FinCEN also uses this expertise to promote the development of Financial Intelligence Units (FIUs) in other countries, and to facilitate investigative exchanges with them.

**Regulatory Support Program, including Money Services Businesses.**—This program supports new requirements to strengthen anti-money laundering controls with the money services business industry, casino, broker/dealer, securities, and other industries with new program or reporting requirements under the Bank Secrecy Act (BSA). The USA Patriot Act has expanded anti-money laundering program and reporting requirements to a number of industries previously not covered by the BSA. FinCEN will undertake programs to reach these new industry groups, as necessary. FinCEN will also continue efforts with the IRS, especially related to the money service business industry, to assure compliance, respond to public inquiries, distribute forms and publications, and support information processing of the BSA data.

**PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
Number of subjects in completed investigative analytical reports .....	30,840	34,000-40,000	36,000-42,000
Number of investigative cases networked among law enforcement agencies .....	1,600	2,000-3,000	4,000-5,000
Percent of customers satisfied with investigative analytical reports .....	79%	80-83%	85-90%
Average time to process a civil penalty case [calendar year] .....	1.5 years	1.5 years	1.5 years
Number of investigative information exchanges coordinated with foreign jurisdictions .....	760	500-600	500-600

**Object Classification** (in millions of dollars)

Identification code 20-0173-0-1-751	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	15	19	21
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	16	20	22
12.1 Civilian personnel benefits .....	3	4	5
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	3	3	4
23.3 Communications, utilities, and miscellaneous charges .....		1	1

25.2	Other services .....	3	6	8
25.3	Other purchases of goods and services from Government accounts .....	11	8	9
25.4	Operation and maintenance of facilities .....	1	1	1
25.7	Operation and maintenance of equipment .....	6	5	5
31.0	Equipment .....	2	2	2
99.0	Direct obligations .....	46	51	58
99.0	Reimbursable obligations .....	4	4	1
99.9	Total new obligations .....	50	55	59

**Personnel Summary**

Identification code 20-0173-0-1-751	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	200	254	277
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	5	5	

**INTERAGENCY LAW ENFORCEMENT**

*Federal Funds*

**General and special funds:**

INTERAGENCY CRIME AND DRUG ENFORCEMENT

**Program and Financing (in millions of dollars)**

Identification code 20-1501-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Internal Revenue Service .....	66	66	
00.02 Bureau of Alcohol, Tobacco and Firearms .....	11	11	
00.03 United States Customs Service .....	31	30	
00.04 Departmental Offices .....		1	
10.00 Total new obligations (object class 25.3) .....	108	108	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	108	108	
23.95 Total new obligations .....	-108	-108	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	108	108	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	64	4	
73.10 Total new obligations .....	108	108	
73.20 Total outlays (gross) .....	-168	-112	
74.40 Obligated balance, end of year .....	4		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	104	108	
86.93 Outlays from discretionary balances .....	64	4	
87.00 Total outlays (gross) .....	168	112	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	108	108	
90.00 Outlays .....	168	112	

The Interagency Crime and Drug Enforcement fund has been transferred from the Department of the Treasury to the Department of Justice.

**FINANCIAL MANAGEMENT SERVICE**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, \$228,606,000, of which not to exceed \$9,220,000 shall remain available until September 30, 2006, for information systems modernization ini-

tiatives; and of which not to exceed \$2,500 shall be available for official reception and representation expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 20-1801-0-1-803	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Debt collection fund .....	35	28	30
Appropriations:			
05.00 Debt collection fund .....	-35	-28	-30
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 20-1801-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.05 Payments .....	143	130	134
00.06 Collections .....	12	16	16
00.07 Debt collection .....	43	48	50
00.08 Governmentwide accounting and reporting .....	49	55	59
09.01 Reimbursable program .....	133	110	119
10.00 Total new obligations .....	380	359	378
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	41	38	38
22.00 New budget authority (gross) .....	367	359	378
22.10 Resources available from recoveries of prior year obligations .....	11		
23.90 Total budgetary resources available for obligation .....	419	397	416
23.95 Total new obligations .....	-380	-359	-378
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	38	38	40
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	213	221	229
40.36 Unobligated balance rescinded .....	-14		
43.00 Appropriation (total discretionary) .....	199	221	229
Mandatory:			
60.20 Appropriation (special fund) .....	35	28	30
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	131	110	119
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
68.90 Spending authority from offsetting collections (total discretionary) .....	133	110	119
70.00 Total new budget authority (gross) .....	367	359	378
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	38	40	41
73.10 Total new obligations .....	380	359	378
73.20 Total outlays (gross) .....	-359	-358	-376
73.40 Adjustments in expired accounts (net) .....	-4		
73.45 Recoveries of prior year obligations .....	-11		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	-2		
74.40 Obligated balance, end of year .....	40	41	41
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	301	289	304
86.93 Outlays from discretionary balances .....	40	41	42
86.97 Outlays from new mandatory authority .....	17	28	30
86.98 Outlays from mandatory balances .....	1		
87.00 Total outlays (gross) .....	359	358	376
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-131	-110	-119

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 20-1801-0-1-803	2002 actual	2003 est.	2004 est.
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	234	249	259
90.00 Outlays .....	230	248	257
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	10	11	12
99.01 Outlays .....	10	11	12

1. *Payments.*—FMS implements payment policy and procedures for the Federal Government, issues and distributes payments, promotes the use of electronics in the payment process, and assists agencies in converting payments from paper checks to electronic funds transfer (EFT). The control and financial integrity of the Federal payments and collections process includes reconciliation, accounting, and claims activities. The claims activity settles claims against the United States resulting from Government checks which have been forged, lost, stolen, or destroyed, and collects monies from those parties liable for fraudulent or otherwise improper negotiation of Government checks.

**PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
FMS will make paper check and EFT payments on time .....	100%	100%	100%
FMS will make paper check and EFT payments accurately .....	100%	100%	100%

**WORKLOAD STATISTICS**

(Thousands)

	2002 actual	2003 est.	2004 est.
1. Number of check claims submitted .....	1,736	1,400	1,350
2. Number of check payments .....	252,849 *	244,000	238,000
3. Number of electronic payments .....	665,905	677,000	696,000

\* Does not include approximately 86 million tax relief (rebate) checks.

2. *Collections.*—FMS implements collections policy, regulations, standards, and procedures for the Federal Government, facilitates collections, promotes the use of electronics in the collections process, and assists agencies in converting collections from paper to electronic media.

**PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
FMS will collect electronically the total dollar amount of Federal government receipts .....	79%	80%	81%

3. *Debt Collection.*—FMS provides debt collection operational services to client agencies which includes collection of delinquent accounts, offset of Federal payments against debts owed the government, post-judgment enforcement, consolidation of information reported to credit bureaus, reporting for discharged debts or vendor payments, and disposition of foreclosed property.

**PERFORMANCE MEASURES**

	2002	2003	2004
Amount of delinquent debt collected through all available tools .....	\$2.84 billion	\$2.8 billion	\$2.9 billion
Percentage of delinquent debt referred to FMS for collection compared to amount eligible for referral .....	93%	85%	90%

4. *Government-wide Accounting and Reporting.*—FMS provides financial accounting, reporting, and financing services to the Federal Government and the Government's agents who participate in the payments and collections process by gener-

ating a series of daily, monthly, quarterly and annual Government-wide reports. FMS also works directly with agencies to help reconcile reporting differences.

**PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
FMS will issue accurate government-wide accounting reports .....	100%	100%	100%
FMS will issue accurate government-wide accounting reports on time .....	100%	100%	100%
Percentage of reporting locations with reconciliation differences, for deposits and payments, less than four months old .....	N/A	95%	95%

**Object Classification (in millions of dollars)**

Identification code 20-1801-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	117	123	127
11.3 Other than full-time permanent .....	1	1	2
11.5 Other personnel compensation .....	3	3	3
11.9 Total personnel compensation .....	121	127	132
12.1 Civilian personnel benefits .....	27	26	28
21.0 Travel and transportation of persons .....	2	2	2
23.1 Rental payments to GSA .....	15	18	18
23.3 Communications, utilities, and miscellaneous charges .....	13	15	15
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	5	4	4
25.2 Other services .....	26	26	27
25.3 Other purchases of goods and services from Government accounts .....	4	5	5
25.4 Operation and maintenance of facilities .....	1	1	1
25.7 Operation and maintenance of equipment .....	7	8	8
26.0 Supplies and materials .....	4	5	6
31.0 Equipment .....	19	10	11
32.0 Land and structures .....	1		
99.0 Direct obligations .....	246	248	258
99.0 Reimbursable obligations .....	132	110	119
99.5 Below reporting threshold .....	2	1	1
99.9 Total new obligations .....	380	359	378

**Personnel Summary**

Identification code 20-1801-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,894	2,073	2,086
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	92	39	39

**PAYMENT TO DEPARTMENT OF JUSTICE, FIRREA RELATED CLAIMS**

**Program and Financing (in millions of dollars)**

Identification code 20-0177-0-1-752	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	2
74.40 Obligated balance, end of year .....	2	2	2

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....			

In 1998, the Secretary of the Treasury was authorized to use funds made available to the FSLIC Resolution Fund to reimburse the Department of Justice for the reasonable expenses of litigation that were incurred in the defense of claims against the U.S. arising from FIRREA and its implementation.

PAYMENT TO THE RESOLUTION FUNDING CORPORATION

Program and Financing (in millions of dollars)			
Identification code 20-1851-0-1-908	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	675	1,191	1,707
10.00 Total new obligations (object class 41.0) .....	675	1,191	1,707
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	675	1,191	1,707
23.95 Total new obligations .....	-675	-1,191	-1,707
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	675	1,191	1,707
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	675	1,191	1,707
73.20 Total outlays (gross) .....	-675	-1,191	-1,707
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	675	1,191	1,707
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	675	1,191	1,707
90.00 Outlays .....	675	1,191	1,707

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) authorized and appropriated to the Secretary of the Treasury, such sums as may be necessary to cover interest payments on obligations issued by the Resolution Funding Corporation (REFCORP). REFCORP was established under the Act to raise \$31.2 billion for the Resolution Trust Corporation (RTC) in order to resolve savings institution insolvencies.

Sources of payment for interest due on REFCORP obligations include REFCORP investment income, proceeds from the sale of assets or warrants acquired by the RTC, and annual contributions by the Federal Home Loan Banks. If these payment sources are insufficient to cover all interest costs, funds appropriated to the Treasury shall be used to meet the shortfall.

PAYMENT TO TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST FUND

Program and Financing (in millions of dollars)			
Identification code 20-1738-0-1-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Cheyenne River Sioux Tribe terrestrial wildlife habitat restoration trust fund .....	4	4	4
00.02 Lower Breul Sioux Tribe terrestrial wildlife habitat restoration trust fund .....	1	1	1
10.00 Total new obligations (object class 41.0) .....	5	5	5
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	5	5	5
23.95 Total new obligations .....	-5	-5	-5
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	5	5	5
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	5	5	5
73.20 Total outlays (gross) .....	-5	-5	-5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	5	5	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	5	5

90.00 Outlays .....	5	5	5
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Section 604(b) of the Water Resources Development Act of 1999 (P.L. 106-53) requires that the Secretary of the Treasury, beginning in 1999, deposit \$5 million annually (74 percent into the Cheyenne River Sioux Tribe Terrestrial Wildlife Restoration Trust Fund and 26 percent into the Lower Brule Sioux Tribe Terrestrial Wildlife Restoration Trust Fund) until a total of \$57.4 million has been deposited.

FEDERAL RESERVE BANK REIMBURSEMENT FUND

Program and Financing (in millions of dollars)			
Identification code 20-1884-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	113	135	150
10.00 Total new obligations (object class 25.2) .....	113	135	150
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	29		
22.00 New budget authority (gross) .....	84	135	150
23.90 Total budgetary resources available for obligation .....	113	135	150
23.95 Total new obligations .....	-113	-135	-150
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	84	135	150
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	28	47	47
73.10 Total new obligations .....	113	135	150
73.20 Total outlays (gross) .....	-93	-135	-139
74.40 Obligated balance, end of year .....	47	47	58
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	64	57	61
86.98 Outlays from mandatory balances .....	29	78	78
87.00 Total outlays (gross) .....	93	135	139
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	84	135	150
90.00 Outlays .....	94	135	139

This fund was established as a permanent, indefinite appropriation to allow the Financial Management Service to reimburse the Federal Reserve Banks for services provided in their capacity as depositaries and fiscal agents for the United States.

FINANCIAL AGENT SERVICES

Program and Financing (in millions of dollars)			
Identification code 20-1802-2-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....			386
10.00 Total new obligations (object class 25.1) .....			386
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			386
23.95 Total new obligations .....			-386
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....			386
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			386
73.20 Total outlays (gross) .....			-386

## General and special funds—Continued

## FINANCIAL AGENT SERVICES—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 20-1802-2-1-803	2002 actual	2003 est.	2004 est.
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			386
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			386
90.00 Outlays .....			386

The Budget includes a proposal to establish a permanent, indefinite appropriation to allow the Financial Management Service to reimburse financial institutions for services provided in their capacity as depositories and fiscal agents for the United States. The services provided are authorized under numerous statutes, including, but not limited to, 12 U.S.C. 90 and 265. The services include the acceptance and processing of deposits of public money, as well as services essential to the disbursement of and accounting for public monies.

See Chapter 13, "Federal Borrowing and Debt," of Analytical Perspectives for further discussion.

## INTEREST ON UNINVESTED FUNDS

## Program and Financing (in millions of dollars)

Identification code 20-1860-0-1-908	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	6	8	6
10.00 Total new obligations (object class 43.0) .....	6	8	6
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	6	8	6
23.95 Total new obligations .....	-6	-8	-6
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	6	8	6
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			19
73.10 Total new obligations .....	6	8	6
73.20 Total outlays (gross) .....	-8	-8	-5
74.40 Obligated balance, end of year .....	19	19	20
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	6	8	5
86.98 Outlays from mandatory balances .....	2		
87.00 Total outlays (gross) .....	8	8	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	6	8	6
90.00 Outlays .....	8	8	5

Under conditions of the law creating each trust, interest accruing and payable from the general fund of the Treasury is appropriated for payment to the proper fund receipt accounts (31 U.S.C. 1321; 2 U.S.C. 158; 20 U.S.C. 74a and 101; 24 U.S.C. 46; and 69 Stat. 533). Pursuant to Public Law 101-510, commencing October 1, 1991, the Soldiers' Home Permanent Fund will be invested in Treasury securities.

## FEDERAL INTEREST LIABILITIES TO THE STATES

## Program and Financing (in millions of dollars)

Identification code 20-1877-0-1-908	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	6	4	6
10.00 Total new obligations (object class 25.2) .....	6	4	6
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	6	4	6
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	7	4	6
23.95 Total new obligations .....	-6	-4	-6
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	6	4	6
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		
73.10 Total new obligations .....	6	4	6
73.20 Total outlays (gross) .....	-6	-4	-6
73.45 Recoveries of prior year obligations .....	-1		
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	6	4	6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	6	4	6
90.00 Outlays .....	6	4	6

As provided by statute and regulation, interest is paid to States when Federal funds are not transferred in a timely manner.

## INTEREST PAID TO CREDIT FINANCING ACCOUNTS

## Program and Financing (in millions of dollars)

Identification code 20-1880-0-1-908	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	4,276	3,787	3,812
10.00 Total new obligations (object class 43.0) .....	4,276	3,787	3,812
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	4,276	3,787	3,812
23.95 Total new obligations .....	-4,276	-3,787	-3,812
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	4,276	3,787	3,812
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	4,276	3,787	3,812
73.20 Total outlays (gross) .....	-4,276	-3,787	-3,812
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	4,276	3,787	3,812
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4,276	3,787	3,812
90.00 Outlays .....	4,276	3,787	3,812

Loan guarantee financing accounts receive various payments and fees and make payments on defaults. When cash balances result from an excess of receipts over outlays, these balances are deposited at the Treasury and earn interest. This account pays such interest to credit loan guarantee financing accounts from the general fund of the Treasury in accordance with section 505(c) of the Federal Credit Reform Act of 1990. The estimates of interest paid by this fund are

derived from the estimates of interest received in the various financing accounts.

### CLAIMS, JUDGMENTS, AND RELIEF ACTS

#### Program and Financing (in millions of dollars)

Identification code 20-1895-0-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Claims adjudicated administratively:			
00.01 Claims for damages .....	6	6	7
00.03 Claims for contract disputes .....	338	126	128
00.91 Total claims adjudicated administratively .....	344	132	135
Court judgments:			
01.01 Judgments, Court of Claims .....	313	30	35
01.02 Judgments, U.S. courts .....	1,193	759	765
01.91 Total court judgments .....	1,506	789	800
09.01 Reimbursable program .....	5		
10.00 Total new obligations .....	1,855	921	935
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1,855	921	935
23.95 Total new obligations .....	-1,855	-921	-935
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	1,850	921	935
69.00 Offsetting collections (cash) .....	5		
70.00 Total new budget authority (gross) .....	1,855	921	935
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	126	154	
73.10 Total new obligations .....	1,855	921	935
73.20 Total outlays (gross) .....	-1,827	-1,075	-935
74.40 Obligated balance, end of year .....	154		
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1,827	921	935
86.98 Outlays from mandatory balances .....		154	
87.00 Total outlays (gross) .....	1,827	1,075	935
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-5		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,850	921	935
90.00 Outlays .....	1,822	1,075	935

Appropriations are made for payment of claims and interest for damages not chargeable to appropriations of individual agencies and for payment of private and public relief acts. Public Law 95-26 authorized a permanent indefinite appropriation to pay certain judgments from the general funds of the Treasury.

#### Object Classification (in millions of dollars)

Identification code 20-1895-0-1-808	2002 actual	2003 est.	2004 est.
42.0 Direct obligations: Insurance claims and indemnities .....	1,850	921	935
99.0 Reimbursable obligations: Reimbursable obligations .....	5		
99.9 Total new obligations .....	1,855	921	935

### PAYMENT OF ANTI-TERRORISM JUDGMENTS

#### Program and Financing (in millions of dollars)

Identification code 20-1811-0-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	146	23	

10.00 Total new obligations (object class 42.0) .....	146	23	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	169	23	
23.95 Total new obligations .....	-146	-23	
24.40 Unobligated balance carried forward, end of year .....	23		

#### Change in obligated balances:

73.10 Total new obligations .....	146	23	
73.20 Total outlays (gross) .....	-146	-23	

#### Outlays (gross), detail:

86.98 Outlays from mandatory balances .....	146	23	
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#### Net budget authority and outlays:

89.00 Budget authority .....			
90.00 Outlays .....	146	23	

This account was established pursuant to section 2002 of the Victims of Trafficking and Violence Protection Act, Public Law 106-386, for the purpose of making payments to persons who hold certain categories of judgments against Iran in suits brought under 28 U.S.C. 1605a(7).

### RESTITUTION OF FOREGONE INTEREST

#### Program and Financing (in millions of dollars)

Identification code 20-1875-0-1-908	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	183		
10.00 Total new obligations (object class 43.0) .....	183		
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	183		
23.95 Total new obligations .....	-183		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	183		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	183		
73.20 Total outlays (gross) .....	-183		
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	183		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	183		
90.00 Outlays .....	183		

The payment of interest on investments in Treasury securities that the Secretary of the Treasury suspended or redeemed during the "debt limit suspension period" that he declared during 2002. The statutes permit this action when Treasury is constrained by the statutory debt limit. They require that the Treasury restore all due interest and principal to these funds as soon as this can be done without exceeding the debt limit. A payment of interest was made to the Civil Service Retirement and Disability Fund for \$15 million and the G-Fund within the Thrift Savings Fund for \$168 million.

### BIOMASS ENERGY DEVELOPMENT

#### Program and Financing (in millions of dollars)

Identification code 20-0114-0-1-271	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	11	15	
22.00 New budget authority (gross) .....	4	4	5
23.90 Total budgetary resources available for obligation .....	15	19	5

**General and special funds—Continued****BIOMASS ENERGY DEVELOPMENT—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 20-0114-0-1-271	2002 actual	2003 est.	2004 est.
23.98 Unobligated balance expiring or withdrawn .....		-19	-5
24.40 Unobligated balance carried forward, end of year .....	15		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	4	4	5
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	2	2
74.40 Obligated balance, end of year .....	2	2	2
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.45 Offsetting collections (cash) from: Offsetting governmental collections (from non-Federal sources) .....	-4	-4	-5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-4	-4	-5

This account was created to provide loan guarantees for the construction of biomass-to-ethanol facilities, as authorized under Title II of the Energy Security Act. All of the loans guaranteed by this account went into default. The guarantees have been paid off, and the assets of all but one of the projects have been liquidated. The one remaining project, the New Energy Company of Indiana, continues to make payments to the Treasury on their loan, which the government acquired after paying off the guarantee.

**CONTINUED DUMPING AND SUBSIDY OFFSET****Unavailable Collections (in millions of dollars)**

Identification code 20-5688-0-2-376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Continued dumping receipts .....	312	321	331
Appropriations:			
05.00 Continued dumping appropriations .....	-312	-321	-331
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 20-5688-0-2-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	543	305	314
10.00 Total new obligations (object class 41.0) .....	543	305	314
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	247	16	32
22.00 New budget authority (gross) .....	312	321	331
23.90 Total budgetary resources available for obligation .....	559	337	363
23.95 Total new obligations .....	-543	-305	-314
24.40 Unobligated balance carried forward, end of year .....	16	32	49
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	312	321	331
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		312	296
73.10 Total new obligations .....	543	305	314
73.20 Total outlays (gross) .....	-231	-321	-331
74.40 Obligated balance, end of year .....	312	296	279
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		305	314

86.98 Outlays from mandatory balances .....	231	16	17
87.00 Total outlays (gross) .....	231	321	331
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	312	321	331
90.00 Outlays .....	231	321	331

The U.S. Customs Service collects duties assessed pursuant to a countervailing duty order, an antidumping duty order, or a finding under the Antidumping Act of 1921. Under a provision enacted in 2000, the Customs Service currently distributes these duties to affected domestic producers. These distributions provide a significant additional benefit to procedures that already gain protection from the increased import prices provided by the tariffs. While the Administration does not believe that these payments are inconsistent with U.S. treaty obligations, legislative repeal of the provision would allow the funds to be directed to higher priority uses.

**Public enterprise revolving fund:****CHECK FORGERY INSURANCE FUND****Program and Financing (in millions of dollars)**

Identification code 20-4109-0-3-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....		3	3
09.01 Reimbursable program .....	23	20	17
10.00 Total new obligations .....	23	23	20
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	11	11	11
22.00 New budget authority (gross) .....	23	23	20
23.90 Total budgetary resources available for obligation .....	34	34	31
23.95 Total new obligations .....	-23	-23	-20
24.40 Unobligated balance carried forward, end of year .....	11	11	11
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....		3	3
69.00 Offsetting collections (cash) .....	23	20	17
70.00 Total new budget authority (gross) .....	23	23	20
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		
73.10 Total new obligations .....	23	23	20
73.20 Total outlays (gross) .....	-24	-23	-20
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	23	12	20
86.98 Outlays from mandatory balances .....	1	11	
87.00 Total outlays (gross) .....	24	23	20
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-23	-20	-17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		3	3
90.00 Outlays .....	1	3	3

This fund was established as a permanent, indefinite appropriation in order to maintain adequate funding of the Check Forgery Insurance Fund (Fund). The Fund facilitates timely payments for replacement Treasury checks necessitated due to a claim of forgery. The Fund recoups disbursements through reclamations made against banks negotiating forged checks.

To reduce hardships sustained by payees of Government checks that have been stolen and forged, settlement is made in advance of the receipt of funds from the endorsers of the checks. If the U.S. Treasury is unable to recover funds through reclamation procedures, the Fund sustains the loss.

Object Classification (in millions of dollars)			
Identification code 20-4109-0-3-803	2002 actual	2003 est.	2004 est.
42.0 Direct obligations: Insurance claims and indemnities .....		3	3
42.0 Reimbursable obligations: Insurance claims and indemnities .....	23	20	17
99.9 Total new obligations .....	23	23	20

**Trust Funds**

**CHEYENNE RIVER SIOUX TRIBE TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST FUND**

Unavailable Collections (in millions of dollars)			
Identification code 20-8209-0-7-306	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	16	21	26
Receipts:			
02.40 General fund payments, Cheyenne river sioux tribe terrestrial wildlife habitat restoration .....	4	4	4
02.41 Earnings on investments .....			1
02.42 General fund payments, Lower bruel sioux tribe terrestrial wildlife habitat restoration .....	1	1	1
02.99 Total receipts and collections .....	5	5	6
04.00 Total: Balances and collections .....	21	26	32
Appropriations:			
05.00 Cheyenne river sioux tribe terrestrial wildlife habitat restoration .....			
07.99 Balance, end of year .....	21	26	32

**Program and Financing (in millions of dollars)**

Identification code 20-8209-0-7-306	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	5	5	5
60.45 Portion precluded from obligation .....	-5	-5	-5
62.50 Appropriation (total mandatory) .....			
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	16	22	27
92.02 Total investments, end of year: Federal securities: Par value .....	22	27	33

This schedule reflects the payments made to the Cheyenne River Sioux Tribe Terrestrial Wildlife Restoration Trust Fund and the Lower Brule Sioux Tribe Terrestrial Wildlife Restoration Trust Fund. After the funds are fully capitalized (at a total level of \$57.4 million), interest earned will be available to carry out the purposes of the funds.

**FEDERAL FINANCING BANK ACTIVITIES**

**Federal Funds**

**Intragovernmental funds:**

**FEDERAL FINANCING BANK**

**Program and Financing (in millions of dollars)**

Identification code 20-4521-0-4-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Administrative expenses .....	3	3	3
09.02 Interest on borrowings from Treasury .....	2,040	2,268	2,482
09.03 Interest on borrowings from civil service retirement trust fund .....	1,337	403	

10.00 Total new obligations .....	3,380	2,674	2,485
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	1
22.00 New budget authority (gross) .....	3,380	2,673	2,485
23.90 Total budgetary resources available for obligation .....	3,381	2,674	2,486
23.95 Total new obligations .....	-3,380	-2,674	-2,485
24.40 Unobligated balance carried forward, end of year .....	1	1	1

**New budget authority (gross), detail:**

Mandatory:			
67.10 Authority to borrow .....	139	50	58
69.00 Offsetting collections (cash) .....	3,329	2,623	2,427
69.47 Portion applied to repay debt .....	-88		
69.90 Spending authority from offsetting collections (total mandatory) .....	3,241	2,623	2,427
70.00 Total new budget authority (gross) .....	3,380	2,673	2,485

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	337	337	337
73.10 Total new obligations .....	3,380	2,674	2,485
73.20 Total outlays (gross) .....	-3,380	-2,673	-2,485
74.40 Obligated balance, end of year .....	337	337	337

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	3,380	2,673	2,485
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**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-3,329	-2,623	-2,427

**Net budget authority and outlays:**

89.00 Budget authority .....	51	50	58
90.00 Outlays .....	51	50	58

The Federal Financing Bank (FFB) was created in 1973 to reduce the costs of Federal and federally-assisted borrowing and to ensure the coordination of such borrowing from the public in a manner least disruptive to private financial markets and institutions. Prior to that time, many agencies borrowed directly from the private market to finance credit programs involving lending to the public at higher rates than on comparable Treasury securities. With the implementation of the Federal Credit Reform Act in 1992, however, agencies simply finance such loan programs through direct loan financing accounts that borrow directly from the Treasury. Therefore, FFB loans are now used primarily to finance direct agency activities such as construction of Federal buildings by the General Services Administration and meeting the financing requirements of the U.S. Postal Service. In certain cases, the FFB finances Federal direct loans to the public that would otherwise be made by private lenders and fully guaranteed by a Federal agency.

Lending by the FFB is set at 1/8 percent above Treasury rates and may take one of three forms, depending on the authorizing statutes pertaining to a particular agency or program: (1) the FFB may purchase agency financial assets; (2) the FFB may acquire debt securities that the agency is otherwise authorized to issue to the public; and (3) the FFB may originate direct loans on behalf of an agency by disbursing loans directly to private borrowers and receiving repayments from the private borrower on behalf of the agency. Because law requires that transactions by the FFB be treated as a means of financing agency obligations, the budgetary effect of the third type of transaction is reflected in the budget in the following sequence: a loan by the FFB to the agency, a loan by the agency to a private borrower, a repayment by a private borrower to the agency, and a repayment by the agency to the FFB.

Under a provision in the 1987 enabling legislation for the Agriculture Department's Cushion of credit payments program, the FFB receives substantially less interest each year on certain loans that it holds than it is contractually entitled

**Intragovernmental funds—Continued**

## FEDERAL FINANCING BANK—Continued

to receive. This provision, however, does not reduce the amount of interest the FFB owes on its corresponding loans from Treasury. The shortfalls in interest received by the FFB as a result of the provision resulted in substantial losses to the FFB in the past. The FFB will likely experience future losses due to this provision.

The following table shows the annual net lending by the FFB by agency and program and the amount outstanding at the end of each year. In October 2002, the FFB redeemed \$15 billion of debt that it had issued to the Civil Service Retirement and Disability Fund. The FFB repaid this debt by borrowing from the Treasury.

**NET LENDING AND LOANS OUTSTANDING, END OF YEAR**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>A. Department of Agriculture:</b>			
1. Rural housing loans:			
Lending, net .....	-1,470	-1,075	.....
Loans outstanding .....	2,905	1,830	1,830
2. Rural development loans:			
Lending, net .....	-1,485	-145	-605
Loans outstanding .....	950	805	200
3. Rural Utilities Service:			
Lending, net .....	459	437	400
Loans outstanding .....	18,325	18,762	18,162
<b>B. Department of Defense:</b>			
1. Defense working capital funds:			
Lending, net .....	-160	-160	-115
Loans outstanding .....	781	621	506
<b>C. Department of Education:</b>			
1. Historically black colleges and universities:			
Lending, net .....	37	20	40
Loans outstanding .....	69	89	129
<b>D. Department of Housing and Urban Development:</b>			
1. Section 108 guaranteed loans:			
Lending, net .....	-3	-2	-2
Loans outstanding .....	5	3	1
2. Low-rent public housing:			
Lending, net .....	-71	-71	-71
Loans outstanding .....	1,207	1,136	1,065
<b>E. Department of the Interior:</b>			
1. Territory of the Virgin Islands:			
Lending, net .....	-2	-1	-2
Loans outstanding .....	11	10	8
<b>F. Department of Transportation:</b>			
1. Railroad Revitalization and Regulatory Reform Act:			
Lending, net .....	.....	.....	.....
Loans outstanding .....	3	3	3
<b>G. General Services Administration:</b>			
1. Federal buildings fund:			
Lending, net .....	-62	-10	10
Loans outstanding .....	2,206	2,198	2,206
<b>H. International Assistance Programs:</b>			
1. Foreign military sales credit:			
Lending, net .....	-234	-234	-223
Loans outstanding .....	1,923	1,689	1,466
<b>I. Small Business Administration:</b>			
1. Section 503 guaranteed loans:			
Lending, net .....	-30	-15	-11
Loans outstanding .....	102	87	76
<b>J. Postal Service:</b>			
Lending, net .....	-199	-4,291	-3,046
Loans outstanding .....	11,114	6,823	3,777
<b>Total lending:</b>			
Lending, net .....	-3,220	-5,547	-3,625
Loans outstanding .....	39,601	34,054	30,429

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Enacted/requested:</b>			
Budget Authority .....	51	50	58
Outlays .....	51	50	58
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority .....	.....	2	5
Outlays .....	.....	2	5

<b>Total:</b>			
Budget Authority .....	51	52	63
Outlays .....	51	52	63

**Balance Sheet (in millions of dollars)**

Identification code 20-4521-0-4-803	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
<b>Federal assets:</b>				
1101 Fund balances with Treasury .....	577	577	577	577
Investments in US securities:				
1104 Agency securities, par .....	42,609	39,230	37,175	36,218
1106 Receivables, net .....	873	529	457	382
1999 Total assets .....	44,059	40,336	38,209	37,177
<b>LIABILITIES:</b>				
<b>Federal liabilities:</b>				
2101 Accounts payable .....	1,198	858	786	711
<b>Debt:</b>				
2103 Borrowing from Treasury .....	27,979	24,792	37,787	36,889
2103 Borrowing from the Civil service retirement trust fund .....	15,000	15,000	.....	.....
2999 Total liabilities .....	44,177	40,650	38,573	37,600
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	-118	-314	-364	-423
3999 Total net position .....	-118	-314	-364	-423
4999 Total liabilities and net position .....	44,059	40,336	38,209	37,177

**Object Classification (in millions of dollars)**

Identification code 20-4521-0-4-803	2002 actual	2003 est.	2004 est.
25.2 Other services .....	3	3	3
43.0 Interest and dividends .....	3,377	2,671	2,482
99.9 Total new obligations .....	3,380	2,674	2,485

**FEDERAL FINANCING BANK**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 20-4521-2-4-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Interest on Borrowing from Treasury .....	.....	2	5
09.01 Interest on Borrowing from Treasury .....	.....	-25	-78
10.00 Total new obligations .....	.....	-23	-73
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	.....	-23	-73
23.95 Total new obligations .....	.....	23	73
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
67.10 Authority to borrow .....	.....	2	5
69.00 Offsetting collections (cash) .....	.....	-25	-78
70.00 Total new budget authority (gross) .....	.....	-23	-73
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	.....	-23	-73
73.20 Total outlays (gross) .....	.....	23	73
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	.....	-23	-73
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	.....	25	78
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	2	5
90.00 Outlays .....	.....	2	5

Two of the Administration's legislative proposals would affect the FFB's interest payments and balances of outstanding

debt. First, proposed legislation reducing payments from the Postal Service to the Civil Service Retirement and Disability Fund would allow the Postal Service Fund to repay its loans from the FFB earlier than projected under current law. Second, proposed legislation in the Native American and Transitional Housing Direct Loan Program would eliminate its need to borrow through the FFB.

**Balance Sheet** (in millions of dollars)

Identification code 20-4521-2-4-803	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
Investments in US securities:				
1104 Agency securities, par .....			-3,499	-6,194
1106 Receivables, net .....			-8	-23
1999 Total assets .....			-3,507	-6,217
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....			-8	-23
2103 Borrowing from Treasury .....			-3,497	-6,187
2999 Total liabilities .....			-3,505	-6,210
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....			-2	-7
3999 Total net position .....			-2	-7
4999 Total liabilities and net position .....			-3,507	-6,217

**Object Classification** (in millions of dollars)

Identification code 20-4521-2-4-803	2002 actual	2003 est.	2004 est.
43.0 Direct obligations: Interest and dividends .....		2	5
43.0 Reimbursable obligations: Interest and dividends .....		-25	-78
99.9 Total new obligations .....		-23	-73

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

*For necessary expenses of carrying out section 1111 of the Homeland Security Act of 2002, including hire of passenger motor vehicles, \$80,000,000; of which not to exceed \$2,000 for official reception and representation expenses; not to exceed \$50,000 for cooperative research and development programs for Laboratory Services; and provision of laboratory assistance to State and local agencies with or without reimbursement.*

**Program and Financing** (in millions of dollars)

Identification code 20-1008-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Protect the Public .....	21	23	23
00.02 Collect revenue .....	52	57	57
01.92 Total direct program .....	73	80	80
09.01 Reimbursable program .....	1	1	1
10.00 Total new obligations .....	74	81	81

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	74	81	81
23.95 Total new obligations .....	-74	-81	-81

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	73	80	80
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	74	81	81

**Change in obligated balances:**

72.40 Obligated balance, start of year .....		6	7
73.10 Total new obligations .....	74	81	81
73.20 Total outlays (gross) .....	-68	-79	-81
74.40 Obligated balance, end of year .....	6	7	7

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	68	73	73
86.93 Outlays from discretionary balances .....		6	8
87.00 Total outlays (gross) .....	68	79	81

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Drug enforcement .....			
88.00 Other Federal sources .....	-1	-1	-1
88.90 Total, offsetting collections (cash) .....	-1	-1	-1

**Net budget authority and outlays:**

89.00 Budget authority .....	73	80	80
90.00 Outlays .....	67	78	80

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

The Homeland Security Act created a new bureau within the United States Department of the Treasury charged with collecting revenue and protecting the public. This new bureau enforces the Federal laws and regulations relating to alcohol and tobacco by working directly and in cooperation with others to: (1) Maintain a sound revenue management and regulatory system that continues reducing taxpayer burden, improving service, collecting the revenue due and preventing tax evasion and other criminal conduct; and (2) Protect the public and prevent consumer deception in regulated commodities.

Performance measurements continue to be refined and improved in order to provide viable output and outcome measures for the bureau. The organization is participating in the American Customer Satisfaction Index with the University of Michigan to benchmark customer services satisfaction (e.g. Certificates of Label Approvals).

**Object Classification** (in millions of dollars)

Identification code 20-1008-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	27	30	33
11.5 Other personnel compensation .....	6	5	1
11.9 Total personnel compensation .....	33	35	34
12.1 Civilian personnel benefits .....	12	13	10
21.0 Travel and transportation of persons .....	2	2	5
23.1 Rental payments to GSA .....	5	5	7
23.3 Communications, utilities, and miscellaneous charges .....	2	3	2
25.2 Other services .....	11	11	19
26.0 Supplies and materials .....	1	2	1
31.0 Equipment .....	7	7	2
32.0 Land and structures .....		2	
99.0 Direct obligations .....	73	80	80
99.0 Reimbursable obligations .....	1	1	1
99.9 Total new obligations .....	74	81	81

**Personnel Summary**

Identification code 20-1008-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	543	544	544
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	16	15	15

General and special funds—Continued

INTERNAL REVENUE COLLECTIONS FOR PUERTO RICO

Unavailable Collections (in millions of dollars)

Identification code 20-5737-0-2-806	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
Receipts:			
02.00 Deposits, internal revenue collections for Puerto Rico	341	355	307
02.00 Legislative proposal subject to PAYGO			57
02.99 Total receipts and collections	341	355	364
Appropriations:			
Appropriations:			
05.00 Internal revenue collections for Puerto Rico	-341	-355	-307
05.00 Legislative proposal subject to PAYGO			-57
05.99 Total appropriations	-341	-355	-364
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 20-5737-0-2-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	341	355	307
10.00 Total new obligations (object class 41.0)	341	355	307
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	341	355	307
23.95 Total new obligations	-341	-355	-307
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund)	341	355	307
<b>Change in obligated balances:</b>			
73.10 Total new obligations	341	355	307
73.20 Total outlays (gross)	-341	-355	-307
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	341	355	307
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	341	355	307
90.00 Outlays	341	355	307

Excise taxes collected under the Internal Revenue laws of the United States on articles produced in Puerto Rico and either transported to the United States or consumed on the island are paid to Puerto Rico (26 U.S.C. 7652).

Summary of Budget Authority and Outlays

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority	341	355	307
Outlays	341	355	307
Legislative proposal, subject to PAYGO:			
Budget Authority			57
Outlays			57
Total:			
Budget Authority	341	355	364
Outlays	341	355	364

INTERNAL REVENUE COLLECTIONS FOR PUERTO RICO  
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 20-5737-4-2-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity			57
10.00 Total new obligations (object class 41.0)			57
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			57
23.95 Total new obligations			-57
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund)			57
<b>Change in obligated balances:</b>			
73.10 Total new obligations			57
73.20 Total outlays (gross)			-57
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority			57
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			57
90.00 Outlays			57

Excise taxes imposed on rum at the generally applicable distilled spirits rate of \$13.50 per proof gallon imported from places other than Puerto Rico and the Virgin Islands are transferred (covered over) to Puerto Rico and the Virgin Islands under a permanent provision at a rate of \$10.50 per proof gallon. A temporary cover-over rate of \$13.25 a proof gallon applies until the end of 2003. The Budget proposes to extend the temporary cover-over rate through the end of 2005.

BUREAU OF ENGRAVING AND PRINTING

Federal Funds

Intragovernmental funds:

BUREAU OF ENGRAVING AND PRINTING FUND

Program and Financing (in millions of dollars)

Identification code 20-4502-0-4-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Currency program	384	465	488
09.02 Postage program	46	40	38
09.03 Other programs	13	8	7
09.11 Purchase of operating equipment	44	99	99
09.12 Plant alterations and experimental equipment	1	1	1
10.00 Total new obligations	488	613	633
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	154	109	9
22.00 New budget authority (gross)	443	513	533
23.90 Total budgetary resources available for obligation	597	622	542
23.95 Total new obligations	-488	-613	-633
24.40 Unobligated balance carried forward, end of year	109	9	-91
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	443	513	533
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	81	25	105
73.10 Total new obligations	488	613	633
73.20 Total outlays (gross)	-544	-533	-533

74.40	Obligated balance, end of year .....	25	105	205
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	443	513	533
86.93	Outlays from discretionary balances .....	101	20	.....
87.00	Total outlays (gross) .....	544	533	533
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Postage .....	-46	-40	-38
88.00	Other .....	-13	-8	-7
88.40	Currency .....	-384	-465	-488
88.90	Total, offsetting collections (cash) .....	-443	-513	-533
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	.....	.....	.....
90.00	Outlays .....	101	20	.....

The Bureau of Engraving and Printing designs, manufactures, and supplies Federal Reserve notes, various public debt instruments, as well as most evidences of a financial character issued by the United States, such as postage and internal revenue stamps. The Bureau executes certain printings for various territories administered by the United States, particularly postage and revenue stamps.

The anticipated work volume is based on estimates of requirements submitted by agencies served. The program comprises the following activities:

*Engraving and printing—*

*Currency.*—Total deliveries of currency for 2003 and 2004 are estimated to be 8.2 and 8.5 billion respectively. During 2002, the Bureau delivered 7.0 billion Federal Reserve notes.

*Stamps.*—This category of work is comprised of postal and internal revenue stamps. The projected requirements of 2003 and 2004 are estimated to be 9.0 billion and 7.5 billion stamps, respectively. In 2002, the Bureau delivered 12.2 billion stamps.

*Securities.*—This program encompasses the production of a wide variety of bonds, notes, and debentures for the Bureau of Public Debt and certain other agencies of the Government.

*Commissions, certificates, etc.*—This program is comprised primarily of Presidential and Department of Defense commissions and certificates, White House invitations, and identification cards for various Government agencies. It represents a small portion of the Bureau's total workload.

*Space utilized by other agencies.*—Other agencies are charged for services provided in the space occupied in the Bureau's buildings.

*Other miscellaneous services.*—A wide variety of miscellaneous services are performed by Bureau personnel for other agencies, which are charged on an actual cost basis.

*Purchase of operating equipment.*—This category consists of new purchases and replacement of printing equipment and other related printing items.

*Plant alterations and experimental equipment.*—This category encompasses alterations made on the Bureau's buildings and purchases of experimental equipment.

The operations of the Bureau are currently financed by means of a revolving fund established in accordance with the provisions of Public Law 656, August 4, 1950 (31 U.S.C. 181), which requires the Bureau to be reimbursed by customer agencies for all costs of manufacturing products and services performed. The Bureau is also authorized to assess amounts to acquire capital equipment and provide for working capital needs. Bureau operations during 2002 resulted in a decrease to retained earnings of \$29 million.

**PERFORMANCE MEASURES**

	2002 actual	2003 est.	2004 est.
Manufacturing workyears .....	1,775	1,820	1,780
Protection and accountability of assets .....	452	460	460
Resource management workyears .....	345	340	330
Total workyears .....	2,572	2,620	2,570
<b>Manufacturing:</b>			
Federal Reserve orders met as requested .....	100%	100%	100%
USPS orders met as requested .....	100%	Discontinued	Discontinued
Change in productivity from prior year .....	-6.3%	0%	Discontinued
Manufacturing cost for currency (cost per 1000 notes) .....	\$30.03	\$31.00	\$35.00
Manufacturing cost for stamps 100 stamp flag coil pressure sensitive (cost per 1000 stamps) .....	\$1.48	Discontinued	Discontinued
Notes returned by Federal Reserve due to manufacturing defect (per million notes) .....	.006	.025	Discontinued
Stamps returned by USPS due to manufacturing defect (per million stamps) .....	.02	Discontinued	Discontinued
Notes returned by Federal Reserve because of counterfeit deterrence defect (per million notes) .....	.0142	Discontinued	Discontinued
Maintain/Upgrade ISO Certification .....	Certified	Certified	Certified
<b>Workload Measure:</b>			
Federal Reserve note deliveries (in billions) .....	7.0	8.2	8.5
Postage stamp deliveries (in billions) .....	12.2	9.0	7.5
<b>Protection and Accountability of Assets:</b>			
Currency shipment discrepancies (per million notes) .....	0.0	0.01	0.01
Postage Stamp discrepancies (per million stamps) .....	2.11	Discontinued	Discontinued
<b>Resource Management:</b>			
Annual financial statement audit opinion .....	Unqualified	Unqualified	Unqualified

<sup>1</sup> Unqualified opinion received.  
<sup>2</sup> Unqualified opinion expected.

**Statement of Operations (in millions of dollars)**

Identification code 20-4502-0-4-803	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	391	443	513	533
0102 Expense .....	-436	-472	-533	-533
0105 Net income or loss (-) .....	-45	-29	-20	.....

**Balance Sheet (in millions of dollars)**

Identification code 20-4502-0-4-803	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Non-Federal assets:				
1206 Receivables, net .....	22	71	30	20
1207 Advances and prepayments .....	2	4	1	1
Other Federal assets:				
1801 Cash and other monetary assets .....	238	137	168	100
1802 Inventories and related properties .....	73	79	49	30
1803 Property, plant and equipment, net .....	299	307	337	350
1901 Other assets—Machinery repair parts .....	21	21	20	15
1999 Total assets .....	655	619	605	516
<b>LIABILITIES:</b>				
Federal liabilities: Accounts payable .....				
2101 .....	8	16	20	10
Non-Federal liabilities:				
2201 Accounts payable .....	39	26	25	20
2206 Pension and other actuarial liabilities .....	59	57	60	65
2999 Total liabilities .....	106	99	105	95
<b>NET POSITION:</b>				
3100 Appropriated capital .....	32	32	32	32
3300 Cumulative results of operations .....	517	488	468	389
3999 Total net position .....	549	520	500	421
4999 Total liabilities and net position .....	655	619	605	516

**Object Classification (in millions of dollars)**

Identification code 20-4502-0-4-803	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	148	162	168
11.3 Other than full-time permanent .....	2	5	5
11.5 Other personnel compensation .....	12	23	24
11.9 Total personnel compensation .....	162	190	197
12.1 Civilian personnel benefits .....	42	55	56
21.0 Travel and transportation of persons .....	1	5	5
23.1 Rental payments to GSA .....	2	3	3
23.3 Communications, utilities, and miscellaneous charges .....	15	30	35
24.0 Printing and reproduction .....	.....	1	1
25.2 Other services .....	46	51	60

**Intragovernmental funds—Continued****BUREAU OF ENGRAVING AND PRINTING FUND—Continued****Object Classification (in millions of dollars)—Continued**

Identification code 20-4502-0-4-803	2002 actual	2003 est.	2004 est.
26.0 Supplies and materials .....	157	178	176
31.0 Equipment .....	63	100	100
99.9 Total new obligations .....	488	613	633

**Personnel Summary**

Identification code 20-4502-0-4-803	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	2,400	2,627	2,627

**UNITED STATES MINT****Federal Funds****Public enterprise revolving funds:****UNITED STATES MINT PUBLIC ENTERPRISE FUND**

Pursuant to section 5136 of title 31, United States Code, the United States Mint is provided funding through the United States Mint Public Enterprise Fund for costs associated with the production of circulating coins, numismatic coins, and protective services, including both operating expenses and capital investments. The aggregate amount of new liabilities and obligations incurred during fiscal year 2004 under such section 5136 for circulating coinage and protective service capital investments of the United States Mint shall not exceed \$40,652,000.

**Program and Financing (in millions of dollars)**

Identification code 20-4159-0-3-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Circulating coinage .....	176	236	244
09.02 Commemorative states quarters .....	158	226	236
09.03 Numismatic and investment products .....	362	445	450
09.04 Protection .....	42	39	41
10.00 Total new obligations .....	738	946	971
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	15	64	64
22.00 New budget authority (gross) .....	827	946	971
22.40 Capital transfer to general fund .....	-40		
23.90 Total budgetary resources available for obligation	802	1,010	1,035
23.95 Total new obligations .....	-738	-946	-971
24.40 Unobligated balance carried forward, end of year .....	64	64	64
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	13		
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	804	946	971
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	10		
68.90 Spending authority from offsetting collections (total discretionary) .....	814	946	971
70.00 Total new budget authority (gross) .....	827	946	971
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	250	237	237
73.10 Total new obligations .....	738	946	971
73.20 Total outlays (gross) .....	-741	-946	-971
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-10		
74.40 Obligated balance, end of year .....	237	237	237
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	741	946	971

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40	Circulating coinage .....	-206	-254 -262
88.40	Commemorative quarters .....	-194	-247 -259
88.40	Numismatic and investment products .....	-404	-445 -450
88.90	Total, offsetting collections (cash) .....	-804	-946 -971
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-10	
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	13	
90.00	Outlays .....	-63	

The United States Mint manufactures coins, sells numismatic and investment products, and provides for security and asset protection. Public Law 104-52, dated November 19, 1995, enacted 5136, of Subchapter III of chapter 51 of subtitle IV of title 31, United States Code established the United States Mint Public Enterprise Fund (the Fund). The Fund encompasses the previous Salaries and Expenses, Coinage Profit Fund, Coinage Metal Fund, and the Numismatic Public Enterprise Fund. The Mint submits annual audited business-type financial statements to the Secretary of the Treasury and to Congress in support of the operations of the revolving fund.

The operations of the Mint are divided into three major activities: Circulating Coinage; Numismatic and Investment Products; and Protection. The Mint is credited with receipts from its circulating coinage operations, equal to the full cost of producing and distributing coins that are put into circulation, including depreciation of the Mint's plant and equipment on the basis of current replacement value. From that, the Mint pays its cost of operations, which includes the costs of production and distribution. The difference between the face value of the coins and these costs are profit, which is deposited as seigniorage to the general fund. In 2002, the Mint transferred \$1,030 million to the general fund. Any seigniorage used to finance the Mint's capital acquisitions is recorded as budget authority in the year that funds are obligated for this purpose, and as receipts over the life of the asset.

**Circulating Coinage.**—This activity funds the manufacture of circulating coins for sale to the Federal Reserve System as determined by public demand. In 2004, this activity will manufacture 13.8 billion coins for sale to the Federal Reserve System. In 1996, with the merger of the former Coinage Metal Fund into the Mint Public Enterprise Fund, the Mint began including the cost of metal in the Circulating Coinage activity.

**Numismatic and Investment Products.**—This activity funds the manufacture of numismatic and bullion coins, medals, and other products for sale to collectors and the general public. These coins include annual recurring programs such as proof and uncirculated sets, silver proof coins, the American Eagle gold and silver bullion uncirculated and proof coins, American Eagle platinum coins, and national and historic medals. The activity also includes nonrecurring programs for coins and medals which are legislated to commemorate specific events or individuals. In 2004, this activity will fund the Thomas A. Edison Commemorative Coin Program and the Lewis and Clark Expedition Commemorative Coin Program. In addition, the Fifty States Commemorative Coin Program Act authorized, beginning in 1999, the issuance of quarters for sale to the public and to the Federal Reserve System honoring each of the 50 states with a design emblematic of that state. These quarters will be issued in the order of each state's admission to the Union. The Mint will produce five different state quarter designs each year resulting in a 10-year program. All coins produced for this program are considered to be numismatic products (Public Law 105-124).

**Protection.**—This activity funds protection of the Government's stock of gold and silver bullion, coins, Mint employees and visitors, plant facilities and equipment, and all other Mint property against abuse, theft, damage, disorders, and all other unsafe or illegal practices by utilizing police officers and modern protective devices.

	2002 actual	2003 est.	2004 est.
Lost Time Accident Rate .....	2.24	1.44	1.24
Workforce Climate** .....	N/A	TBD	TBD
Cycle Time .....	112	150	128
Inventory Turnover .....	1.59	2.4	3.3
Machine Availability .....	52%	51%	57%
Yield .....	86%	96%	97%
Conversion Cost per 1000 Coin Equivalents .....	\$8.69	\$10.25	\$9.75
SG&A Costs as a % of Revenue (excl. Bullion) .....	12.7%	7.7%	7.7%
Customer Satisfaction Index .....	51%	90%	90%
Threat Index .....	1	0	0

\*\*The United States Mint will begin collecting new data in January 2003.

**Statement of Operations** (in millions of dollars)

Identification code 20-4159-0-3-803	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	1,120	802	1,010	1,035
0102 Expense .....	-1,053	-738	-946	-971
0105 Net income or loss (-) .....	67	64	64	64

**Balance Sheet** (in millions of dollars)

Identification code 20-4159-0-3-803	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	279	301	480	550
Investments in US securities:				
1106 Receivables, net .....	7	17	6	6
1107 Advances and prepayments .....	7	5	7	7
Other Federal assets:				
1802 Inventories and related properties .....	468	336	275	201
1803 Property, plant and equipment, net .....	327	314	376	398
1901 Other assets .....	5	13	5	5
1999 Total assets .....	1,093	986	1,149	1,167
<b>LIABILITIES:</b>				
Federal liabilities: Accounts payable .....				
2101 .....	160	167	179	182
Non-Federal liabilities:				
2201 Accounts payable .....	28	27	7	7
2207 Other .....	62	60	62	65
2999 Total liabilities .....	250	254	248	254
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	843	732	901	913
3999 Total net position .....	843	732	901	913
4999 Total liabilities and net position .....	1,093	986	1,149	1,167

**Object Classification** (in millions of dollars)

Identification code 20-4159-0-3-803	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	113	135	141
11.3 Other than full-time permanent .....	1		
11.5 Other personnel compensation .....	15	12	12
11.9 Total personnel compensation .....	129	147	153
12.1 Civilian personnel benefits .....	37	39	40
13.0 Benefits for former personnel .....	3	1	1
21.0 Travel and transportation of persons .....	3	3	4
22.0 Transportation of things .....	27	26	27
23.1 Rental payments to GSA .....	1	1	
23.2 Rental payments to others .....	18	18	17
23.3 Communications, utilities, and miscellaneous charges .....	12	15	18
24.0 Printing and reproduction .....	2	8	8
25.2 Other services .....	85	124	131
26.0 Supplies and materials .....	367	511	512
31.0 Equipment .....	30	42	53
32.0 Land and structures .....	24	11	7
99.9 Total new obligations .....	738	946	971

**Personnel Summary**

Identification code 20-4159-0-3-803	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	2,428	2,467	2,610

**BUREAU OF THE PUBLIC DEBT**

**Federal Funds**

**General and special funds:**

**ADMINISTERING THE PUBLIC DEBT**

*For necessary expenses connected with any public-debt issues of the United States, \$178,098,000, of which not to exceed \$2,500 shall be available for official reception and representation expenses, and of which not to exceed \$2,000,000 shall remain available until expended for systems modernization: Provided, That the sum appropriated herein from the General Fund for fiscal year 2004 shall be reduced by not more than \$4,400,000 as definitive security issue fees and Treasury Direct Investor Account Maintenance fees are collected, so as to result in a final fiscal year 2004 appropriation from the General Fund estimated at \$173,698,000. In addition, \$40,000, to be derived from the Oil Spill Liability Trust Fund, to reimburse the Bureau for administrative and personnel expenses for financial management of the Fund, as authorized by section 1012 of Public Law 101-380.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 20-0560-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Savings and retirement securities .....	135	137	127
00.02 Marketable and special securities .....	50	54	47
00.03 Reimbursements to Federal Reserve Banks .....	135	133	131
09.01 Reimbursable program .....	8	10	10
10.00 Total new obligations .....	328	334	315
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	5	5
22.00 New budget authority (gross) .....	328	334	315
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	336	339	320
23.95 Total new obligations .....	-328	-334	-315
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	5	5	5

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	188	191	174
<b>Mandatory:</b>			
60.00 Appropriation .....	131	133	131
<b>Spending authority from offsetting collections:</b>			
Discretionary:			
Offsetting collections (cash):			
68.00 Offsetting collections (cash) .....	5	6	6
68.00 Offsetting collections (user fees) .....	3	4	4
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	9	10	10
70.00 Total new budget authority (gross) .....	328	334	315

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	82	86	90
73.10 Total new obligations .....	328	334	315
73.20 Total outlays (gross) .....	-322	-330	-317
73.45 Recoveries of prior year obligations .....	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		

**General and special funds—Continued**

**ADMINISTERING THE PUBLIC DEBT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 20-0560-0-1-803	2002 actual	2003 est.	2004 est.
74.40 Obligated balance, end of year .....	86	90	88
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	173	178	163
86.93 Outlays from discretionary balances .....	19	22	23
86.97 Outlays from new mandatory authority .....	66	98	100
86.98 Outlays from mandatory balances .....	64	32	31
87.00 Total outlays (gross) .....	322	330	317
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-5	-6	-6
88.40 Non-Federal sources .....	-3	-4	-4
88.90 Total, offsetting collections (cash) .....	-8	-10	-10
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	319	324	305
90.00 Outlays .....	314	320	307
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	8	9	9
99.01 Outlays .....	8	9	9

This appropriation provides funds for the conduct of all public debt operations and the promotion of the sale of U.S. savings-type securities.

*Processing and accounting for:*

*Savings securities.*—This activity involves the issuance, servicing, and retirement of savings bonds and notes and retirement-type securities, including: (1) the maintenance and servicing of individual accounts of owners of series H and HH bonds and the authorization of interest payments; and (2) the maintenance of accounting control over financial transactions, securities transactions and accountability, and interest cost. These functions are performed directly by the Bureau of the Public Debt, by the Federal Reserve Banks as fiscal agents of the United States, and by the qualified agents which issue and redeem savings bonds and notes.

The 2004 Budget does not seek funding for Public Debt to market and advertise savings securities.

	2002 actual	2003 est.	2004 est.
Provide accurate and timely public debt accounting information:			
Receive unqualified audit opinions on the public debt outstanding .....	n/a	n/a	Unqualified Opinion
Number of Savings Securities Redemptions (000) .....	41,410	42,000	42,000
Number of Savings Securities Issued (000) .....	44,001	52,500	52,500
Provide quality service to purchasers of savings bonds:			
Percent over-the-counter issued within three weeks .....	99.93%	99.95%	99.95%
Percent of customer service transactions within three weeks .....	95%	90%	n/a
Percent of customer service transactions within 13 business days .....	n/a	n/a	90%
Percent of customers rating their overall satisfaction as good or excellent .....	n/a	n/a	90%
Maintain a high quality workforce:			
Percent of employees rating the job satisfaction as satisfied or better .....	n/a	n/a	70%

*Marketable and special securities.*—This activity involves all securities of the United States, other than savings and retirement securities, including securities of Government corporations for which the Bureau of the Public Debt provides services. Functions performed relate to the issuance, serv-

icing, and retirement of these securities, both directly by the Bureau and through the Federal Reserve Banks, as fiscal agents, including: (1) The maintenance and servicing of individual accounts of owners of registered securities and book-entry Treasury bills; (2) the authorization of interest and principal payments; and (3) the maintenance of accounting control over financial transactions, securities transactions and accountability, and interest cost.

	2002 actual	2003 est.	2004 est.
Provide accurate and timely public debt accounting information:			
Receive unqualified audit opinions on the public debt outstanding .....	n/a	n/a	Unqualified Opinion
Meet the borrowing needs of the Federal Government:			
Percent completed within one hour .....	n/a	n/a	n/a
Percent completed within 25 minutes .....	99%	n/a	n/a
Percent completed within six minutes .....	n/a	80%	n/a
Percent completed within 2 minutes +/- 30 seconds .....	n/a	n/a	95%
Quality service to investors:			
Percent of Treasury Direct (TD) transactions within 3 weeks .....	97%	90%	90%
Percent of TD payments timely .....	100%	100%	n/a
Percent of TD payments accurately .....	100%	100%	n/a
Percent of TD payments timely and accurately .....	n/a	n/a	100%
Percent Commercial Book Entry payments accurately and timely .....	100%	100%	100%
Process Government Securities Investment Program transactions timely .....	100%	100%	n/a
Process Government Securities Investment Program transactions accurately .....	99%	99%	n/a
Percent of Federal Investment Program transactions timely and accurately .....	n/a	n/a	100%
Percent of customers rating their overall satisfaction as good or excellent .....	n/a	n/a	90%
Maintain a high quality workforce:			
Percent of employees rating the job satisfaction as satisfied or better .....	n/a	n/a	70%

**Object Classification (in millions of dollars)**

Identification code 20-0560-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	70	76	66
11.5 Other personnel compensation .....	4	4	4
11.9 Total personnel compensation .....	74	80	70
12.1 Civilian personnel benefits .....	18	18	16
21.0 Travel and transportation of persons .....	2	2	2
23.1 Rental payments to GSA .....	6	6	5
23.3 Communications, utilities, and miscellaneous charges .....	17	18	17
24.0 Printing and reproduction .....	3	6	4
25.2 Other services .....	26	35	33
25.3 Other purchases of goods and services from Government accounts .....	161	147	146
25.7 Operation and maintenance of equipment .....	3	2	2
26.0 Supplies and materials .....	2	3	3
31.0 Equipment .....	7	7	7
99.0 Direct obligations .....	319	324	305
99.0 Reimbursable obligations .....	8	10	10
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	328	334	315

**Personnel Summary**

Identification code 20-0560-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,453	1,478	1,333
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	5	5	5

PAYMENT OF GOVERNMENT LOSSES IN SHIPMENT

Program and Financing (in millions of dollars)

Identification code 20-1710-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		2	
10.00 Total new obligations (object class 42.0) .....		2	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		1	
22.00 New budget authority (gross) .....	1	1	
23.90 Total budgetary resources available for obligation .....	1	2	
23.95 Total new obligations .....		-2	
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	1	1	
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		2	
73.20 Total outlays (gross) .....		-1	
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	
90.00 Outlays .....		1	

This account was created as self-insurance to cover losses in shipment of Government property such as coins, currency, securities, certain losses incurred by the Postal Service, and losses in connection with the redemption of savings bonds. Approximately 150 claims are paid annually.

INTERNAL REVENUE SERVICE

The mission of the Internal Revenue Service is to provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.

To achieve this mission, the Service has established three strategic goals. In order to achieve the first goal "Service to Each Taxpayer," the IRS will make filing easier, provide first quality service to each taxpayer needing help with his or her return or account, provide prompt, professional, helpful treatment to taxpayers in cases where additional taxes may be due, and improve taxpayer access to toll-free telephone assistance. Second, to achieve the goal of "Service to All Taxpayers," the IRS will increase fairness of compliance, and increase overall compliance. The Service will meet its third goal "Productivity Through a Quality Work Environment," by increasing employee job satisfaction and productivity while the economy grows and service improves.

**Ensuring Fair Compliance:** The IRS is shifting enforcement resources from lower income individual and small corporate returns to focus on higher income individual returns, tax shelters and abusive schemes. In addition, the Budget includes a \$133 million initiative for 1,700 staff to help insure that compliance is enforced fairly for all taxpayers.

**Reengineering of the Collection Process:** The IRS goal is to collect all unpaid tax assessments that can be reasonably collected while protecting taxpayer rights through efficient, least burdensome techniques. The key to this goal is to identify taxpayer accounts with a high risk of non-payment as early as possible and to intervene immediately. To achieve this, the Budget proposes legislation to allow the use of contract collection agents. In addition, IRS is completely reengineering the collection process using new technology.

The IRS is changing the way it uses measures to focus attention on priorities, assess organizational performance and identify improvement opportunities. Management processes and activities are being realigned to ensure that they support the mission of the IRS and incorporate the principles of a balanced measurement system. Under this new approach, the framework for measuring organizational performance is aligned with its strategic goals and balances the Service's focus across three major areas: business results, customer satisfaction, and employee satisfaction, with business results being comprised of measures of quality and quantity.

The IRS has a long-term plan to raise performance in all dimensions of its mission by modernizing and reengineering all basic activities to conform to known best practices. In FY 2004, the IRS will improve performance primarily through better management and fundamental reengineering of business processes, and secondarily by increases in resources.

**Business Systems Modernization:** The Business Systems Modernization (BSM) appropriation provides for revamping business practices and acquiring new technology by a formal process of prioritization, approval, funding, and evaluation of an investment portfolio.

**Telephone Level of Service:** The goal is to provide service comparable to the best quality telephone based customer service organizations. This is measured by access, quality, and customer satisfaction. Success in these areas can be achieved by continuing implementation of our long-term plan which includes using technology to route telephone calls automatically to employees with specialized training.

**Increased e-File/e-Services:** Additional electronic filing options continue to produce long-term resource savings as we promote e-filed returns. Further savings will be realized during migration to an information- and transaction-based web site, facilitating more efficient communication with stakeholders.

**Health Insurance Tax Credit Administration:** The Budget includes a new account to fund the administrative costs of administering the new Trade Adjustment Assistance health insurance tax credit.

KEY OPERATIONAL MEASURES AND PERFORMANCE INDICATORS

	2002 actual	2003 Performance Plan	2004 President's Budget
<b>Performance goal A: Provide assistance to taxpayers in understanding their tax responsibilities and preparing accurate returns</b>			
Performance measures:			
1. Number of taxpayers assisted (direct) .....	NA	7,000,000	6,000,000
2. EP/EO determination letters .....	129,680	189,000	128,000
3. Advanced pricing agreements and negotiated positions .....	176	140	160
4. Number of taxpayers assisted (indirect) .....	NA	17,000,000	23,000,000
5. Total Published Guidance Items Published .....	367	330	400
<b>Performance goal B: Provide assistance to taxpayers in filing returns, receiving refunds, making payments and resolving questions about their accounts</b>			
Performance measures:			
1. Individual 1040 returns (paper) (thousands) .....	84,740	79,000	75,000
2. Business returns (thousands) (paper) .....	37,126	34,000	33,000
3. Individual 1040 returns (thousands) (electronic) .....	46,785	54,000	60,000
4. Total primary electronic returns (thousands) .....	53,026	61,000	68,000
5. Total primary paper returns filed (thousands) .....	174,892	174,000	176,000
6. Percent of individual returns filed electronically .....	36%	41%	44%
7. Information returns filed electronically (thousands) .....	367,063	TBD	TBD
8. Information returns filed electronically (%) .....	26%	TBD	TBD
9. IRS digital daily hits (billions) .....	3.11	4.00	4.70
10. Customer account correspondence (millions) .....	22.5	22.6	23.2
11. Teletax and toll-free automated calls (thousands) .....	63,796	50,000	50,000
13. Assistor call answered (thousands) .....	30,525	33,700	35,000
Toll-free customer satisfaction:			
% satisfied .....	56%	56%	57%
% dissatisfied .....	2%	2%	2%
15. Toll-free level of service .....	68%	72%	73%
16. Toll-free tax law quality .....	81%	tbd	tbd
17. Toll-free account quality .....	74%	77%	tbd

**KEY OPERATIONAL MEASURES AND PERFORMANCE INDICATORS—Continued**

	2002 actual	2003 Performance Plan	2004 President's Budget
18. Customer Satisfaction Walk-in:			
% satisfied .....	86%	88%	88%
% dissatisfied .....	8%	7%	7%
19. Total returns prepared (thousands) .....	886.8	737	589
20. Payment received electronically (thousands) .....	66,029	66,200	67,100
21. IRS Digital daily downloads (millions) .....	438	496	579
22. Tax law contracts .....	1,843,000	1,900,000	2,000,000
23. Customer accounts correspondence quality .....	75%	79%	TBD
24. Accounts contacts .....	3,110,000	3,300,000	3,600,000
25. Toll-free tax law accuracy .....	NA	86%	89%
26. Toll-free accounts accuracy .....	NA	91%	93%
Performance goal C: Bring taxpayers into compliance with the law			
Performance measures:			
1. Telephone customer satisfaction (ACS)			
% satisfied .....	53%	45%	48%
% dissatisfied .....	3%	7%	6%
2. ACS closures—Taxpayer delinquent accounts .....	950,696	1,050,000	1,138,000
3. ACS closures—Taxpayer delinquent investigations .....	190,411	202,000	220,000
4. Automated collection system (ACS) level of service .....	69%	74%	80%
5. Customer satisfaction—collection field			
% satisfied .....	51%	50%	51%
% dissatisfied .....	23%	15%	14%
6. Field collection—number of cases closed (TDA) .....	724,430	714,000	769,000
7. Field collection—number of cases closed TDI .....	140,737	113,000	122,000
8. Field collection quality .....	84%	87%	89%
9. Offers in compromise processed .....	110,205	100,000	125,000
10. Automated underreporter closures .....	2,922,182	2,900,000	3,100,000
11. Automated underreporter quality .....	95%	95%	tbd
12. Correspondence examination customer satisfaction			
% satisfied .....	33%	33%	34%
% dissatisfied .....	41%	35%	33%
13. Correspondence returns examined			
EITC .....	367,799	349,000	364,000
Non EITC .....	177,447	246,000	227,000
14. Correspondence examination quality .....	71%	73%	tbd
15. Field exam customer satisfaction			
% satisfied .....	47%	52%	53%
% dissatisfied .....	27%	17%	17%
16. Individual return examinations >\$100,000 .....	64,911	62,000	82,000
17. Individual return examinations <\$100,000 .....	140,350	121,000	148,000
18. Field exam quality SBSE			
Quality—Office .....	74%	73%	74%
Quality—Field .....	71%	76%	78%
19. Field exam quality LMSB			
quality—industry cases .....	69%	75%	77%
quality—coordinated industry cases .....	78%	85%	85%
20. Business returns examined .....	21,159	18,000	18,000
21. Corporate cases examined (large case) .....	528	486	486
22. Number of returns closed (large case) .....	4,851	4,100	4,100
23. EP and EO exam customer satisfaction			
% satisfied .....	70%	71%	71%
% dissatisfied .....	8%	7%	7%
24. EP/EO examination closed .....	13,549	15,000	20,400
25. EP and EO examination quality .....	75%	79%	82%
26. Innocent spouse determinations made claimant notified .....	60,730	52,000	51,000
27. Appeals cases closed (disposals) .....	68,015	77,000	77,000
28. Criminal Investigations completed .....	3,201	3,250	3,400
29. Total Tax court cases (beginning inventory and receipts) .....	36,141	30,000	31,000
30. Taxpayer advocate closure to receipt ratio .....	n/a	105%	105%
31. Taxpayer advocate casework quality index .....	72%	90%	90%
32. Total enforcement revenue (billions) .....	tbd	\$33.9	\$34.5
33. Agency-wide employee satisfaction .....	55%	58%	62%
34. Individual return examinations .....	205,261	183,000	230,000
35. Number of tax court receipts .....	17,371	18,000	18,500
36. Taxpayer contact full-time equivalent positions (with EITC) .....	68,243	67,534	69,290
37. Full-time equivalent positions per billion dollars of real gross domestic product .....	10.17	9.98	tbd
38. Employee health and safety—lost workday case rate .....	0.98%	0.49%	tbd

**Federal Funds**

**General and special fund:**

PROCESSING, ASSISTANCE, AND MANAGEMENT

For necessary expenses of the Internal Revenue Service for pre-filing taxpayer assistance and education, filing and account services, shared services support, general management and administration; and serv-

ices as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$4,074,694,000, of which up to \$3,950,000 shall be for the Tax Counseling for the Elderly Program, of which \$7,000,000 shall be available for low-income taxpayer clinic grants, and of which not to exceed \$25,000 shall be for official reception and representation expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 20-0912-0-1-803	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	5	6	6
Receipts:			
02.00 Enrolled agent fee increase .....	2	2	2
02.20 New installment agreements fees .....	54	53	53
02.21 Restructured installment agreements fees .....	8	8	8
02.22 General user fees, miscellaneous retained fees .....	7	7	7
02.99 Total receipts and collections .....	71	70	70
04.00 Total: Balances and collections .....	76	76	76
Appropriations:			
05.00 Processing, assistance, and management .....	-18	-40	-29
05.01 Tax law enforcement .....	-19	-1	-10
05.02 Information systems .....	-33	-29	-31
05.99 Total appropriations .....	-70	-70	-70
07.99 Balance, end of year .....	6	6	6

**Program and Financing (in millions of dollars)**

Identification code 20-0912-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Pre-filing taxpayer assistance and education .....	568	634	652
00.02 Filing and account services .....	1,590	1,637	1,668
00.03 Shared services support .....	1,215	1,203	1,240
00.04 General management and administration .....	479	526	544
01.00 Subtotal, direct programs .....	3,852	4,000	4,104
09.01 Reimbursable program .....	31	31	31
10.00 Total new obligations .....	3,883	4,031	4,135
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	38	30	30
22.00 New budget authority (gross) .....	3,874	4,031	4,135
22.10 Resources available from recoveries of prior year obligations .....	5		
23.90 Total budgetary resources available for obligation .....	3,917	4,061	4,165
23.95 Total new obligations .....	-3,883	-4,031	-4,135
23.98 Unobligated balance expiring or withdrawn .....	-4		
24.40 Unobligated balance carried forward, end of year .....	30	30	30
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3,811	3,958	4,075
50.00 Reappropriation .....	14	2	
Mandatory:			
60.20 Appropriation (special fund) .....	18	40	29
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	31	31	31
70.00 Total new budget authority (gross) .....	3,874	4,031	4,135
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	559	447	432
73.10 Total new obligations .....	3,883	4,031	4,135
73.20 Total outlays (gross) .....	-4,001	-4,046	-4,122
73.40 Adjustments in expired accounts (net) .....	11		
73.45 Recoveries of prior year obligations .....	-5		
74.40 Obligated balance, end of year .....	447	432	445
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3,423	3,554	3,656
86.93 Outlays from discretionary balances .....	560	452	437
86.97 Outlays from new mandatory authority .....	18	40	29

87.00	Total outlays (gross) .....	4,001	4,046	4,122
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	- 31	- 31	- 31
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	3,843	4,000	4,104
90.00	Outlays .....	3,970	4,015	4,091
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	173	191	204
99.01	Outlays .....	173	191	204

This appropriation provides for: processing tax returns and related documents; assisting taxpayers in the filing of their returns, paying taxes that are due, and complying with tax laws; issuing technical rulings; revenue accounting, conducting background investigations; managing financial resources, rent and utilities.

**Pre-Filing Taxpayer Assistance and Education.**—This activity includes resources to support services provided before a return is filed to assist the taxpayer in filing a correct return. Included in this activity are staffing, training and direct support for (1) pre-filing services operational management; (2) tax law interpretation and published guidance; (3) taxpayer communication and education to research customer needs, develop and manage education programs, establish partnerships with stakeholder groups, and disseminate tax information to taxpayers and the general public; (4) media and publications to supply notices and printed and electronic tax materials to taxpayers; (5) rulings and agreements to apply the tax law to specific taxpayers in the form of pre-filing agreements, determination letters, advance pricing agreements and other pre-filing determinations and advice; (6) marketing of electronic tax administration products and services; and (7) ensuring that taxpayers have an advocate to prevent future problems by identifying the underlying causes of taxpayers' problems and to participate in the development of systemic and/or procedural remedies.

**Filing and Account Services.**—This activity provides resources to support services provided to a taxpayer in the process of filing returns and paying taxes in addition to issuance of refunds and maintenance of taxpayers accounts. Included in this activity are staffing, training and direct support for (1) filing and account services operational management; (2) submission processing of paper and electronically submitted tax returns and supplemental documents which account for tax revenues, and issue refunds and tax notices; (3) electronic/correspondence assistance to taxpayers to resolve account and notice inquiries, either electronically or by telephone; (4) face-to-face assistance to taxpayers, including return preparation, answering tax questions, resolving account and notice inquiries, and supplying forms and publications to taxpayers; and (5) processing of information documents which enables the Service to match this information with that provided by taxpayers on their returns.

**Shared Services Support.**—This activity provides staffing, training and direct support for: (1) services and supplies to manage IRS facilities; (2) human resources programs including recruitment, labor and employee relations, workforce planning and evaluation, performance management, employee benefits, personnel security and transactional processing; (3) procurement; (4) the Servicewide EEO and Diversity program; (5) financial services including relocation, travel, imprest fund, purchase cards, corporate express and employee clearance; and (6) Treasury complaint centers. This activity also provides resources for (1) building rent; (2) IRS building services, maintenance space alterations, guard services, custodial overtime, utility services, and non-information technology equipment; (3) shared support such as copiers, postage meters, shredders, courier services, P.O. boxes, etc.; and (4)

cleaning, maintenance, utilities, security and repair costs of delegated buildings.

**General Management and Administration.**—This activity provides staffing, training and direct support for (1) business unit headquarters management activities of strategic planning, communications and liaison, finance, human resources, EEO and diversity, and business systems planning; (2) national headquarters management and administration of policy making and goal setting, leadership and direction for the IRS, building partner relationships with key stakeholders (e.g., Congress, OMB, etc.); (3) strategic direction Servicewide for communications, government liaison and disclosure, legislative affairs and public liaison; (4) general legal advice to the IRS on non-tax legal issues including procurement, personnel, labor relations, equal employment opportunity, fiscal law, tort claims and damages, ethics, and conflict of interest; and (5) payments for workmen's compensation benefits and unemployment compensation payments.

**Object Classification** (in millions of dollars)

Identification code 20-0912-0-1-803	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent .....	1,431	1,522	1,550
11.3	Other than full-time permanent .....	393	361	356
11.5	Other personnel compensation .....	105	124	134
11.9	Total personnel compensation .....	1,929	2,007	2,040
12.1	Civilian personnel benefits .....	527	546	566
13.0	Benefits for former personnel .....	33	32	33
21.0	Travel and transportation of persons .....	63	68	75
22.0	Transportation of things .....	23	18	19
23.1	Rental payments to GSA .....	588	595	621
23.2	Rental payments to others .....	1		
23.3	Communications, utilities, and miscellaneous charges .....	133	152	155
24.0	Printing and reproduction .....	82	85	87
25.1	Advisory and assistance services .....	61	17	17
25.2	Other services .....	125	259	264
25.3	Other purchases of goods and services from Government accounts .....	97	11	11
25.4	Operation and maintenance of facilities .....	116	137	140
25.6	Medical care .....	11	2	2
25.8	Subsistence and support of persons .....		3	3
26.0	Supplies and materials .....	23	24	25
31.0	Equipment .....	27	33	35
41.0	Grants, subsidies, and contributions .....	11	11	11
42.0	Insurance claims and indemnities .....	2		
99.0	Direct obligations .....	3,852	4,000	4,104
99.0	Reimbursable obligations .....	31	31	31
99.9	Total new obligations .....	3,883	4,031	4,135

**Personnel Summary**

Identification code 20-0912-0-1-803	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	43,866	43,246	42,407
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	531	546	510

**TAX LAW ENFORCEMENT**

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; providing litigation support; conducting criminal investigation and enforcement activities; securing unfiled tax returns; collecting unpaid accounts; conducting a document matching program; resolving taxpayer problems through prompt identification, referral and settlement; compiling statistics of income and conducting compliance research; purchase (for police-type use, not to exceed 850) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$3,976,641,000 of which not to

## General and special fund—Continued

## TAX LAW ENFORCEMENT—Continued

exceed \$1,000,000 shall remain available until September 30, 2006, for research.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 20-0913-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Compliance services .....	3,481	3,639	3,894
00.02 Research and statistics of income .....	81	90	93
01.00 Subtotal, Direct program .....	3,562	3,729	3,987
09.01 Reimbursable program .....	99	99	99
10.00 Total new obligations .....	3,661	3,828	4,086
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	.....
22.00 New budget authority (gross) .....	3,662	3,829	4,086
23.90 Total budgetary resources available for obligation .....	3,663	3,830	4,086
23.95 Total new obligations .....	-3,661	-3,828	-4,086
24.40 Unobligated balance carried forward, end of year .....	1	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3,543	3,729	3,977
40.73 Reduction pursuant to P.L. 107-206 .....	-6	.....	.....
42.00 Transferred from other accounts .....	1	.....	.....
43.00 Appropriation (total discretionary) .....	3,538	3,729	3,977
50.00 Reappropriation .....	6	.....	.....
Mandatory:			
60.20 Appropriation (special fund) .....	19	1	10
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	99	99	99
70.00 Total new budget authority (gross) .....	3,662	3,829	4,086
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	299	161	298
73.10 Total new obligations .....	3,661	3,828	4,086
73.20 Total outlays (gross) .....	-3,804	-3,691	-4,067
73.40 Adjustments in expired accounts (net) .....	5	.....	.....
74.40 Obligated balance, end of year .....	161	298	317
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3,485	3,529	3,758
86.93 Outlays from discretionary balances .....	300	161	299
86.97 Outlays from new mandatory authority .....	19	1	10
87.00 Total outlays (gross) .....	3,804	3,691	4,067
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-99	-99	-99
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,563	3,730	3,987
90.00 Outlays .....	3,705	3,592	3,968
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	244	259	277
99.01 Outlays .....	244	259	277

This appropriation funds IRS's ability to provide equitable application and enforcement of the tax laws, identify possible nonfilers for investigations, investigate violations of criminal statutes, and supports the Statistics of Income program.

**Compliance Services.**—This activity funds services provided to a taxpayer after a return is filed to identify and correct possible errors or underpayment. Included in this activity are staffing, training and support for: (1) compliance services operational management; (2) the centralized automated collec-

tion system (ACS) and collection by correspondence in service centers; (3) field investigations and collection efforts associated with delinquent taxpayer and business entity liabilities; (4) documents matching; (5) examination of taxpayer returns at service centers; (6) field exam to determine corresponding tax liabilities; (7) enforcement of criminal statutes related to violations of internal revenue laws and other financial crimes; (8) processing of reports for current transactions over \$10,000; (9) case settlement through the appeals process; (10) litigation; and (11) taxpayer advocate case processing.

**Research and Statistics of Income.**—This activity funds research and statistical analysis support for the Service. It provides annual income, financial, and tax data from tax returns filed by individuals, corporations, and tax-exempt organizations. Likewise it provides resources for market-based research to identify compliance issues, for conducting tests of treatments to address non-compliance, and for the implementation of successful treatments of taxpayer non-compliant behavior.

## Object Classification (in millions of dollars)

Identification code 20-0913-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	2,462	2,566	2,717
11.3 Other than full-time permanent .....	103	110	114
11.5 Other personnel compensation .....	98	109	115
11.8 Special personal services payments .....	6	8	9
11.9 Total personnel compensation .....	2,669	2,793	2,955
12.1 Civilian personnel benefits .....	627	651	714
21.0 Travel and transportation of persons .....	109	100	113
22.0 Transportation of things .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	41	41	42
24.0 Printing and reproduction .....	1	2	2
25.1 Advisory and assistance services .....	24	28	38
25.2 Other services .....	38	74	82
25.3 Other purchases of goods and services from Government accounts .....	20	1	1
25.4 Operation and maintenance of facilities .....	1	.....	.....
25.5 Research and development contracts .....	2	5	5
25.7 Operation and maintenance of equipment .....	1	6	6
25.8 Subsistence and support of persons .....	.....	3	3
26.0 Supplies and materials .....	18	19	20
31.0 Equipment .....	6	.....	.....
42.0 Insurance claims and indemnities .....	1	1	1
91.0 Unvouchered .....	2	3	3
99.0 Direct obligations .....	3,562	3,729	3,987
99.0 Reimbursable obligations .....	99	99	99
99.9 Total new obligations .....	3,661	3,828	4,086

## Personnel Summary

Identification code 20-0913-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	45,174	45,531	46,656
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	495	700	650

## EARNED INCOME TAX CREDIT COMPLIANCE INITIATIVE

For funding essential earned income tax credit compliance and error reduction initiatives \$251,167,000, of which not to exceed \$10,000,000 may be used to reimburse the Social Security Administration for the costs of implementing section 1090 of the Taxpayer Relief Act of 1997 (Public Law 105-33).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 20-0917-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Earned income tax credit .....	146	146	251
10.00 Total new obligations .....	146	146	251
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	146	146	251
23.95 Total new obligations .....	-146	-146	-251
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	146	146	251
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	145	146	251
50.00 Reappropriation .....	1		
70.00 Total new budget authority (gross) .....	146	146	251
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	28	23	22
73.10 Total new obligations .....	146	146	251
73.20 Total outlays (gross) .....	-151	-147	-230
74.40 Obligated balance, end of year .....	23	22	43
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	123	117	201
86.93 Outlays from discretionary balances .....	28	30	29
87.00 Total outlays (gross) .....	151	147	230
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	146	146	251
90.00 Outlays .....	153	147	230
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	8	8	9
99.01 Outlays .....	8	8	9

This appropriation provides for expanded customer service and public outreach programs, strengthened enforcement activities, and enhanced research efforts to reduce overclaims and erroneous filings associated with the Earned Income Tax Credit (EITC).

The budget includes a \$100 million initiative to implement an integrated approach to enhancing EITC administration. This approach recommended by Treasury's EITC Task Force would have claimants provide additional information to the IRS to validate eligibility before payment. Two principles underlie this approach: (1) the IRS will only refund EITC after there is clear information that the EITC filer is entitled to the EITC and (2) the IRS will use compliance and other available data to determine whether specific groups of claimants can be eliminated from certain certification requirements because they pose less risk. This approach promises to reduce non-compliance while minimizing burden and providing certainty to eligible claimants. A significant portion of the FY 2004 request will be used to develop new business processes and supporting technology infrastructure. Remaining funds will be used to begin the certification proposal with the recommendation of the EITC Task Force.

**Object Classification** (in millions of dollars)

Identification code 20-0917-0-1-803	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	79	82	121
11.3 Other than full-time permanent .....	17	14	15
11.5 Other personnel compensation .....	8	7	7
11.9 Total personnel compensation .....	104	103	143
12.1 Civilian personnel benefits .....	27	27	38
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1		
24.0 Printing and reproduction .....	3	3	3
25.1 Advisory and assistance services .....	2	1	1

25.2 Other services .....	7	10	64
25.3 Other purchases of goods and services from Government accounts .....	1		
31.0 Equipment .....		1	1
99.9 Total new obligations .....	146	146	251

**Personnel Summary**

Identification code 20-0917-0-1-803	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2,467	2,353	2,994

**COLLECTION CONTRACTOR SUPPORT**  
(Legislation proposal, subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 20-0929-4-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Collection Contractor Support .....			2
10.00 Total new obligations (object class 25.2) .....			2
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			2
23.95 Total new obligations .....			-2
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....			2
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			2
73.20 Total outlays (gross) .....			-2
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			2
90.00 Outlays .....			2

The Budget proposes legislation to allow IRS to employ private collection agents (PCAs) to help collect known tax debt and to pay PCA fees. Many states and other federal agencies already use private collectors, with impressive results. This legislation includes strong protections for taxpayer's rights.

**HEALTH INSURANCE TAX CREDIT ADMINISTRATION**

*For expenses necessary to implement the health insurance tax credit included in the Trade Act of 2002 (P.L. 107-210), \$35,000,000, to remain available until September 30, 2005.*

**Program and Financing** (in millions of dollars)

Identification code 20-0928-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Health Care Tax Administration .....		70	35
10.00 Total new obligations (object class 25.2) .....		70	35
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		70	35
23.95 Total new obligations .....		-70	-35
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		70	35
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			17
73.10 Total new obligations .....		70	35

**General and special fund—Continued**

**HEALTH INSURANCE TAX CREDIT ADMINISTRATION—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 20-0928-0-1-803	2002 actual	2003 est.	2004 est.
73.20 Total outlays (gross) .....		-53	-50
74.40 Obligated balance, end of year .....		17	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		53	32
86.93 Outlays from discretionary balances .....			18
87.00 Total outlays (gross) .....		53	50
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		70	35
90.00 Outlays .....		53	50

This appropriation provides operating funding to administer the advance payment feature of a new Trade Adjustment Assistance health insurance tax credit program to assist dislocated workers with their health insurance premiums. The tax credit program was enacted by the Trade Act of 2002 (P.L. 107-210) and is effective in August of 2003.

**INFORMATION SYSTEMS**

For necessary expenses of the Internal Revenue Service for information systems and telecommunications support, including developmental information systems and operational information systems; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$1,670,039,000, of which \$200,000,000 shall remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 20-0919-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Information systems improvement programs .....	39	50	50
00.02 Information services .....	1,589	1,611	1,651
01.00 Subtotal, Direct program .....	1,628	1,661	1,701
09.01 Reimbursable program .....	8	8	8
10.00 Total new obligations .....	1,636	1,669	1,709
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	18	21	21
22.00 New budget authority (gross) .....	1,605	1,669	1,709
22.10 Resources available from recoveries of prior year obligations .....	34		
23.90 Total budgetary resources available for obligation .....	1,657	1,690	1,730
23.95 Total new obligations .....	-1,636	-1,669	-1,709
24.40 Unobligated balance carried forward, end of year .....	21	21	21
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	1,558	1,632	1,670
40.00 Appropriation .....	16		
40.73 Reduction pursuant to P.L. 107-206 .....	-10		
43.00 Appropriation (total discretionary) .....	1,564	1,632	1,670
Mandatory:			
60.20 Appropriation (special fund) .....	33	29	31
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	8	8	8
70.00 Total new budget authority (gross) .....	1,605	1,669	1,709
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	559	411	363

73.10 Total new obligations .....	1,636	1,669	1,709
73.20 Total outlays (gross) .....	-1,750	-1,717	-1,759
73.45 Recoveries of prior year obligations .....	-34		
74.40 Obligated balance, end of year .....	411	363	313

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1,163	1,313	1,344
86.93 Outlays from discretionary balances .....	554	375	384
86.97 Outlays from new mandatory authority .....	33	29	31
87.00 Total outlays (gross) .....	1,750	1,717	1,759

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-8	-8	-8

**Net budget authority and outlays:**

89.00 Budget authority .....	1,597	1,661	1,701
90.00 Outlays .....	1,742	1,709	1,751

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	42	43	46
99.01 Outlays .....	42	43	46

This appropriation provides for Servicewide information systems operations and maintenance, and investments to enhance or develop business applications for the IRS Business Units. The appropriation includes staffing, telecommunications, hardware and software (including commercial-off-the-shelf), and contractual services.

**Information services.**—This activity provides the salaries, benefits, and related costs to manage, maintain, and operate the information systems that support tax administration. The Service's business activities rely on these information systems to process tax and information returns, account for tax revenues collected, send bills for taxes owed, issue refunds, assist in the selection of tax returns for audit, and provide telecommunications services for all business activities including the public's toll free access to tax information. These systems are located in a variety of sites including the Martinsburg, Tennessee and Detroit Computing Centers; Service Centers; and in other field office operations. Staffing in this activity develops and maintains the millions of lines of programming code supporting all aspects of tax-processing; as well as operating and administering the Service's hardware infrastructure of mainframes, minicomputers, personal computers, networks, and a variety of management information systems.

**Information systems improvement programs.**—This activity funds improvements or enhancements to business applications. These investments conform to the modernized IRS architecture. These projects differ in scope from those funded by the Business Systems Modernization Program, which addresses major common tax administration systems.

**Object Classification (in millions of dollars)**

Identification code 20-0919-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	542	556	580
11.3 Other than full-time permanent .....	5	3	3
11.5 Other personnel compensation .....	21	23	24
11.9 Total personnel compensation .....	568	582	607
12.1 Civilian personnel benefits .....	120	125	128
21.0 Travel and transportation of persons .....	20	22	22
23.3 Communications, utilities, and miscellaneous charges .....	211	210	208
25.1 Advisory and assistance services .....	2	4	4
25.2 Other services .....	337	343	351
25.3 Other purchases of goods and services from Government accounts .....	9	13	13
25.4 Operation and maintenance of facilities .....	3	1	1
25.7 Operation and maintenance of equipment .....	85	93	84
26.0 Supplies and materials .....	15	17	17
31.0 Equipment .....	258	251	266
99.0 Direct obligations .....	1,628	1,661	1,701
99.0 Reimbursable obligations .....	8	8	8

99.9	Total new obligations .....	1,636	1,669	1,709
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**Personnel Summary**

Identification code 20-0919-0-1-803	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	7,674	8,025	7,986
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	10	10	10

**BUSINESS SYSTEMS MODERNIZATION**

For necessary expenses of the Internal Revenue Service, \$429,000,000, to remain available until September 30, 2006, for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including contractual costs associated with operations authorized by 5 U.S.C. 3109: Provided, That none of these funds may be obligated until the Internal Revenue Service submits to the Committees on Appropriations, a plan for expenditure that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A-11 part 3; (2) complies with the Internal Revenue Service's enterprise architecture, including the modernization blueprint; (3) conforms with the Internal Revenue Service's enterprise life cycle methodology; (4) is approved by the Internal Revenue Service, the Department of the Treasury, and the Office of Management and Budget; (5) has been reviewed by the General Accounting Office; and (6) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 20-0921-0-1-803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Information technology investments .....	320	450	500
10.00 Total new obligations .....	320	450	500
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	77	171	101
22.00 New budget authority (gross) .....	406	380	429
22.10 Resources available from recoveries of prior year obligations .....	8		
23.90 Total budgetary resources available for obligation .....	491	551	530
23.95 Total new obligations .....	-320	-450	-500
24.40 Unobligated balance carried forward, end of year .....	171	101	30
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	392	380	429
50.00 Reappropriation .....	14		
70.00 Total new budget authority (gross) .....	406	380	429
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	192	183	205
73.10 Total new obligations .....	320	450	500
73.20 Total outlays (gross) .....	-321	-428	-444
73.45 Recoveries of prior year obligations .....	-8		
74.40 Obligated balance, end of year .....	183	205	261
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	176	228	257
86.93 Outlays from discretionary balances .....	145	200	187
87.00 Total outlays (gross) .....	321	428	444
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	406	380	429
90.00 Outlays .....	321	428	444

**Object Classification (in millions of dollars)**

Identification code 20-0921-0-1-803	2002 actual	2003 est.	2004 est.
25.2 Other services .....	271	450	500
25.7 Operation and maintenance of equipment .....	7		
31.0 Equipment .....	42		
99.9 Total new obligations .....	320	450	500

This appropriation provides for revamping business practices and acquiring new technology. The agency is using a formal methodology to prioritize, approve, fund, and evaluate its portfolio of business systems modernization investments. This methodology enforces a documented, repeatable, and measurable process for managing investments throughout their life cycle. Investment decisions are approved by the IRS Core Business System Executive Steering Committee, chaired by the Commissioner.

**PAYMENT WHERE EARNED INCOME CREDIT EXCEEDS LIABILITY FOR TAX**

**Program and Financing (in millions of dollars)**

Identification code 20-0906-0-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	27,826	30,606	31,375
10.00 Total new obligations (object class 41.0) .....	27,826	30,606	31,375
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	27,826	30,606	31,375
23.95 Total new obligations .....	-27,826	-30,606	-31,375
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	27,826	30,606	31,375
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	27,826	30,606	31,375
73.20 Total outlays (gross) .....	-27,826	-30,606	-31,375
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	27,826	30,606	31,375
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	27,826	30,606	31,375
90.00 Outlays .....	27,826	30,606	31,375

As provided by law, there will be instances wherein the earned income tax credit will exceed the amount of tax liability owed through the individual income tax system, resulting in an additional payment to the tax filer. The Earned Income Credit was originally authorized by the Tax Reduction Act of 1975 (Public Law 94-12) and made permanent by the Revenue Adjustment Act of 1978 (Public Law 95-600). The Tax Reform Act of 1986 and the Omnibus Budget Reconciliation Acts of 1990 and 1993 have increased the credit amount and expanded the eligibility for earned income credit.

The budget proposes to permanently extend the EITC provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001, which sunset on December 31, 2010. These provisions reduce EITC-related marriage penalties, simplify certain eligibility criteria for the credit, and allows the IRS to use more cost-efficient procedures to deny questionable EITC claims.

**General and special fund—Continued**

**PAYMENT WHERE ALTERNATIVE TO FAILING SCHOOL CREDIT  
EXCEEDS LIABILITY FOR TAX**

(Legislative proposal, subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 20-0927-4-1-501	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....			213
10.00 Total new obligations (object class 44.0) .....			213
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			213
23.95 Total new obligations .....			-213
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....			213
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			213
73.20 Total outlays (gross) .....			-213
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			213
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			213
90.00 Outlays .....			213

**PAYMENT WHERE CHILD CREDIT EXCEEDS LIABILITY FOR TAX**

**Program and Financing (in millions of dollars)**

Identification code 20-0922-0-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	5,060	5,870	5,863
10.00 Total new obligations (object class 41.0) .....	5,060	5,870	5,863
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	5,060	5,870	5,863
23.95 Total new obligations .....	-5,060	-5,870	-5,863
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	5,060	5,870	5,863
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	5,060	5,870	5,863
73.20 Total outlays (gross) .....	-5,060	-5,870	-5,863
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	5,060	5,870	5,863
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5,060	5,870	5,863
90.00 Outlays .....	5,060	5,870	5,863

As provided by law, there will be instances wherein the child credit will exceed the amount of tax liability owed through the individual income tax system, resulting in an additional payment to the tax filer. The child credit was originally authorized by the Taxpayer Relief Act of 1997 (Public Law 105-34).

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	5,060	5,870	5,863
Outlays .....	5,060	5,870	5,863
Legislative proposal, subject to PAYGO:			
Budget Authority .....		300	1,074

Outlays .....		300	1,074
Total:			
Budget Authority .....	5,060	6,170	6,937
Outlays .....	5,060	6,170	6,937

**PAYMENT WHERE CHILD CREDIT EXCEEDS LIABILITY FOR TAX**

(Legislative proposal subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 20-0922-4-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		300	1,074
10.00 Total new obligations (object class 41.0) .....		300	1,074
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		300	1,074
23.95 Total new obligations .....		-300	-1,074
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....		300	1,074
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		300	1,074
73.20 Total outlays (gross) .....		-300	-1,074
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		300	1,074
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		300	1,074
90.00 Outlays .....		300	1,074

The President's Growth Package proposes to permanently extend the Child Tax Credit provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001, which sunset on December 31, 2010. These provisions increase the amount of the child tax credit to \$1,000, and make the credit partially refundable for many families with earned income.

**PAYMENT WHERE HEALTH CARE CREDIT EXCEEDS LIABILITY FOR TAX**

**Program and Financing (in millions of dollars)**

Identification code 20-0923-0-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....		4	212
10.00 Total new obligations (object class 41.0) .....		4	212
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		4	212
23.95 Total new obligations .....		-4	-212
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....		4	212
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		4	212
73.20 Total outlays (gross) .....		-4	-212
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		4	212
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		4	212
90.00 Outlays .....		4	212

The Trade Act of 2002 established an advanceable, refundable tax credit for 65 percent of cost of qualified insurance. This credit is available to recipients of trade adjustment as-

sistance (TAA) and Pension Benefit Guaranty Corporation pension benefits who are aged 55–64 and have lost their employer health benefits.

To help lower income families purchase private health insurance, the budget includes a proposed new refundable tax credit for health insurance purchased by individuals and families who are neither covered by employer-sponsored insurance nor enrolled in public programs. This schedule reflects the effects of this proposed credit in cases where the credit exceeds the individual tax liability resulting in payment to the tax filer.

REFUNDING INTERNAL REVENUE COLLECTIONS, INTEREST

Program and Financing (in millions of dollars)

Identification code 20–0904–0–1–908	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	4,208	3,219	2,689
10.00 Total new obligations (object class 43.0) .....	4,208	3,219	2,689
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	4,208	3,219	2,689
23.95 Total new obligations .....	–4,208	–3,219	–2,689
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	4,208	3,219	2,689
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	4,208	3,219	2,689
73.20 Total outlays (gross) .....	–4,208	–3,219	–2,689
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	4,208	3,219	2,689
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4,208	3,219	2,689
90.00 Outlays .....	4,208	3,219	2,689

Under certain circumstances, as provided in 26 U.S.C. 6611, interest is paid on Internal Revenue collections that must be refunded. The Tax Equity and Fiscal Responsibility Act of 1982 (Public Law 97–248) provides for daily compounding of interest. Under the Tax Reform Act of 1986 (Public Law 99–514), interest paid on Internal Revenue collections will equal the Federal short-term rate plus two percentage points, such rate to be adjusted quarterly.

GIFTS TO THE UNITED STATES FOR REDUCTION OF THE PUBLIC DEBT

Program and Financing (in millions of dollars)

Identification code 20–5080–0–2–808	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	1	1	1
60.47 Portion applied to repay debt .....	–1	–1	–1
62.50 Appropriation (total mandatory) .....			
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

31 U.S.C. 3113 authorizes the Secretary of the Treasury to accept conditional gifts to the United States for the purpose of reducing the public debt.

INFORMANT PAYMENTS

Unavailable Collections (in millions of dollars)

Identification code 20–5433–0–2–803	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			4
Receipts:			
02.40 Underpayment and fraud collection .....	9	7	7
04.00 Total: Balances and collections .....	9	7	11
Appropriations:			
05.00 Informant payments .....	–9	–3	–3
07.99 Balance, end of year .....		4	8

Program and Financing (in millions of dollars)

Identification code 20–5433–0–2–803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Informant Payments .....	9	3	3
10.00 Total new obligations (object class 91.0) .....	9	3	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	9	3	3
23.95 Total new obligations .....	–9	–3	–3
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	9	3	3
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	9	3	3
73.20 Total outlays (gross) .....	–9	–3	–3
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	9	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	9	3	3
90.00 Outlays .....	9	3	3

As provided by law (26 U.S.C. 7623), the Treasury Secretary may make payments to individuals resulting from information given that leads to the collection of Internal Revenue taxes. The Taxpayer Bill of Rights of 1996 (Public Law 104–168) provides for payments of such sums to individuals from the proceeds of amounts (other than interest) collected by reason of the information provided, and any amount collected shall be available for such payments. This information must lead to the detection of underpayments of taxes, or detection and bringing to trial and punishment persons guilty of violating the internal revenue laws (in cases where such expenses are not otherwise provided for by law).

Public enterprise funds:

FEDERAL TAX LIEN REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 20–4413–0–3–803	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	7	6	6
10.00 Total new obligations (object class 32.0) .....	7	6	6
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	5	4
22.00 New budget authority (gross) .....	5	6	6
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	12	11	10
23.95 Total new obligations .....	–7	–6	–6
24.40 Unobligated balance carried forward, end of year .....	5	4	4

**Public enterprise funds—Continued**

**FEDERAL TAX LIEN REVOLVING FUND—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 20-4413-0-3-803	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	5	6	6
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	7	6	6
73.20 Total outlays (gross) .....	-6	-4	-6
73.45 Recoveries of prior year obligations .....	-1		
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	6	4	6
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-5	-6	-6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1	-2	

This revolving fund was established pursuant to section 112(a) of the Federal Tax Lien Act of 1966, to serve as the source of financing the redemption of real property by the United States. During the process of collecting unpaid taxes, the government places a tax lien on real estate in order to protect the government's interest. Situations arise where property of this nature is collateral for other indebtedness and the tax lien is subordinate to the original indebtedness. In this circumstance, it is often to the government's interest to purchase the property during the foreclosure sale. The advantage arises when the property is worth substantially more than the first lienholder's equity but is being sold for an amount that barely covers that equity, thereby leaving no proceeds to apply against delinquent taxes. Under these circumstances, if the Government buys the property and subsequently puts it up for sale under more advantageous conditions, it is possible to realize sufficient profit on the transaction to fully or partially collect the amount of taxes due. The revolving fund is reimbursed from the proceeds of the sale in an amount equal to the amount expended from the fund for the redemption. The balance of the proceeds are applied against the amount of the tax, interest, penalties, and additions thereto, and for the costs of sale. The remainder, if any, would revert to the parties legally entitled to it.

As directed by the Internal Revenue Service Restructuring and Reform Act of 1998 (section 7802(d) 26 U.S.C.), the Internal Revenue Service Oversight Board shall annually review and approve a budget request for the Internal Revenue Service. The Oversight Board's approved request shall be submitted to the President by the Secretary without revision, and the President shall submit the request, without revision, to Congress together with the President's Budget request for the Internal Revenue Service. The 2004 Oversight Board budget recommendation for the Internal Revenue Service is \$10,724 million.

**ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE**

*SEC. 101. Not to exceed 5 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to any other Internal Revenue Service appropriation fifteen days after notification of the Committees on Appropriations.*

*SEC. 102. The Internal Revenue Service shall maintain a training program to ensure that Internal Revenue Service employees are trained in taxpayers' rights, in dealing courteously with the taxpayers, and in cross-cultural relations.*

*SEC. 103. The Internal Revenue Service shall institute and enforce policies and procedures that will safeguard the confidentiality of taxpayer information.*

*SEC. 104. Funds made available by this or any other Act to the Internal Revenue Service shall be available for improved facilities and increased manpower to provide sufficient and effective 1-800 help line service for taxpayers. The Commissioner shall continue to make the improvement of the Internal Revenue Service 1-800 help line service a priority and allocate resources necessary to increase phone lines and staff to improve the Internal Revenue Service 1-800 help line service.*

**COMPTROLLER OF THE CURRENCY**

**Trust Funds**

**ASSESSMENT FUNDS**

**Unavailable Collections (in millions of dollars)**

Identification code 20-8413-0-8-373	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.80 Assessment funds, offsetting collections .....	449	456	476
Appropriations:			
05.00 Assessment funds .....	-449	-456	-476
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 20-8413-0-8-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Bank supervision .....	417	439	459
10.00 Total new obligations .....	417	439	459
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	281	313	330
22.00 New budget authority (gross) .....	449	456	476
23.90 Total budgetary resources available for obligation .....	730	769	806
23.95 Total new obligations .....	-417	-439	-459
24.40 Unobligated balance carried forward, end of year .....	313	330	347
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	449	456	476
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	63	67	71
73.10 Total new obligations .....	417	439	459
73.20 Total outlays (gross) .....	-413	-435	-454
74.40 Obligated balance, end of year .....	67	71	76
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	413	435	454
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities .....	-17	-16	-17
88.40 Non-Federal sources: Assessments .....	-432	-440	-459
88.90 Total, offsetting collections (cash) .....	-449	-456	-476
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-36	-21	-22

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value .....	345	378	403
92.02 Total investments, end of year: Federal securities:			
Par value .....	378	403	418

The Office of the Comptroller of the Currency was created for the purpose of establishing and regulating a national banking system. The National Currency Act of 1863 (12 U.S.C. 1 et seq., 12 Stat. 665) rewritten and reenacted as the National Bank Act of 1864, provided for the chartering and supervising functions in this connection. The income of the bureau is derived principally from assessments paid by national banks and interest on investments in U.S. Government securities.

As the Administrator of National Banks, the Office of the Comptroller of the Currency charters new banking institutions only after investigation and due consideration of charter applications. Supervision of existing national banks is aided by the required submission of periodic reports and detailed onsite examinations, which are conducted by a staff of approximately 1,900 national bank examiners. At present, there are approximately 2,100 national banks and 52 Federal branches with total assets of more than \$3.8 trillion.

In addition, the Comptroller considers applications for mergers in which the resulting bank will be a national bank and applications from banks to establish branches. The Comptroller of the Currency also promulgates rules and regulations for the guidance of national banks and bank directors.

**Object Classification** (in millions of dollars)

Identification code 20-8413-0-8-373	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	227	243	256
11.3 Other than full-time permanent .....	5	5	6
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	234	250	264
12.1 Civilian personnel benefits .....	61	65	70
21.0 Travel and transportation of persons .....	26	27	27
22.0 Transportation of things .....	1	1	1
23.2 Rental payments to others .....	26	27	27
23.3 Communications, utilities, and miscellaneous charges .....	9	9	9
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	42	45	47
26.0 Supplies and materials .....	4	4	4
31.0 Equipment .....	12	6	5
32.0 Land and structures .....	1	4	4
99.9 Total new obligations .....	417	439	459

**Personnel Summary**

Identification code 20-8413-0-8-373	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	2,792	2,813	2,813

**OFFICE OF THRIFT SUPERVISION**

*Federal Funds*

**Public enterprise funds:**

OFFICE OF THRIFT SUPERVISION

**Program and Financing** (in millions of dollars)

Identification code 20-4108-0-3-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Office of Thrift Supervision .....	148	157	161
10.00 Total new obligations .....	148	157	161
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	122	136	147
22.00 New budget authority (gross) .....	163	168	168
23.90 Total budgetary resources available for obligation .....	285	304	315
23.95 Total new obligations .....	-148	-157	-161
24.40 Unobligated balance carried forward, end of year .....	136	147	154

<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	163	168	168
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	27	23	11
73.10 Total new obligations .....	148	157	161
73.20 Total outlays (gross) .....	-153	-168	-168
74.40 Obligated balance, end of year .....	23	11	4
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	153	168	168
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-3	-3	-3
88.20 Interest on Federal securities .....	-2	-5	-5
88.40 Non-Federal sources .....	-158	-160	-160
88.90 Total, offsetting collections (cash) .....	-163	-168	-168
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-10		
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	148	158	158
92.02 Total investments, end of year: Federal securities:			
Par value .....	158	158	158

The Office of Thrift Supervision (OTS) was created by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note). The OTS assumed the regulatory functions of the Federal Home Loan Bank Board dissolved by the same act.

The OTS charters, regulates and examines Federal thrifts, all of which are insured by the Savings Association Insurance Fund. In addition, the OTS cooperates in the examination and supervision of State-chartered thrifts insured by the Savings Association Insurance Fund. The OTS sets capital standards for Federal and State thrifts and reviews applications of State-chartered thrifts for conversion to Federal thrifts. It also reviews applications for establishment of branch offices.

Income of the bureau is derived principally from assessments on thrifts, examination fees and interest on investments in U.S. Government obligations. As of September 30, 2002, OTS oversees 983 thrifts with total assets of \$987 billion.

**Object Classification** (in millions of dollars)

Identification code 20-4108-0-3-373	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	88	85	88
11.5 Other personnel compensation .....	1		
11.8 Special personal services payments .....	1	1	1
11.9 Total personnel compensation .....	90	86	89
12.1 Civilian personnel benefits .....	26	33	33
21.0 Travel and transportation of persons .....	10	9	10
23.2 Rental payments to others .....	6	7	7
23.3 Communications, utilities, and miscellaneous charges .....	3	4	4
25.2 Other services .....	10	13	13
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	2	4	4
99.9 Total new obligations .....	148	157	161

**Personnel Summary**

Identification code 20-4108-0-3-373	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1,087	959	959

**INTEREST ON THE PUBLIC DEBT**

*Federal Funds*

**General and special funds:**

INTEREST ON TREASURY DEBT SECURITIES (GROSS)

**Program and Financing** (in millions of dollars)

Identification code 20-0550-0-1-901	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Interest on Treasury Securities .....	332,537	328,292	352,765
10.00 Total new obligations (object class 43.0) .....	332,537	328,292	352,765
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	332,537	328,292	352,765
23.95 Total new obligations .....	-332,537	-328,292	-352,765
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	332,537	328,292	352,765
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	332,537	328,292	352,765
73.20 Total outlays (gross) .....	-332,537	-328,292	-352,765
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	332,537	328,292	352,765
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	332,537	328,292	352,765
90.00 Outlays .....	332,537	328,292	352,765

Such amounts are appropriated as may be necessary to pay the interest each year on the public debt (31 U.S.C. 1305, 3123). Interest on Government account series securities is generally computed on a cash basis. Interest is generally computed on an accrual basis on all other types of securities.

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	332,537	328,292	352,765
Outlays .....	332,537	328,292	352,765
Legislative proposal, not subject to PAYGO:			
Budget Authority .....		24	-430
Outlays .....		24	-430
Total:			
Budget Authority .....	332,537	328,316	352,335
Outlays .....	332,537	328,316	352,335

INTEREST ON TREASURY DEBT SECURITIES (GROSS)

(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 20-0550-2-1-901	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Interest on Treasury Securities .....		24	-430
10.00 Total new obligations (object class 43.0) .....		24	-430
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		24	-430
23.95 Total new obligations .....		-24	430
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....		24	-430
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		24	-430

73.20 Total outlays (gross) .....	-24	430
<b>Outlays (gross), detail:</b>		
86.97 Outlays from new mandatory authority .....	24	-430
<b>Net budget authority and outlays:</b>		
89.00 Budget authority .....	24	-430
90.00 Outlays .....	24	-430

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Governmental receipts:</b>			
20-015800 Transportation fuels tax: Enacted/requested ...	814	869	939
Legislative proposal, subject to PAYGO .....			-643
20-065000 Deposit of earnings, Federal Reserve System: Enacted/requested .....	23,683	23,565	27,078
20-085000 Registration, filing, and transaction fees: Enacted/requested .....	5	5	5
20-086100 Charges for expenses, settlement of international claims: Enacted/requested .....		1	1
20-086900 Fees for legal and judicial services, not otherwise classified: Enacted/requested .....	72	72	72
20-089100 Miscellaneous fees for regulatory and judicial services, not otherwise classified: Enacted/requested .....	8	8	8
20-101000 Fines, penalties, and forfeitures, agricultural laws: Enacted/requested .....	2	2	2
20-102000 Fines, penalties, and forfeitures, economic stabilization laws: Enacted/requested .....	9	9	9
20-103000 Fines, penalties, and forfeitures, immigration and labor laws: Enacted/requested .....	72	72	72
20-104000 Fines, penalties, and forfeitures, customs, commerce, and antitrust laws: Enacted/requested .....	100	100	100
20-105000 Fines, penalties, and forfeitures, narcotic prohibition and alcohol laws: Enacted/requested .....	2	2	2
20-106000 Forfeitures of unclaimed money and property: Enacted/requested .....	25	36	36
20-108000 Fines, penalties, and forfeitures, Federal coal mine health and safety laws: Enacted/requested .....	18	18	18
20-129900 Gifts to the United States, not otherwise classified: Enacted/requested .....	6	1	1
20-241100 User fees for IRS: Enacted/requested .....	59	66	5
Legislative proposal, subject to PAYGO .....			68
20-309200 Recovery from highway trust fund for refunds of taxes: Enacted/requested .....	1,195	988	1,015
20-309400 Recovery from airport and airway trust fund for refunds of taxes: Enacted/requested .....	60	47	50
20-309500 Recovery from leaking underground storage tank trust fund for refunds of taxes, EPA: Enacted/requested .....	6	5	5
20-309900 Refunds of moneys erroneously received and recovered (20X1807): Enacted/requested .....	-336	-312	-324
95-085015 Registration, filing, and transaction fees, SEC: Enacted/requested .....	1		
95-109900 Fines, penalties, and forfeitures, not otherwise classified: Enacted/requested .....	667	399	399
99-011050 Individual income taxes: Enacted/requested ...	858,278	877,144	953,574
Legislative proposal, subject to PAYGO .....		-28,158	-103,761
99-011100 Corporation income and excess profits taxes: Enacted/requested .....	148,037	145,799	173,659
Legislative proposal, subject to PAYGO .....		-2,613	-4,599
99-015250 Other Federal fund excise taxes: Enacted/requested .....	-519	164	106
Legislative proposal, subject to PAYGO .....		-16	-264
99-015300 Estate and gift taxes: Enacted/requested .....	26,507	20,209	23,913
Legislative proposal, subject to PAYGO .....			-534
99-015500 Tobacco excise tax: Enacted/requested .....	8,274	8,158	8,015
99-015600 Alcohol excise tax: Enacted/requested .....	7,764	7,840	7,979
Legislative proposal, subject to PAYGO .....			-57
99-015700 Telephone excise tax: Enacted/requested .....	5,829	6,205	6,611
99-031050 Other Federal fund customs duties: Enacted/requested .....	12,080	12,519	13,651
Legislative proposal, subject to PAYGO .....			-34
General Fund Governmental receipts .....	1,092,718	1,073,204	1,107,177
<b>Offsetting receipts from the public:</b>			
20-143500 General fund proprietary interest receipts, not otherwise classified: Enacted/requested .....	294	221	221
20-145000 Interest payments from States, cash management improvement: Enacted/requested .....	47	35	40

20-146310 Interest on quota in International Monetary Fund: Enacted/requested .....	481	481	481
20-146400 Interest received on loans and credits to foreign nations: Enacted/requested .....	131	117	111
20-148400 Interest on deposits in tax and loan accounts: Enacted/requested .....	341	225	450
20-149900 Interest received from credit financing accounts: Enacted/requested .....	11,050	11,147	11,747
20-276330 Community Development Financial Institutions Fund, downward re-estimate of subsidies: Enacted/requested .....		1	
20-286800 Dollar conversion of foreign currency loan repayments: Enacted/requested .....	3	4	4
20-286900 Repayment of loans and credits to foreign nations: Enacted/requested .....	71	85	88
20-322000 All other general fund proprietary receipts: Enacted/requested .....	1,088	1,092	1,092
20-387500 Budget clearing account (suspense): Enacted/requested .....	-223		
<b>General Fund Offsetting receipts from the public .....</b>	<b>13,283</b>	<b>13,408</b>	<b>14,234</b>
<b>Intragovernmental payments:</b>			
13-141000 Interest on investment, economic development revolving fund: Enacted/requested .....	2	2	2
14-142400 Interest on investment, Colorado River projects: Enacted/requested .....	4	4	4
14-142700 Interest on advances to Colorado River Dam fund, Boulder Canyon project: Enacted/requested .....	12	12	11
20-133800 Interest on loans to the Presidio: Enacted/requested .....	3	3	3
20-135100 Interest on loans to BPA: Enacted/requested .....	547	502	481
20-135400 Interest on loans for housing for the elderly or handicapped: Enacted/requested .....	274	229	188
20-136100 Interest on loans to the Secretary of Transportation, railroad rehabilitation and improvement fund: Enacted/requested .....	5	5	5
20-136300 Interest on loans for college housing and academic facilities loans, Education: Enacted/requested .....	16	11	10
20-140100 Interest on loans to Commodity Credit Corporation: Enacted/requested .....	283	206	333
20-140500 Interest on loans to H.U.D., college housing loans, Education: Enacted/requested .....	3	2	1
20-141700 Interest on loans to Tennessee Valley Authority: Enacted/requested .....			2
20-141800 Interest on loans to Federal Financing Bank: Enacted/requested .....	2,040	2,268	2,482
Legislative proposal, not subject to PAYGO .....		-23	-72
20-142500 Interest on loans to rural development insurance fund: Enacted/requested .....	34	20	12
20-143300 Interest on loans to national flood insurance fund, DHS: Enacted/requested .....	14		
20-149500 Interest payments on repayable advances to the black lung disability trust fund: Enacted/requested Legislative proposal, not subject to PAYGO .....	596	621	640
20-149700 Payment of interest on advances to the Railroad Retirement Board: Enacted/requested .....	222	194	160
20-241600 Charges for administrative expenses of Social Security Act as amended: Enacted/requested .....	321	327	328
20-310100 Recoveries from Federal agencies for settlement of claims for contract disputes: Enacted/requested .....	196		
20-320000 Receivables from cancelled accounts: Enacted/requested .....	320	100	100
20-330600 Transfer of excess receipts to the general fund, Federal fund payments: Enacted/requested .....		2	
20-388500 Undistributed intragovernmental payments: Enacted/requested .....	-293		
73-142800 Interest on advances to Small Business Administration: Enacted/requested .....	45	25	9
91-142200 Interest on loans, higher education facilities loan fund: Enacted/requested .....	2	1	1
<b>General Fund Intragovernmental payments .....</b>	<b>4,646</b>	<b>4,511</b>	<b>6,551</b>

## GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

SEC. 110. Appropriations to the Department of the Treasury in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

SEC. 111. Not to exceed 2 percent of any appropriations in this Act made available to the Departmental Offices, Inspector General for Treasury, Financial Management Service, Alcohol and Tobacco Tax and Trade Bureau, Financial Crimes Enforcement Network, and Bureau of the Public Debt, may be transferred between such appropriations upon advance notification of the Committees on Appropriations. No transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 112. Not to exceed 2 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to the Inspector General for Treasury appropriation upon advance notification of the Committees on Appropriations. No transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 113. Of the funds available for the purchase of law enforcement vehicles, no funds may be obligated until the Secretary of the Treasury certifies that the purchase by the respective Treasury bureau is consistent with Departmental vehicle management principles: Provided, That the Secretary may delegate this authority to the Assistant Secretary for Management.

SEC. 114. The Secretary of the Treasury may transfer funds from "Salaries and Expenses", Financial Management Service, to the Debt Services Account as necessary to cover the costs of debt collection: Provided, That such amounts shall be reimbursed to such Salaries and Expenses account from debt collections received in the Debt Services Account.

SEC. 115. None of the funds appropriated or otherwise made available by this or any other Act may be used by the United States Mint to construct or operate any museum without advance notification of the House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs.

SEC. 116. The Treasury Department Appropriations Act, 1997 (as contained in section 101(f), Division A of Public Law 104-208), under the heading "Treasury Franchise Fund", as amended by section 120 of the Treasury Department Appropriations Act, 2001 (as enacted into law by section 1(a)(3) of Public Law 106-554), is further amended by replacing "October 1, 2002" with "October 1, 2004".

SEC. 117. Section 122 of Public Law 105-119 (5 U.S.C. 3104 note), as amended, is further amended in subsection (g)(1), by striking "4 years" and inserting "5 years".

SEC. 118. (a) SHORT TITLE.—This Act may be cited as the "Department of the Treasury Inspector General Consolidation Act of 2003".

(b) CONSOLIDATION OF OFFICES.—Beginning in fiscal year 2004 and thereafter, the Office of Treasury Inspector General for Tax Administration established by the Internal Revenue Service Restructuring and Reform Act of 1998, and the Office of Inspector General of the Department of the Treasury established by the Inspector General Act Amendments of 1988, are consolidated. The consolidated entity shall be established as the Office of Inspector General of the Department of the Treasury, and all powers, duties and responsibilities assigned to each entity shall be transferred to the consolidated entity. Effective upon such consolidation and consistent with section 3 of this Act, the Office of Treasury Inspector General for Tax Administration established by the Internal Revenue Service Restructuring and Reform Act of 1998, and the Office of Inspector General of the Department of the Treasury established by the Inspector General Act Amendments of 1988 are abolished.

(c) AMENDMENTS TO THE INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978, as amended, is further amended—

(1) in section 2 (5 U.S.C. app. 3 §2), by striking the matter following "there is established" and inserting the following: "in each of such establishments an Office of Inspector General.;"

(2) in section 8D (5 U.S.C. app. 3 §8D), by striking the matter following the title ("Special provisions concerning the Department of the Treasury") and inserting the following:

### OTHER CONSOLIDATED RECEIPT ACCOUNTS

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
20-977920 Interest, Miscellaneous trust funds, government-wide .....	1	1	1

“(a)(1) Notwithstanding the last two sentences of section 3(a) [5 U.S.C. app. 3 §3(a)], the Inspector General of the Department of the Treasury shall be under the authority, direction, and control of the Secretary of the Treasury with respect to audits or investigations, or the issuance of subpoenas, which require access to sensitive information concerning—

(A) ongoing criminal investigations or proceedings;

(B) undercover operations;

(C) the identity of confidential sources, including protected witnesses;

(D) deliberations and decisions on policy matters, including documented information used as a basis for making policy decisions, the disclosure of which could reasonably be expected to have a significant influence on the economy or market behavior;

(E) intelligence or counterintelligence matters; or

(F) other matters the disclosure of which would constitute a serious threat to national security.

(2) With respect to the information described under paragraph (1), the Secretary of the Treasury may prohibit the Inspector General of the Department of the Treasury from carrying out or completing any audit or investigation, or from issuing any subpoena, after such Inspector General has decided to initiate, carry out, or complete such audit or investigation or to issue such subpoena, if the Secretary of the Treasury determines that such prohibition is necessary to prevent the disclosure of any information described under paragraph (1) or to prevent significant impairment to the national interests of the United States.

(3) If the Secretary of the Treasury exercises any power under paragraph (1) or (2), the Secretary of the Treasury shall notify the Inspector General of the Department of the Treasury in writing stating the reasons for such exercise. Within 30 days after receipt of any such notice, the Inspector General of the Department of the Treasury shall transmit a copy of such notice to the Committees on Governmental Affairs and Finance of the Senate and the Committees on Government Reform and Ways and Means of the House of Representatives, and to other appropriate committees or subcommittees of the Congress.

(4) The Secretary of the Treasury may not exercise any power under paragraph (1) or (2) with respect to the duties and responsibilities of the Inspector General of the Department of the Treasury concerning the Internal Revenue Service, the Internal Revenue Service Oversight Board, or the Office of Chief Counsel of the Internal Revenue Service.

(b)(1) The Inspector General of the Department of the Treasury shall exercise all duties and responsibilities of an Inspector General of an establishment with respect to the Department of the Treasury and the Secretary of the Treasury.

(2) Subject to subsection (a), the Inspector General of the Department of the Treasury may initiate, conduct and supervise such audits and investigations in the Department of the Treasury as the Inspector General of the Department of the Treasury considers appropriate.

(3) If the Inspector General of the Department of the Treasury initiates an audit or investigation under subsection (b), the Inspector General of the Department of the Treasury may provide the head of the affected bureau or office which is the subject of the audit or investigation with written notice that the Inspector General of the Department of the Treasury has initiated such audit or investigation. If the Inspector General of the Department of the Treasury issues a notice under the preceding sentence, no other audit or investigation shall be initiated into the matter under audit or investigation by the Inspector General of the Department of the Treasury and any other audit or investigation of such matter shall cease.

(c)(1) The Inspector General of the Department of the Treasury shall have access to returns and return information, as defined in section 6103(b) of the Internal Revenue Code of 1986 [26 U.S.C. §6103(b)], only in accordance with the provisions of section 6103 of such Code [26 U.S.C. §6103] and this Act.

(2) The Internal Revenue Service shall maintain the same system of standardized records or accounting of all requests from the Inspector General of the Department of the Treasury for inspection or disclosure of returns and return information (including the reasons for and dates of such requests), and of returns and return information inspected or disclosed pursuant to such requests, as described under section 6103(p)(3)(A) of the Internal Revenue Code of 1986 [26 U.S.C. §6103(p)(3)(A)]. Such system of standardized records or accountings shall also be available for examination in the same manner as provided under section 6103(p)(3) of the Internal Revenue Code of 1986 [26 U.S.C. §6103(p)(3)(A)].

(3) The Inspector General of the Department of the Treasury shall be subject to the same safeguards and conditions for receiving returns and return information as are described under section 6103(p)(4) of the Internal Revenue Code of 1986 [26 U.S.C. §6103(p)(4)].

(d) An audit or investigation conducted by the Inspector General of the Department of the Treasury shall not affect a final decision of the Secretary of the Treasury or the Secretary's delegate under section 6406 of the Internal Revenue Code of 1986 [26 U.S.C. §6406].

(e)(1) Any report required to be transmitted by the Secretary of the Treasury to the appropriate committees or subcommittees of the Congress under section 5(d) [5 U.S.C. app. 3 §5(d)] shall also be transmitted, within the seven-day period specified under such section, to the Committees on Governmental Affairs and Finance of the Senate and the Committees in Government Reform and Ways and Means of the House of Representatives.

(2) Any report made by the Inspector General of the Department of the Treasury concerning the Internal Revenue Service, the Internal Revenue Service Oversight Board, or the Office of Chief Counsel of the Internal Revenue Service that is required to be transmitted by the Secretary of the Treasury to the appropriate committees or subcommittees of Congress under section 5(d) [5 U.S.C. app. 3 §5(d)] shall also be transmitted, within the seven-day period specified under such subsection, to the Internal Revenue Service Oversight Board and the Commissioner of Internal Revenue.

(f) In addition to the requirements of the first sentence of section 3(a) [5 U.S.C. app. §3(a)], the Treasury Inspector General of the Department of the Treasury should have demonstrated ability to lead a large and complex organization.

(g) An individual appointed to the position of Inspector General of the Department of the Treasury may not be an employee of the Internal Revenue Service—

(1) during the two-year period preceding the date of appointment to such position; or

(2) during the five-year period following the date such individual ends service in such position.

(h)(1) In addition to the duties and responsibilities exercised by an inspector general of an establishment, the Inspector General of the Department of the Treasury—

(A) shall have the authority and duty to enforce the criminal provisions within the scope of the Inspector General of the Department of the Treasury's jurisdiction, powers, duties and responsibilities as an Inspector General of an establishment under this Act;

(B) in enforcing the criminal provisions described in subparagraph (A), shall have the authority to:

(1) execute and serve search warrants and arrest warrants, and serve subpoenas and summonses issued under authority of the United States;

(2) make arrests without warrant for any offense against the United States relating to the laws under the jurisdiction, powers, duties and responsibilities of the Inspector General of the Department of the Treasury committed in the presence of an employee of the Inspector General of the Department of the Treasury authorized to enforce such laws, or for any felony cognizable under such laws if there is a reasonable ground to believe that the person to be arrested has committed or is committing any such felony;

(3) make seizures of property subject to forfeiture under such laws; and

(4) carry firearms.

(C) shall be responsible for protecting the Internal Revenue Service against external attempts to corrupt or threaten employees of the Internal Revenue Service, but shall not be responsible for the conducting of background checks and the providing of physical security; and

(D) may designate any employee in the Office of the Inspector General of the Department of the Treasury to enforce such laws and perform such functions referred to under subparagraphs (A), (B) and (C).

(2)(A) In performing a law enforcement function under paragraph (h)(1), the Inspector General of the Department of the Treasury shall report any reasonable grounds to believe there has been a violation of Federal criminal law to the Attorney General at an appropriate time as determined by the Inspector General of the Department of the Treasury, notwithstanding section 4(d) [5 U.S.C. app. 3 §4(d)].

(B) in the administration of section 5(d) [5 U.S.C. app. 3 §5(d)] and subsection (e)(2) of this section, the Secretary of the Treasury may transmit the required report at an appropriate time as deter-

mined by the Secretary, if the problem, abuse, or deficiency relates to—

(i) the performance of a law enforcement function under paragraph (h)(1); and

(ii) sensitive information concerning matters under subsection (a)(1)(A) through (F).

(3) Nothing in this subsection shall be construed to affect the authority of any other person to carry out or enforce any provision specified in paragraph (h)(1).

(i)(1) The Commission of Internal Revenue or the Internal Revenue Service Oversight Board may request, in writing, the Inspector General of the Department of the Treasury to conduct an audit or investigation concerning the Internal Revenue Service. If the Inspector General of the Department of the Treasury determines not to conduct such audit or investigation, the Inspector General shall timely provide a written explanation for such determination to the person making the request.

(2)(A) Any final report of an audit conducted by the Inspector General of the Department of the Treasury concerning the Internal Revenue Service, the Internal Revenue Service Oversight Board, and the Office of the Chief Counsel of the Internal Revenue Service, shall be timely submitted by the Inspector General to the Commissioner of Internal Revenue and the Internal Revenue Service Oversight Board.

(B) The Inspector General of the Department of the Treasury shall periodically submit to the Commissioner and Board a list of investigations concerning the Internal Revenue Service, the Internal Revenue Service Oversight Board, and the Office of the Chief Counsel of the Internal Revenue Service, for which a final report has been completed by the Inspector General and shall provide a copy of any such report upon request of the Commissioner or Board.

(C) This paragraph applies regardless of whether the applicable audit or investigation is requested under paragraph (i)(1)."

(3) in section §9(a)(1)(L) 95 U.S.C. app. 3 §9(a)(1)(L), by striking the matter following "(L)" and inserting the following: "of the Department of the Treasury, the offices of that department referred to as the "Office of Inspector General" and the "Treasury Inspector General for Tax Administration.""

(d) SAVINGS PROVISIONS.—(1) Completed or pending administrative actions, proceedings, orders, determinations, rules, regulations, personnel actions, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, or civil actions, of either the Inspector General of the Department of the Treasury or the Treasury Inspector General for Tax Administration shall not be affected by the enactment of this Act or the consolidation of the entities, but shall continue in effect according to their terms until amended, modified, superseded, terminated, set aside, or revoked, in accordance with law by an officer of the United States or a court of competent jurisdiction, or by operation of law.

(2) References to either the Inspector General of the Department of the Treasury or the Treasury Inspector General for Tax Administration in statutes, Executive Orders, rules, regulations, directives, or delegations of authority that precede the effective date of this Act shall be deemed to refer to the Inspector General of the Department of the Treasury established by this Act, unless otherwise provided by this Act.

(e) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—The Internal Revenue Code of 1986 (I.R.C.), as amended, is further amended—

(1) in I.R.C. §6103(h)(6)(A), by replacing "Treasury Inspector General for Tax Administration" with "Inspector General of the Department of the Treasury";

(2) in I.R.C. §6103(h)(6)(B)(i), by replacing "Treasury Inspector General for Tax Administration" with "Inspector General of the Department of the Treasury";

(3) in I.R.C. §6103(k)(6), by replacing "Treasury Inspector General for Tax Administration" with "Inspector General of the Department of the Treasury";

(4) in I.R.C. §7803(c)(2)(B)(iv), by replacing both "treasury inspector general for tax administration" and "Treasury Inspector General for Tax Administration" with "Inspector General of the Department of the Treasury";

(5) in the heading of I.R.C. §7803(d), by replacing "Treasury Inspector General for Tax Administration" with "Inspector General of the Department of the Treasury";

(6) in I.R.C. §7803(d)(1), by replacing "Treasury Inspector General for Tax Administration" with "Inspector General of the Department of the Treasury";

(7) in I.R.C. §7803(d)(2)(A), by replacing "Treasury Inspector General for Tax Administration" with "Inspector General of the Department of the Treasury"; and

(8) in I.R.C. §7803(d)(3), by replacing "Treasury Inspector General for Tax Administration" with "Inspector General of the Department of the Treasury";

(f) TRANSITION PROVISION.—The President may designate an individual to serve as the Inspector General of the Department of the Treasury established by this Act until an Inspector General of the Department of the Treasury is appointed pursuant to section 3 of the Inspector General Act of 1978, as amended.

## TITLE V—GENERAL PROVISIONS

### THIS ACT

SEC. 501. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 502. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 503. No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. 504. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 505. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

SEC. 506. The provision of section 505 shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

SEC. 507. None of the funds made available in this Act may be used by the Executive Office of the President to request from the Federal Bureau of Investigation any official background investigation report on any individual, except when—

(1) such individual has given his or her express written consent for such request not more than 6 months prior to the date of such request and during the same presidential administration; or

(2) such request is required due to extraordinary circumstances involving national security.

SEC. 508. The cost accounting standards promulgated under section 26 of the Office of Federal Procurement Policy Act (Public Law 93–400; 41 U.S.C. 422) shall not apply with respect to a contract under the Federal Employees Health Benefits Program established under chapter 89 of title 5, United States Code.

SEC. 509. For the purpose of resolving litigation and implementing any settlement agreements regarding the nonforeign area cost-of-living allowance program, the Office of Personnel Management may accept and utilize (without regard to any restriction on unanticipated travel expenses imposed in an Appropriations Act) funds made available to the Office pursuant to court approval.

SEC. 510. Sections 2471 and 2471a of Title 42, U.S. Code, are hereby repealed.

SEC. 511. Beginning in fiscal year 2004 and thereafter, (a) section 754 of the Tariff Act of 1930 (19 U.S.C. 1675c) is repealed: Provided, That duties assessed and collected in fiscal year 2003 pursuant to such section shall be distributed as provided in that section; and (b) the Commissioner of Customs shall deposit into the miscellaneous receipts of the Treasury all antidumping or countervailing duties (including interest earned on such duties) that are collected after September 30, 2003 under the antidumping orders or findings of the countervailing duty orders.



## DEPARTMENT OF VETERANS AFFAIRS

The 2004 budget provides \$28,057 million in discretionary funding for veterans health, benefits, and other services, including \$30,199 million in gross discretionary budget authority and \$2,141 million in anticipated discretionary medical collections.

VA is submitting its 2004 budget request using a new account structure that focuses on nine major programs—medical care, research, compensation, pension, education, housing, vocational rehabilitation and employment, insurance and burial. The new budget account structure will better position VA to more readily determine the full cost of each of our programs. This will allow the Department to more effectively evaluate the program results we achieve with the total resources associated with each program. A feature of the revised budget structure is requesting both mandatory and discretionary funding within each program while ensuring the Department fully complies with all provisions of the Budget Enforcement Act.

### MEDICAL PROGRAMS

#### Federal Funds

#### General and special funds:

#### MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department; furnishing recreational facilities, supplies, equipment, and information technology hardware and software; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; aid to State homes as authorized by 38 U.S.C. 1741; reimbursements as authorized by 41 U.S.C. 612 for claims paid for contract disputes; administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq., \$25,406,024,000, plus reimbursements, of which not to exceed \$900,000,000 shall be available until September 30, 2005. Amounts appropriated herein shall be available as follows:

(1) For construction, alteration and improvement of any facility under the jurisdiction or for the use of the Department for the provision of health-care services, or for any of the purposes set forth in 38 U.S.C. sections 8102–8103, 8106, 8108–8110, 8122 and 8162, including advance planning and design activities, offsite utility and storm drainage system construction costs, and site acquisition and disposition, \$422,300,000, to remain available until expended, of which no less than \$225,000,000 shall be for Capital Asset Realignment for Enhanced Services activities;

(2) For grants to assist States to acquire or construct State nursing home and domiciliary facilities, and to remodel, modify, or alter existing hospital, nursing home, and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131–8137, not to exceed \$102,100,000, to remain available until expended;

(3) For Central Office executive direction, administration, and supervision of Department medical and construction programs, including development and implementation of policies, plans, and program objectives, not to exceed \$87,459,000, of which \$4,373,000 shall be available until September 30, 2005: Provided further, That technical and consulting services offered by the Facilities Management Field Service shall be provided to Department components only on a reimbursable basis.

The Secretary shall conduct by contract a program of recovery audits for the fee basis and other medical services contracts with respect to payments for hospital care; and, notwithstanding 31 U.S.C. 3302(b),

amounts collected, by setoff or otherwise, as the result of such audits shall be available, without fiscal year limitation, for the purposes for which funds are appropriated under this heading and the purposes of paying a contractor a percent of the amount collected as a result of an audit carried out by the contractor: Provided further, That all amounts so collected under the preceding proviso with respect to a designated health care region (as that term is defined in 38 U.S.C. 1729A(d)(2)) shall be allocated, net of payments to the contractor, to that region.

In addition, such sums as may be deposited to the Medical Care Collection Fund pursuant to 38 U.S.C. 1729A may be transferred to this account, to remain available until expended for the purposes of this account.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Unavailable Collections (in millions of dollars)

Identification code 36–0160–0–1–703	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	62	104	103
Receipts:			
02.21 MCCF first party collections .....	295	131	130
02.22 MCCF third party collections .....	690	760	1,109
02.23 Pharmaceutical copayments .....	190	651	609
02.24 Enhanced-use lease proceeds .....		1	1
02.25 Enrollment Fees .....			230
02.26 Compensated work therapy .....		36	37
02.27 Long-term care copayments .....		33	21
02.28 Parking fees .....		3	3
02.42 Payments from compensation and pension .....		1	1
02.99 Total receipts and collections .....	1,175	1,616	2,141
04.00 Total: Balances and collections .....	1,237	1,720	2,244
Appropriations:			
05.00 Medical care .....	–1,133	–1,617	–2,141
05.99 Total appropriations .....	–1,133	–1,617	–2,141
07.99 Balance, end of year .....	104	103	103

#### Program and Financing (in millions of dollars)

Identification code 36–0160–0–1–703	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
Operating expenses:			
Provision of veterans health care:			
00.01 Acute hospital care .....	5,122	5,476	5,835
00.02 Rehabilitative care .....	453	477	509
00.03 Psychiatric care .....	1,119	1,216	1,317
00.04 Nursing home care .....	2,076	1,986	1,800
00.05 Subacute care .....	324	310	303
00.06 Residential care .....	415	445	486
00.07 Outpatient care .....	10,541	11,917	14,114
00.08 Miscellaneous benefits and services .....	1,263	1,358	1,476
00.09 National Program Administration (NPA-MAMOE) .....	65	68	86
00.10 CHAMPVA .....	211	366	529
00.91 Total operating expenses .....	21,589	23,619	26,455
Capital investment:			
Provision of veterans health care:			
01.01 Acute hospital care .....	257	269	217
01.02 Rehabilitative care .....	29	30	24
01.03 Psychiatric care .....	52	54	43
01.04 Nursing home care .....	58	60	48
01.05 Subacute care .....	12	13	10
01.06 Residential care .....	17	18	15
01.07 Outpatient care .....	495	519	415
01.08 Miscellaneous benefits and services .....	29	30	24
01.09 National Program Administration (NPA-MAMOE) .....			
01.11 Construction, major projects .....	38	128	225

## General and special funds—Continued

## MEDICAL CARE—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 36-0160-0-1-703	2002 actual	2003 est.	2004 est.
01.12 Construction, minor projects .....	154	175	190
01.13 CHAMPVA .....	4	4	3
01.91 Total capital investment .....	1,147	1,302	1,215
Grant Program:			
02.01 Grants to States .....	102	211	102
02.93 Total direct program .....	22,838	25,132	27,772
09.01 Reimbursable program .....	182	150	151
10.00 Total new obligations .....	23,020	25,282	27,923
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1,617	1,424	726
22.00 New budget authority (gross) .....	22,829	24,581	27,698
22.10 Resources available from recoveries of prior year obligations .....		3	3
23.90 Total budgetary resources available for obligation	24,446	26,008	28,427
23.95 Total new obligations .....	-23,020	-25,282	-27,923
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	1,424	726	505
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	21,528	22,811	25,406
40.20 Appropriation (special fund) .....	971	1,617	2,141
40.76 Reduction pursuant to P.L. 107-206 .....	-16		
41.00 Transferred to other accounts .....	-1		
42.00 Transferred from other accounts .....	3	3	
43.00 Appropriation (total discretionary) .....	22,485	24,431	27,547
Mandatory:			
60.20 Appropriation (special fund) .....	162		
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	134	150	151
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	12		
68.90 Spending authority from offsetting collections (total discretionary) .....	146	150	151
Mandatory:			
69.00 Offsetting collections (cash) .....	36		
70.00 Total new budget authority (gross) .....	22,829	24,581	27,698
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3,073	3,192	4,123
73.10 Total new obligations .....	23,020	25,282	27,923
73.20 Total outlays (gross) .....	-22,828	-24,348	-27,498
73.40 Adjustments in expired accounts (net) .....	-74		
73.45 Recoveries of prior year obligations .....		-3	-3
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-12		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	12		
74.40 Obligated balance, end of year .....	3,192	4,123	4,544
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	18,993	20,538	23,465
86.93 Outlays from discretionary balances .....	3,799	3,810	4,033
86.97 Outlays from new mandatory authority .....	36		
87.00 Total outlays (gross) .....	22,828	24,348	27,498
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-53	-55	-59
88.40 Non-Federal sources .....	-123	-87	-92
88.45 Offsetting governmental collections (from non-Federal sources) .....	-8	-8	
88.90 Total, offsetting collections (cash) .....	-184	-150	-151
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-12		

88.96	Portion of offsetting collections (cash) credited to expired accounts .....	14		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	22,647	24,431	27,547
90.00	Outlays .....	22,644	24,198	27,347
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	681	687	821
99.01	Outlays .....	681	687	821

For 2004, the budget requests total resources for the VA Medical Care Business Line of \$27.5 billion, an increase of \$3.1 billion (\$2.6 billion in appropriation and \$0.5 billion in collections) over the 2003 level. This includes \$25.4 billion in appropriated budget authority, \$2.1 billion to be collected in the Medical Care Collections Fund.

The budget request also includes a comprehensive set of legislative and regulatory proposals that will refocus the VA health care system to better meet the needs of our highest priority core veterans—those with service-connected conditions, those with lower incomes, and veterans with special health care needs. These proposals are in response to the significant growth in enrollment and usage by priority level 7 veterans over the last 3 years, as well as anticipated future growth. To address the rapid growth in the number of health care users and ensure that VA continues to provide timely, high-quality health care to our core population, the proposals focus primarily on nonservice-connected veterans with comparatively higher incomes.

There are several major components to the set of proposals. First, stop enrollment of new priority level 8 veterans. Second, establish an annual enrollment fee for nonservice-connected priority level 7 veterans and all priority level 8 veterans. Third, increase co-payments for outpatient care and pharmacy benefits for priority level 7 and 8 veterans. Fourth, restrict institutional long-term care to veterans with service-connected conditions of 70 percent or greater and to veterans who require transitional, post-acute care. Fifth, reduce the pharmacy co-payment burden for priority level 2-5 veterans by raising the income threshold from the pension level of \$9,690 to the aid and attendance level of \$16,169. Sixth, require veterans to provide VA with health insurance information. The legislative proposals associated with these policy proposals are included in the general provisions of the appropriation request. Resource request estimates in this section reflect the net cost and revenue associated with these policy proposals.

The Medical Care Business Line appropriation finances the maintenance, administration, construction, alteration, and operation of a comprehensive, integrated health care delivery system that addresses the needs of the Nation's veterans.

**Medical Care.**—Provides for the health care system that supports eligible veterans; a national academic education and training program to enhance veterans' quality of care; responsibilities for assistance in natural emergencies and backup to the Department of Defense health care system; and administrative support for capital facilities.

**National Program Administration.**—Provides corporate leadership and support to VA's comprehensive and integrated health care system with a Headquarters' staff that includes a capital facilities management and development process.

**Compensated Work Therapy Program (formerly Special Therapeutic and Rehabilitation Activities Fund).**—This program provides a transition-working environment for veterans living in community assisted living arrangements under VA psychiatric care to help them become self-sufficient.

**Capital Investments.**—Provides for capital investments, necessary to ensure VA's infrastructure is adequate to support the delivery of quality health care. The capital investment program finances the following activities:

(1) **Major and Minor Construction.**—Provides for constructing, altering, extending, and improving any VA facil-

ity. This includes planning, architectural and engineering services, Capital Asset Realignment for Enhanced Services (CARES) activities, assessments, and site acquisition where the estimated cost of a project is \$4,000,000 or over for major construction and less than \$4,000,000 for minor construction.

(2) *Grants for Construction of State Extended Care Facilities.*—Provides for grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify, or alter existing hospital, nursing home, and domiciliary facilities in State homes, for furnishing care to veterans.

*Medical Care Collections Fund (MCCF).*—VA estimates collections of more than \$2.1 billion, representing 8 percent of available resources. The objective of consolidating all collections into the MCCF is to improve planning, simplify systems, enhance the recovery of funds, and focus on accountability for medical collections. This fund will consist of revenue derived from the following sources:

(1) *Medical Care Collections Fund.*—VA has the authority to collect inpatient and outpatient co-payments, medication co-payments, and nursing home co-payments; authority for certain income verification; and authority to recover third-party insurance payments from veterans for nonservice-connected conditions.

(2) *Health Services Improvement Fund.*—VA collects funds as a result of any increase in pharmacy co-payments; enhanced use lease authority; and VA's agreements with the Department of Defense for the proposed provision of care to eligible military retirees.

(3) *Long-Term Care Co-payments (formerly Veterans Extended Revolving Fund).*—Long-term co-payments of \$97 a day are collected from non-service connected veterans receiving extended care services such as geriatric evaluation; nursing home care; domiciliary services; adult day health care; other noninstitutional alternatives to nursing home care; and respite care.

(4) *Compensated Work Therapy Program (formerly Special Therapeutic and Rehabilitation Activities Fund).*—These funds are derived from actual work performed by patients and members in VA health care facilities under contracts developed with private industry, non-profit organizations, and state and federal entities and are used to support the program.

(5) *Compensation and Pension Living Expenses Program (formerly Medical Facilities Revolving Fund).*—Veterans who do not have either a spouse or child may have their monthly pension payments reduced to \$90. The difference between the veteran's regular monthly pension payment and the \$90 is transferred from the Compensation and Pension account to the Compensation and Pension Living Expenses Program.

(6) *Parking Program (formerly Parking Revolving Fund).*—VA collects parking fees for the use of parking facilities at VA facilities.

(7) *Sale of Assets (formerly the Nursing Home Revolving Fund).*—Provides for construction, alteration, and acquisition (including site acquisition) of medical care facilities through collections that may be realized from the transfer of any interest in real property that is owned by the United States and administered by the Department of Veterans Affairs.

**WORKLOAD**

*Provision of Veterans Health Care—*

*Acute hospital care.*—Costs for 2004 are estimated to increase by \$307 million for operating medical, neurological, surgical, contract and State home hospital beds, reflecting the shift to increased use of ambulatory care.

Estimated operating levels are:

	2002 actual	2003 est.	2004 est.
Patients treated .....	461,307	493,991	533,805
Average daily census .....	8,099	8,185	8,284
Average employment .....	48,807	48,363	47,998

*Rehabilitative care.*—An increase of \$26 million in 2004 is estimated for the provision of rehabilitative care, including spinal cord injury care.

Estimated operating levels are:

	2002 actual	2003 est.	2004 est.
Patients treated .....	15,174	15,629	16,098
Average daily census .....	1,200	1,229	1,258
Average employment .....	5,155	5,593	6,096

*Psychiatric care.*—An increase of \$90 million is estimated in 2004 for the inpatient care of veterans with problems related to mental illness, including alcohol and drug problems.

Estimated operating levels are:

	2002 actual	2003 est.	2004 est.
Patients treated .....	113,770	123,327	133,193
Average daily census .....	4,863	5,349	5,884
Average employment .....	13,535	13,129	12,997

*Nursing home care.*—In 2004, a decrease of \$198 million is estimated for the care of residents in VA nursing homes, contract nursing homes and State nursing homes.

Estimated operating levels are:

	2002 actual	2003 est.	2004 est.
Patients treated .....	83,801	81,319	78,048
Average daily census .....	31,636	32,429	29,981
Average employment .....	21,324	19,441	18,551

*Noninstitutional extended care.*—Included in outpatient estimates in 2004 is an increase of \$77 million estimated for noninstitutional extended care programs such as adult day care; home based primary care, skilled nursing and rehabilitation care; and home health aids.

Estimated operating levels are:

	2002 actual	2003 est.	2004 est.
Average daily census .....	24,126	28,129	32,694

*Subacute care.*—A decrease of \$10 million is estimated in 2004 for the treatment of veterans who require a level of care between acute and long-term care, as provided in VA hospital intermediate bed sections.

Estimated operating levels are:

	2002 actual	2003 est.	2004 est.
Patients treated .....	27,162	23,088	20,779
Average daily census .....	1,122	956	860
Average employment .....	4,049	3,533	3,250

*Residential care.*—An increase of \$38 million is estimated in 2004 for the care of veterans in locations other than their own homes, such as residential rehabilitation and domiciliary care programs.

Estimated operating levels are:

	2002 actual	2003 est.	2004 est.
Patients treated .....	44,598	45,102	45,405
Average daily census .....	10,605	11,329	11,569
Average employment .....	4,976	5,167	5,479

*Outpatient care.*—An increase of \$2,093 million is estimated in 2004 for the cost of outpatient medical and dental care provided by staff, physicians, and dentists participating under a fee basis arrangement for certain eligible veterans.

Estimated operating levels are:

**NUMBER OF MEDICAL VISITS AND DENTAL WORKLOADS**

Medical visits (in thousands):	2002 actual	2003 est.	2004 est.
Staff visits .....	43,684	47,114	50,647
Fee visits .....	2,734	2,972	3,233
Readjustment counseling .....	974	975	980
<b>Total .....</b>	<b>47,392</b>	<b>51,061</b>	<b>54,860</b>
<b>Dental:</b>			
Staff:			
Examinations .....	514,860	500,000	500,000
Treatments .....	134,808	140,000	140,000

General and special funds—Continued

MEDICAL CARE—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

NUMBER OF MEDICAL VISITS AND DENTAL WORKLOADS—Continued

	2002 actual	2003 est.	2004 est.
Total .....	649,668	640,000	640,000
Fee: Cases completed .....	12,460	13,000	13,000
Average employment .....	77,982	80,745	86,559

*Miscellaneous benefits and services.*—An increase of \$112 million is estimated in 2004 for the cost of this activity which includes items of nondirect medical care and treatment such as beneficiary travel, care of the dead, operation of personnel quarters at medical facilities, and the cost of furnishing supply, engineering, housekeeping, and other administrative support services to other departments on a nonreimbursable basis.

	2002 actual	2003 est.	2004 est.
Average employment .....	7,589	7,518	7,449

*National program administration (NPA).*—In 2004, an increase of \$17 million reflects two major changes. First, there is a realignment of \$8 million from direct medical care to NPA, which was previously reimbursed to NPA. As a result of the budget restructure, this \$8 million is reflected as direct appropriation for NPA. Second, an increase of \$9 million is estimated to fund the Reorganization of the Office of the Under Secretary for Health to allow greater oversight of the Veterans Integrated Service Networks.

	2002 actual	2003 est.	2004 est.
Average employment .....	534	545	588

*Construction, major.*—In 2004, an increase of \$97 million is estimated for the implementation of the Capital Asset Re-alignment for Enhanced Services (CARES) program that will right-size the health care infrastructure. CARES will assess veterans' health care needs across the country and guide the reallocation of capital assets to support the delivery of quality health care.

*Construction, minor.*—In 2004, an increase of \$15 million is estimated for construction projects costing less than \$4 million. These projects will reduce risks to patient life and safety, correct code deficiencies, improve inpatient care and ambulatory care settings, and implement CARES. CARES funding is \$42 million, an increase of \$7 million over the 2003 budget.

*Civilian health and medical program of the Department of Veterans Affairs (CHAMPVA).*—An increase of \$162 million is estimated in 2004 for private hospital and outpatient care for dependents and survivors of certain veterans.

Estimated operating levels are:

*Grants to States.*—In 2004, a decrease of \$109 million is estimated for grants for construction of State extended care facilities. This decrease was due to an increase in obligations in 2003 because of a decrease in obligations funds in 2002. In 2003, VA will award additional grants to states to reduce the current inventory of grant request by using appropriated funds and drawing down unobligated balances. This is a very-cost effective program that helps meet veterans' nursing home care needs by providing grants to assist States in acquiring or construction State home facilities.

	2002 actual	2003 est.	2004 est.
Average daily hospital census .....	170	334	358
Outpatient (in thousands) .....	1,807	3,631	4,018
Average employment .....	295	311	321

PERFORMANCE MEASURES

*Provide High Quality Health Care.*—Investment in effective chronic disease management results in improved health of veterans and reduced use of services. The prevention index spotlights and summarizes a variety of evidenced based measures for high quality preventive health care. VHA's strategy to monitor satisfaction through patient surveys will identify areas of improvement in all medical services.

	2002 actual	2003 est.	2004 est.
Chronic Disease Care Index II .....	80%	78%	78%
Prevention Index II .....	82%	80%	80%
Percent of patients rating VA health care service as very good or excellent: .....			
Inpatient .....	70%	68%	68%
Outpatient .....	71%	70%	70%

*Access to Medical Care.*—VA's strategy is to improve access and timeliness of service by reducing waiting times in specialty and primary care clinics in medical centers nationwide, and nursing home and other alternative long term care.

	2002 actual	2003 est.	2004 est.
Average waiting time for new patients seeking primary care clinic appointment (in days) .....	Baseline	TBD <sup>1</sup>	TBD <sup>1</sup>
Average waiting time for new patients seeking specialty care clinic appointment (in days) .....	Baseline	TBD <sup>1</sup>	TBD <sup>1</sup>
Increase the aggregate of VHA and community nursing home and home-based care as expressed by average daily census: .....			
Institutional .....	31,891	32,429	29,981
Non-institutional .....	24,126	28,124	32,694

<sup>1</sup> To be determined pending final enactment of FY 2003 appropriations level.

*Providing Specialized Services.*—VA will focus on improving functioning and enhancing outcomes for veterans with special needs and special disabilities.

	2002 actual	2003 est.	2004 est.
Percent of veterans discharged from a Domiciliary Care for Veterans program, Health Care for Homeless Veterans Community-based Residential Care Program, or Grant Per Diem Program to an independent or a secure institutional living arrangement .....	Baseline	65%	67%

*VA DoD Sharing.*—VA's strategy is to improve collaboration and exchange with DoD. There are two performance measures that VA developed to measure progress.

	2002 actual	2003 est.	2004 est.
Percent of VA medical centers that provide electronic access to health information provided by DoD on separated service persons .....	0%	50%	90%
Dollar value of sharing agreements with DoD (\$ in millions) .....	83.1M	\$100M	\$100M

*Revenue Cycle Improvement.*—VHA is seeking to improve its performance in the area of medical care collections. The revenue cycle improvement plan includes initiatives that will improve efficiency and accuracy.

	2002 actual	2003 est.	2004 est.
Ratio of collections to billings .....	37%	40%	40%

Object Classification (in millions of dollars)

Identification code 36-0160-0-1-703	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	7,338	7,992	8,272
11.3 Other than full-time permanent .....	787	884	889
11.5 Other personnel compensation .....	1,520	1,629	1,713
Total personnel compensation .....	9,645	10,505	10,874
12.1 Civilian personnel benefits .....	2,480	2,674	2,915
13.0 Benefits for former personnel .....	23	35	37
Travel and transportation of persons:			
21.0 Employee travel .....	49	50	50
21.0 Beneficiary travel .....	145	101	115
21.0 Interagency motor pool payments .....	18	20	20
21.0 All other .....	32	55	55
22.0 Transportation of things .....	30	40	47
23.1 Rental payments to GSA .....	13	15	18

23.2	Rental payments to others .....	68	76	83
23.3	Communications, utilities, and miscellaneous charges .....	600	630	742
24.0	Printing and reproduction .....	11	12	13
	Other services:			
25.2	Other contractual services .....	2,256	2,013	2,206
25.2	Other construction services .....	8	5	5
	Medical care:			
25.6	Outpatient dental fees .....	15	17	17
25.6	Medical and nursing fees .....	492	566	679
25.6	Community nursing homes .....	238	323	209
25.6	Contract hospitalization .....	321	336	349
25.6	Civilian Health and Medical Program of the Department of Veterans Affairs .....	182	327	479
	Supplies and materials:			
26.0	Medical supplies and materials .....	4,524	5,276	6,923
26.0	Provisions .....	75	76	80
31.0	Equipment .....	665	643	430
	Land and structures:			
32.0	Medical land and structures .....	290	365	395
32.0	Construction, major projects, land and structures .....	37	128	210
32.0	Construction, minor projects, land and structures .....	144	168	178
	Grants, subsidies, and contributions:			
41.0	Medical grants, subsidies, and contributions .....	345	408	470
41.0	Medical Grants to private organizations .....	29	56	69
41.0	Grants, subsidies, and contributions for construction of State extended care facilities .....	102	211	102
43.0	Interest and dividends .....	1	1	2
99.0	Direct obligations .....	22,838	25,132	27,772
99.0	Reimbursable obligations .....	182	150	151
99.9	Total new obligations .....	23,020	25,282	27,923

**Personnel Summary**

Identification code 36-0160-0-1-703		2002 actual	2003 est.	2004 est.
	Direct:			
	Total compensable workyears:			
1001	Civilian full-time equivalent employment .....	179,775	179,547	184,369
	Reimbursable:			
	Total compensable workyears:			
2001	Civilian full-time equivalent employment .....	1,153	1,354	1,561

**MEDICAL AND PROSTHETIC RESEARCH**

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, 2005, \$822,202,000, plus reimbursements, of which no more than \$6,000,000 shall be available until expended for the construction, alteration, and improvement of any facility under the jurisdiction or for the use of the Department for the provision of medical research, or for any of the purposes set forth in sections 8102, 8103, 8106, 8108, 8110, 8122 and 8162 of title 38, United States Code, including advance planning and design activities, offsite utility and storm drainage system construction costs, and site acquisition and disposition.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 36-0161-0-1-703		2002 actual	2003 est.	2004 est.
	Obligations by program activity:			
	Direct program:			
	Operating expenses:			
00.01	Medical research .....	469	487	497
00.02	Rehabilitation research .....	77	80	83
00.03	Health services research .....	100	104	109
00.04	Cooperative studies research .....	89	92	97
00.91	Total operating expenses .....	735	763	786
	Capital investment:			
01.01	Medical research .....	21	17	21
01.02	Rehabilitation research .....	7	7	7
01.03	Health services research .....	3	3	3
01.04	Cooperative studies research .....	5	4	5

01.91	Total capital investment .....	36	31	36
01.92	Total direct program .....	771	794	822
09.01	Reimbursable program .....	21	44	33
10.00	Total new obligations .....	792	838	855
	<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	37	22	22
22.00	New budget authority (gross) .....	778	838	855
23.90	Total budgetary resources available for obligation	815	860	877
23.95	Total new obligations .....	-792	-838	-855
23.98	Unobligated balance expiring or withdrawn .....	-1		
24.40	Unobligated balance carried forward, end of year .....	22	22	22
	<b>New budget authority (gross), detail:</b>			
	Discretionary:			
40.00	Appropriation .....	759	797	822
41.00	Transferred to other accounts .....	-3	-3	
43.00	Appropriation (total discretionary) .....	756	794	822
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	22	44	33
70.00	Total new budget authority (gross) .....	778	838	855
	<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	98	119	123
73.10	Total new obligations .....	792	838	855
73.20	Total outlays (gross) .....	-770	-834	-851
73.40	Adjustments in expired accounts (net) .....	-2		
74.40	Obligated balance, end of year .....	119	123	127
	<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	574	615	628
86.93	Outlays from discretionary balances .....	196	219	223
87.00	Total outlays (gross) .....	770	834	851
	<b>Offsets:</b>			
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-22	-44	-33
	<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	756	794	822
90.00	Outlays .....	748	790	818
	<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00	Budget authority .....	24	30	31
99.01	Outlays .....	24	30	31

For 2004, the budget process provides total resources for the VA Medical and Prosthetic Research Business Line of \$822.2 million, an increase of \$28 million over the 2003 level. This appropriation represents 54 percent of the total \$1.5 billion research effort with the balance of \$206 million provided from private contributions and \$483 million provided from federal programs support.

The 2004 budget request reflects a new account structure that will better position VA to more readily determine the full cost of a comprehensive research program leading the Nation's efforts to promote the health care of veterans. The Medical and Prosthetic Research Business Line includes the consolidation of what was the Medical and Prosthetic Research appropriation and the medical care research support funding formerly appropriated in the Medical Care appropriation.

This account is an intramural program whose mission is to acquire knowledge and create innovations that advance the health and care of veterans and the Nation. Veterans' health issues are addressed comprehensively in the following four program divisions and the medical care research support required for these programs:

**Medical Research.**—Medical Research strives to understand the disease process so that efficient, rational interventions can be made to cure or alleviate the effects of disease. The program supports investigator-initiated research projects, the training of clinicians in basic and clinical research, and cen-

General and special funds—Continued

MEDICAL AND PROSTHETIC RESEARCH—Continued

ters of excellence devoted to specific diseases. The research is done in areas particularly relevant to the veteran population—aging, chronic disease, mental illness, substance abuse, military occupations, and environmental exposures.

**Medical Research Support.**—Provides the indirect costs of the VA Research and Development program which includes such costs as the facility utility costs associated with laboratory space; administrative costs of human resources support, fiscal service, and supply service attributable to research; research's portions of a medical center's hazardous waste disposal and nuclear medicine licenses; and, most importantly, the funding for the time clinicians devote to their research activities.

**Rehabilitation Research.**—Rehabilitation Research is dedicated to the development and application of science and engineering to improve the care and quality of life for the physically disabled. The program supports investigator-initiated research projects, the training of clinicians and engineers in rehabilitation research, centers of excellence devoted to specific disabilities, and technology transfer. The research is done in areas particularly relevant to the disabled veteran population—aging, sensory loss, and trauma related illness.

**Health Services Research.**—Health Services Research is directed toward improving the outcome effectiveness and cost efficiency of health care delivery for the veteran population. The program supports investigator-initiated research projects, the training of clinicians in applied clinical research, centers of excellence devoted to specific aspects of health care delivery, and service-directed projects addressing clinical management needs. The research focuses on the translation of research findings to clinical best practices for all veteran patients. Particular contributions are made in the areas of aging, substance abuse, health systems, and special populations.

**Cooperative Studies.**—Cooperative Studies Research has recently been separated from the Medical Research and Health Services Research programs and is directed toward large multi-site clinical trials. Cooperative Studies supports the clinical trials with its own statistical support centers and its own FDA-approved pharmacy. The research determines the efficacy and cost effectiveness of new medications and new treatment strategies of direct benefit to the veteran population in the areas of aging, chronic disease, mental illness, special populations, and military occupations and environmental exposures.

VA's Medical and Prosthetic Research programs are included in the Federal Science & Technology (FS&T) budget.

**Focus Medical Research Programs.**—Designated Research Areas are focused on prevalent conditions within the veteran patient population. VA maintains this focus by monitoring and ensuring that the vast majority of resources are directed to these research areas.

	2002 actual	2003 est.	2004 est.
Percent of research projects devoted to the Designated Research Areas .....	99%	99%	99%

**SUMMARY OF BUDGETARY RESOURCES**

[In millions of dollars]

	2002 actual	2003 est.	2004 est.
Medical and prosthetic research appropriation .....	756	794	822
Federal grants (NIH) .....	396	460	483
Other grants (voluntary agencies, private proprietary) .....	245	196	206
<b>Total budgetary resources .....</b>	<b>1,397</b>	<b>1,450</b>	<b>1,511</b>

Object Classification (in millions of dollars)

Identification code 36-0161-0-1-703	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	262	274	275
11.3 Other than full-time permanent .....	86	93	91
11.5 Other personnel compensation .....	43	47	48
11.9 Total personnel compensation .....	391	414	414
12.1 Civilian personnel benefits .....	100	106	107
13.0 Benefits for former personnel .....	1	1	1
21.0 Employee travel .....	5	7	8
22.0 Transportation of things .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
24.0 Printing and reproduction .....	1	1	1
25.5 Research and development contracts .....	172	176	192
26.0 Supplies and materials .....	57	55	60
31.0 Equipment .....	41	31	36
32.0 Land and structures .....	1		
99.0 Direct obligations .....	771	794	822
99.0 Reimbursable obligations .....	21	44	33
99.9 Total new obligations .....	792	838	855

**Personnel Summary**

Identification code 36-0161-0-1-703	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	6,310	6,341	6,268
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	160	260	260

CANTEEN SERVICE REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4014-0-3-705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable operating expenses .....	133	140	147
09.02 Reimbursable direct operations .....	89	93	98
09.10 Reimbursable capital investment: Sales program: Purchase of equipment and leasehold .....	5	5	5
10.00 Total new obligations .....	227	238	250
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	16	16	10
22.00 New budget authority (gross) .....	227	231	239
23.90 Total budgetary resources available for obligation .....	243	247	249
23.95 Total new obligations .....	-227	-238	-250
24.40 Unobligated balance carried forward, end of year .....	16	10	
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	227	231	239
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	19	14	19
73.10 Total new obligations .....	227	238	250
73.20 Total outlays (gross) .....	-232	-231	-239
74.40 Obligated balance, end of year .....	14	19	30
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	229	230	238
86.98 Outlays from mandatory balances .....	3	1	1
87.00 Total outlays (gross) .....	232	231	239
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....		-1	-1
88.20 Interest on Federal securities .....	-2	-2	-2
88.40 Non-Federal sources .....	-225	-228	-236

88.90	Total, offsetting collections (cash) .....	-227	-231	-239
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	5		
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities: Par value .....	32	29	31
92.02	Total investments, end of year: Federal securities: Par value .....	29	31	29
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	6	7	7
99.01	Outlays .....	6	7	7

The Veterans Canteen Service was established to furnish, at reasonable prices, merchandise and services necessary for the comfort and well-being of veterans in VA medical facilities.

**Financing.**—Operations will be financed from current revenues.

**Object Classification** (in millions of dollars)

Identification code 36-4014-0-3-705	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	39	42	44
11.3 Other than full-time permanent .....	32	34	36
11.9 Total personnel compensation .....	71	76	80
12.1 Civilian personnel benefits .....	18	19	20
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1		
25.2 Other services .....	3	2	2
26.0 Supplies and materials .....	128	135	142
31.0 Equipment .....	5	5	5
99.9 Total new obligations .....	227	238	250

**Personnel Summary**

Identification code 36-4014-0-3-705	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
<b>Total compensable workyears:</b>			
2001 Civilian full-time equivalent employment .....	2,899	2,930	2,930

**MEDICAL CENTER RESEARCH ORGANIZATIONS**

**Program and Financing** (in millions of dollars)

Identification code 36-4026-0-3-703	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Operating expenses .....	153	156	159
09.02 Capital investments .....	18	19	19
10.00 Total new obligations .....	171	175	178
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	16	16	16
22.00 New budget authority (gross) .....	171	175	178
23.90 Total budgetary resources available for obligation .....	187	191	194
23.95 Total new obligations .....	-171	-175	-178
24.40 Unobligated balance carried forward, end of year .....	16	16	16
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	171	175	178
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	171	175	178
73.20 Total outlays (gross) .....	-171	-175	-178
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	171	175	178

**Offsets:**

Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-171	-175	-178

**Net budget authority and outlays:**

89.00	Budget authority .....			
90.00	Outlays .....			

These nonprofit corporations provide a flexible funding mechanism for the conduct of approved research at Department of Veterans Affairs medical centers. These organizations will derive funds to operate various research activities from Federal and non-Federal sources. No appropriation is required to support these activities.

**Object Classification** (in millions of dollars)

Identification code 36-4026-0-3-703	2002 actual	2003 est.	2004 est.
21.0 Travel and transportation of persons .....	2	2	2
25.2 Other services .....	107	109	111
26.0 Supplies and materials .....	44	45	46
31.0 Equipment .....	18	19	19
99.9 Total new obligations .....	171	175	178

**Trust Funds**

**GENERAL POST FUND, NATIONAL HOMES**  
(INCLUDING TRANSFER OF FUNDS)

**Unavailable Collections** (in millions of dollars)

Identification code 36-8180-0-7-705	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....		1	2
<b>Receipts:</b>			
02.00 General post fund, national homes, deposits .....	34	34	34
02.40 General post fund, national homes, interest on investments .....	2	3	3
02.99 Total receipts and collections .....	36	37	37
04.00 Total: Balances and collections .....	36	38	39
<b>Appropriations:</b>			
05.00 General post fund, national homes .....	-35	-36	-37
07.99 Balance, end of year .....	1	2	2

**Program and Financing** (in millions of dollars)

Identification code 36-8180-0-7-705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Religious, recreational, and entertainment activities .....	28	29	29
00.02 Research activities .....	2	2	2
00.03 Therapeutic residence maintenance .....	1	1	2
10.00 Total new obligations .....	31	32	33
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	54	58	63
22.00 New budget authority (gross) .....	35	36	37
23.90 Total budgetary resources available for obligation .....	89	94	100
23.95 Total new obligations .....	-31	-32	-33
24.40 Unobligated balance carried forward, end of year .....	58	63	67
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....	35	36	37
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	5	5
73.10 Total new obligations .....	31	32	33
73.20 Total outlays (gross) .....	-31	-32	-34
74.40 Obligated balance, end of year .....	5	5	5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	28	29	31

GENERAL POST FUND, NATIONAL HOMES—Continued  
(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-8180-0-7-705	2002 actual	2003 est.	2004 est.
86.98 Outlays from mandatory balances .....	3	3	3
87.00 Total outlays (gross) .....	31	32	34
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	35	36	37
90.00 Outlays .....	31	32	34
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	57	47	55
92.02 Total investments, end of year: Federal securities: Par value .....	47	55	55

This fund consists of: gifts, bequests, and proceeds from the sale of property left in the care of the facilities by former beneficiaries; patients' fund balances; and, proceeds from the sale of effects of beneficiaries who die leaving no heirs or without having otherwise disposed of their estate. Such funds are used to promote the comfort and welfare of veterans at hospitals, nursing homes, and domiciliaries where no general appropriation is available. Public Law 102-54 authorizes compensation work therapy and therapeutic transitional housing and loan programs to be funded from the General Post Fund. In addition, donations from pharmaceutical companies, non-profit corporations, and individuals to support VA medical research are deposited into this fund. (38 U.S.C. chs. 83 and 85.)

Object Classification (in millions of dollars)

Identification code 36-8180-0-7-705	2002 actual	2003 est.	2004 est.
21.0 Travel and transportation of persons .....	1	2	2
25.2 Other services .....	14	14	15
26.0 Supplies and materials .....	12	12	12
31.0 Equipment .....	3	3	3
32.0 Land and structures .....	1	1	1
99.9 Total new obligations .....	31	32	33

**BENEFITS PROGRAMS**

**Federal Funds**

**General and special funds:**

COMPENSATION

(INCLUDING TRANSFER OF FUNDS)

For the compensation program administered by the Department of Veterans Affairs, \$26,956,797,000 which shall be available as follows:

(1) For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies and for other benefits as authorized by law \$26,335,358,000; of which, not to exceed \$1,179,000 of the amount appropriated for the compensation benefit programs shall be for the administrative expenses authorized by the Omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992. In addition, for making payments after June 30 for the compensation program administered by the Department, such sums as may be necessary;

(2) For operating expenses associated with the provision of compensation benefits; reimbursement of the Department of Defense for the cost of overseas employee mail; and purchase of two passenger motor vehicles for use by the Veterans Benefits Administration in Manila, Philippines, \$621,439,000, including no more than \$11,775,000 for construction.

(38 U.S.C. 107, 1312, 1977, and 2106, chapters 11, 13, 18, 23, 39, 51, 53, 55, and 61; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 36-0102-0-1-701	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Veterans .....	18,546	21,121	22,830
01.02 Survivors .....	3,795	3,948	4,059
01.91 Direct Program by Activities—Subtotal (1 level) .....	22,341	25,069	26,889
02.93 Total compensation .....	22,341	25,069	26,889
03.01 Chapter 18 .....	17	18	19
03.02 Clothing allowance .....	45	50	53
03.03 Automobiles, adaptive equipment .....	39	38	39
03.04 Equal access to justice .....	2	3	3
03.05 Medical exam pilot program .....	37	50	51
03.06 OBRA payment to VBA .....	1	1	1
03.07 Return of REPS overpayments .....		5	
03.91 Total other compensation expenses .....	141	165	166
04.03 Administrative expenses .....	592	606	609
04.05 Construction, minor projects .....	9	12	12
04.91 Total other direct expenses .....	601	618	621
09.02 Reinstated Entitlement for Survivors .....	10	9	9
09.03 Administrative expense .....	3	3	3
09.99 Total reimbursable program .....	13	12	12
10.00 Total new obligations .....	23,096	25,864	27,688
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	142	438	727
22.00 New budget authority (gross) .....	23,393	26,152	26,968
23.90 Total budgetary resources available for obligation .....	23,535	26,590	27,695
23.95 Total new obligations .....	-23,096	-25,864	-27,688
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	438	727	7
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	604	610	621
40.73 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	603	610	621
<b>Mandatory:</b>			
<b>Appropriation:</b>			
60.00 Appropriation .....	22,772	25,530	25,980
60.00 Appropriation [COLA] .....			355
62.50 Appropriation (total mandatory) .....	22,772	25,530	26,335
<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	3	3	3
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) REPS .....	15	9	9
70.00 Total new budget authority (gross) .....	23,393	26,152	26,968
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,861	1,951	2,189
73.10 Total new obligations .....	23,096	25,864	27,688
73.20 Total outlays (gross) .....	-22,999	-25,626	-27,534
73.40 Adjustments in expired accounts (net) .....	-7		
74.40 Obligated balance, end of year .....	1,951	2,189	2,343
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	472	492	502
86.93 Outlays from discretionary balances .....	94	112	117
86.97 Outlays from new mandatory authority .....	20,661	23,181	24,863
86.98 Outlays from mandatory balances .....	1,772	1,841	2,052
87.00 Total outlays (gross) .....	22,999	25,626	27,534
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-18	-12	-12

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	23,375	26,140	26,956
90.00	Outlays .....	22,982	25,614	27,522

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	31	31	34
99.01	Outlays .....	31	31	34

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	23,375	26,140	26,956
Outlays .....	22,981	25,614	27,522
Legislative proposal, subject to PAYGO:			
Budget Authority .....			-124
Outlays .....			-124
<b>Total:</b>			
Budget Authority .....	23,375	26,140	26,832
Outlays .....	22,981	25,614	27,398

The mandatory request in this appropriation provides for the payment of compensation to veterans and survivors. Compensation is paid to veterans for disabilities incurred in or aggravated during active military service. Dependency and Indemnity Compensation is paid to survivors of servicepersons or veterans whose death occurred while on active duty or as a result of service-connected disabilities. Compensation and vocational rehabilitation is provided to the children of Vietnam veterans who were born with certain birth defects. The Secretary may pay a clothing allowance to each veteran who uses a prescribed medication for a service-connected skin condition or wears a prosthetic or orthopedic appliance (including a wheelchair) which, in the judgment of the Secretary, tends to damage or tear the clothing of such veteran.

In addition, certain disabled veterans are provided with automobile grants with the associated approved adaptive equipment. An allowance, up to a maximum of \$9,000, is provided to certain service-disabled veterans and servicepersons toward the purchase price of an automobile. Adaptive equipment and the maintenance and replacement of such equipment is also provided. Miscellaneous benefits provided for are:

(a) payments to emergency officers of World War I and certain officers of the Regular Establishment who have retired because of service-connected disability;

(b) payments for claims made pursuant to the provision of the World War Adjusted Compensation Act of 1924, as amended;

(c) a special allowance (38 U.S.C. 1312) to dependents of certain veterans who died after December 31, 1956, but who were not fully and currently insured under the Social Security Act; and

(d) payments authorized by the Equal Access to Justice Act.

The mandatory request also includes a pilot program authorizing VA to contract out medical examinations to determine service-connected disabilities of veterans who are potential applicants of compensation benefits and a program to allow VA to perform income matches for certain compensation recipients.

In accordance with Public Law 97-377, the Reinstated Entitlement Program for Survivors (REPS) program restores social security benefits to certain surviving spouses or children of veterans who died of service-connected causes. Financing is provided in the form of offsetting collections from the Department of Defense.

The discretionary request in this appropriation provides for the corporate leadership and operational support to VA's Compensation business line. Additionally, funding is provided for capital asset investments.

Legislation is proposed to provide a cost-of-living adjustment comparable to the annual social security increase to recipients of disability compensation, dependency and indemnity compensation, and clothing allowances. The increase, effective with payments made on January 1, 2004, is expected to be 2.0 percent.

Legislation is proposed to authorize the regional benefits office in Manila, Philippines for an additional five years. Under current law, the authority to maintain and operate this facility expires on December 31, 2003. VA administers programs that provide compensation, pension, education, and burial benefits to veterans living in the Philippines.

**AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS**

	2002 actual	2003 est.	2004 est.
<b>Veterans:</b>			
Cases .....	2,356,592	2,466,212	2,543,600
Average payment per case, per year .....	\$7,870	\$8,564	\$8,975
<b>Total obligations (in millions) .....</b>	<b>\$18,546</b>	<b>\$21,121</b>	<b>\$22,830</b>
<b>Survivors:</b>			
Total .....	308,024	312,109	316,747
Average payment per case, per year .....	\$12,320	\$12,647	\$12,819
<b>Total obligations (in millions) .....</b>	<b>\$3,795</b>	<b>\$3,947</b>	<b>\$4,060</b>
<b>Chapter 18:</b>			
Children .....	1,035	1,088	1,115
Average payment per case, per year .....	\$16,330	\$16,928	\$17,189
<b>Total obligations (in millions) .....</b>	<b>\$17</b>	<b>\$18</b>	<b>\$19</b>
<b>Clothing allowance:</b>			
Number of veterans .....	81,738	84,409	86,681
Average payment per case, per year .....	\$546	\$588	\$611
<b>Total obligations (in millions) .....</b>	<b>\$45</b>	<b>\$50</b>	<b>\$53</b>
<b>Automobiles or other conveyances:</b>			
Number of conveyances .....	1,093	1,093	1,093
Average benefit .....	\$8,609	\$8,995	\$8,995
<b>Obligations (in millions) .....</b>	<b>\$9</b>	<b>\$10</b>	<b>\$10</b>
<b>Adaptive equipment (including maintenance, repair and installation for automobiles):</b>			
Number of items .....	8,539	8,700	8,700
Average benefit .....	\$3,506	\$3,713	\$3,900
<b>Obligations (in millions) .....</b>	<b>\$30</b>	<b>\$32</b>	<b>\$34</b>
<b>Other compensation caseload:</b>			
Retired Officers .....	1	1	1
Special allowance dependents .....	94	90	80
Equal Access to Justice payments .....	519	715	715
<b>REPS:</b>			
Spouses .....	91	91	75
Average benefit .....	\$12,879	\$18,533	\$18,928
<b>Obligations (in millions) .....</b>	<b>\$2</b>	<b>\$2</b>	<b>\$1</b>
Children .....	525	520	466
Average benefit .....	\$16,840	\$13,878	\$14,183
<b>Obligations (in millions) .....</b>	<b>\$9</b>	<b>\$7</b>	<b>\$7</b>

The Veterans Benefits Administration determines eligibility and adjudicates all claims for compensation awards. Workload data for this program are shown below. Specific performance goals relating to the processing of veterans benefits are contained in VA's annual performance plan. The Compensation business line provides processing of claims for veterans and dependents relating to compensation benefits under the various laws enacted by Congress.

**General and special funds—Continued**

**COMPENSATION—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

**WORKLOAD**

(Claims completed in thousands)

	2002 actual	2003 est.	2004 est.
Compensation:			
Rating-Related Actions .....	693	697	653
Non Rating Actions .....	141	151	130

**Object Classification (in millions of dollars)**

Identification code 36-0102-0-1-701	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	300	350	362
11.5 Other personnel compensation .....	12	10	10
11.9 Total personnel compensation .....	312	360	372
12.1 Civilian personnel benefits .....	79	82	83
21.0 Travel and transportation of persons .....	5	6	6
22.0 Transportation of things .....	1	2	2
23.2 Rental payments to others .....	5	3	3
23.3 Communications, utilities, and miscellaneous charges .....	62	69	70
24.0 Printing and reproduction .....	2	1	1
25.2 Other services .....	104	64	53
26.0 Supplies and materials .....	5	5	5
31.0 Equipment .....	17	15	13
32.0 Land and structures .....	9	12	13
42.0 Insurance claims and indemnities .....	22,482	25,233	27,056
99.0 Direct obligations .....	23,083	25,852	27,677
99.0 Reimbursable obligations .....	13	12	11
99.9 Total new obligations .....	23,096	25,864	27,688

**Personnel Summary**

Identification code 36-0102-0-1-701	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	6,909	6,759	6,759
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	76	75	75

**COMPENSATION**

(Legislative proposal, subject to PAYGO)

Legislation is proposed to restore the original interpretation of section 1110 of title 38 USC prohibiting the granting of service-connected disability arising secondarily from alcohol or drug-abuse. In February 2001, a three-judge panel of the US Court of Appeals interpreted section 1110 as not precluding compensation for an alcohol or drug-abuse-related disability arising secondarily from a service-connected disability. Enactment of this provision is estimated to save \$127 million in 2004.

Legislation is proposed to provide payment at the full rate of authorized benefits for World War II veterans of the New Philippine Scouts and for survivors of Filipino veterans, who reside in the United States. Enactment of this proposal will result in additional cost of \$3 million in 2004.

**Program and Financing (in millions of dollars)**

Identification code 36-0102-4-1-701	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 New Philippine Scouts and DIC .....			3
01.02 Allen reversal .....			-127
02.93 Total compensation .....			-124
10.00 Total new obligations (object class 42.0) .....			-124

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....			-124
23.95 Total new obligations .....			124

**New budget authority (gross), detail:**

Mandatory:			
60.00 Appropriation .....			-124

**Change in obligated balances:**

73.10 Total new obligations .....			-124
73.20 Total outlays (gross) .....			124

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....			-124
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**Net budget authority and outlays:**

89.00 Budget authority .....			-124
90.00 Outlays .....			-124

**EDUCATION**

For the education program administered by the Department of Veterans Affairs, \$2,003,188, which shall be available as follows:

(1) For the payment of education and training benefits to or on behalf of veterans as authorized by law including any payment for associated activities authorized by 38 U.S.C. 3034(e), 3674, 3684(C), and 3697, \$1,904,665. In addition, for making payments after June 30 for the education program administered by the Department, such sums as may be necessary;

(2) For operating expenses associated with the provision of education and training benefits; and reimbursement of the Department of Defense for the cost of overseas employee mail, \$98,523,000, including no more than \$757,000 for construction.

(38 U.S.C. chapters 30, 31, 34, 35, 36, 51, 53, 55, and 61).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 36-0137-0-1-702	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
01.01 Peacetime veterans/servicepersons .....	1,150	1,592	1,749
01.03 Dependents .....	234	249	267
01.04 Tuition Assistance .....	25	59	69
01.05 Licensing and Certification .....	1	3	5
01.06 Work study .....	21	31	31
01.07 Payments to states .....	14	14	18
01.08 Reporting fees .....	3	3	3
01.91 Total special assistance to disabled veterans .....	1,448	1,951	2,142
Other direct expenses:			
03.01 Administrative expenses .....	73	100	99
03.03 Construction, minor construction .....	1	1	1
03.91 Total other direct expenses .....	74	101	100
05.00 Total Direct Program .....	1,522	2,052	2,242
Reimbursable education program:			
09.01 Veterans' basic benefits .....	9	11	12
09.02 Veterans' supplementary benefits .....	77	95	174
09.03 Reservists benefits .....	117	127	134
09.04 Reservists supplementary benefits .....	32	35	37
09.05 Reimbursement to GOE .....		1	1
09.09 Reimbursable program—subtotal line .....	235	269	358
10.00 Total new obligations .....	1,757	2,321	2,600

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	385	522	239
22.00 New budget authority (gross) .....	1,894	2,037	2,362
23.90 Total budgetary resources available for obligation .....	2,279	2,559	2,601
23.95 Total new obligations .....	-1,757	-2,321	-2,600
24.40 Unobligated balance carried forward, end of year .....	522	239	

**New budget authority (gross), detail:**

Discretionary:			
Discretionary:			
40.00 Appropriation .....	75	97	99

60.00	Mandatory: Appropriation .....	1,584	1,672	1,905
	Discretionary:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....		1	1
69.00	Mandatory: Offsetting collections (cash) .....	235	267	357
70.00	Total new budget authority (gross) .....	1,894	2,037	2,362
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	50	62	64
73.10	Total new obligations .....	1,757	2,321	2,600
73.20	Total outlays (gross) .....	-1,745	-2,318	-2,600
73.40	Adjustments in expired accounts (net) .....	1		
74.40	Obligated balance, end of year .....	62	64	65
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	60	81	83
86.93	Outlays from discretionary balances .....	10	13	17
86.97	Outlays from new mandatory authority .....	1,635	1,939	2,262
86.98	Outlays from mandatory balances .....	40	285	238
87.00	Total outlays (gross) .....	1,745	2,318	2,600
<b>Offsets:</b>				
88.00	Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources .....	-235	-268	-358
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	1,659	1,769	2,004
90.00	Outlays .....	1,509	2,050	2,242
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	4	5	5
99.01	Outlays .....	4	5	5

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	1,659	1,769	2,004
Outlays .....	1,510	2,050	2,242
Legislative proposal, subject to PAYGO:			
Budget Authority .....			1
Outlays .....			1
Total:			
Budget Authority .....	1,659	1,769	2,005
Outlays .....	1,510	2,050	2,243

The mandatory request in this appropriation finances educational assistance allowances for certain service persons, peacetime veterans and for eligible dependents of those veterans: (a) who died from service-connected causes or have a total and permanent rated service-connected disability; and (b) servicepersons who were captured or missing in action. Voluntary contributions by eligible servicepersons and matching contributions provided by the Department of Defense are included in the Post-Vietnam Era Veterans Education Account.

The discretionary request in this appropriation provides for the corporate leadership and operational support to VA's Education business line. Additionally, funding is provided for capital asset investments.

In compliance with the Federal Credit Reform Act of 1990, the Education Loan Fund Program account is reported separately under the Vocational Rehabilitation and Education Loans Program account. The Education Loan program provides loans of up to \$2,500 to dependents of veterans who are eligible for training benefits under chapter 35, title 38, U.S.C. and who are without sufficient funds to meet their education related expenses.

**All Volunteer Force educational assistance (Montgomery GI Bill).**—Public Law 98-525, enacted October 19, 1984, established two new peacetime educational programs: an assistance program for veterans who enter active duty during the period beginning July 1, 1985; and an assistance program for certain members of the Selected Reserve. The Education appropria-

tion pays the basic benefit allowance for the peacetime veterans, except for certain Post-Vietnam Era Veterans Education participants who transferred to the Montgomery GI Bill program. Supplementary educational assistance and the basic benefit allowance for peacetime veterans, Post-Vietnam Era Veterans Education converters, and reservists are financed by payments from the Department of Defense and the Department of Transportation.

The following table shows a caseload and cost comparison for these beneficiaries under existing legislation.

**CASELOAD AND AVERAGE COST DATA**

	2002 actual	2003 est.	2004 est.
<b>Veterans/Service members:</b>			
Number of trainees .....	289,701	328,244	332,026
Average cost per trainee .....	\$4,266	\$5,180	\$5,831
Total cost (in millions) .....	\$1,236	\$1,700	\$1,936
<b>Reservists:</b>			
Number of trainees .....	85,934	91,090	94,734
Average cost per trainee .....	\$1,734	\$1,770	\$1,804
Total cost (in millions) .....	\$149	\$161	\$171

**Dependents' education and training.**—This program provides benefits to children and spouses of veterans who died of a service-connected disability or whose service-connected disability is rated permanent and total. In addition, dependents of servicepersons missing in action or interned by a hostile foreign government for more than 90 days are also eligible. The following table provides a comparison of trainees and costs for the Dependents Educational Assistance program.

**NUMBER OF TRAINEES AND COST**

	2002 actual	2003 est.	2004 est.
<b>Sons and daughters:</b>			
Number of trainees .....	46,714	48,880	51,346
Average cost per trainee (in dollars) .....	\$4,458	\$4,548	\$4,639
Total cost (in millions) .....	\$208	\$222	\$238
<b>Spouses and widow(ers):</b>			
Number of trainees .....	7,265	7,434	7,781
Average cost per trainee (in dollars) .....	\$3,517	\$3,587	\$3,659
Total cost (in millions) .....	\$26	\$27	\$29

**Tuition Assistance.**—Public Law 106-398, enacted October 30, 2000, allows the military services to pay up to 100 percent of tuition and expenses charged by a school for service members. If a service department pays less than 100 percent, a service member eligible for the Montgomery GI Bill—Active-duty (MGIB) can elect to receive MGIB benefits for all or a portion of the remaining expenses.

**Licensing and certification test payments.**—Under Public Law 106-419, veterans and other eligible persons may receive up to \$2,000 to pay fees required for civilian occupational licensing and certification examinations needed to enter, maintain, or advance in employment in a vocation or profession—effective March 1, 2001.

**CASELOAD AND AVERAGE COST DATA**

	2002 actual	2003 est.	2004 est.
<b>Tuition Assistance:</b>			
Number of trainees .....	60,264	120,000	140,000
Average cost per trainee .....	\$416	\$494	\$494
Total cost (in millions) .....	\$25	\$59	\$69
<b>Licensing and Certification:</b>			
Number of individuals .....	5,111	7,500	15,000
Average cost per trainee .....	\$277	\$305	\$336
Total cost (in millions) .....	\$1	\$3	\$5

**General and special funds—Continued**

**EDUCATION—Continued**

*Work-Study.*—Certain veterans pursuing a program of rehabilitation, education, or training, who are enrolled as a full-time student, can work up to 250 hours per semester, receiving the Federal (\$5.15 on 9/1/97) or state minimum wage rate, whichever is higher.

	2002 actual	2003 est.	2004 est.
Number of contracts .....	16,977	17,000	17,000
Total cost (in millions) .....	\$21	\$31	\$31

*Payments to States.*—State approving agencies are reimbursed for the costs of inspecting, approving, and supervising programs of education and training offered by educational institutions and training establishments in which veterans, dependents, and reservists are enrolled or are about to enter.

*Reporting fees.*—Reporting fees are paid to education and training institutions to help defray the costs of certifying education enrollment for veterans enrolled in training during a calendar year.

**WORKLOAD**

(In thousands)

	2002 actual	2003 est.	2004 est.
Original claims .....	188	201	213
Adjustments/supplemental claims .....	1,034	1,211	1,286

**Object Classification (in millions of dollars)**

Identification code 36-0137-0-1-702	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	46	46	48
11.5 Other personnel compensation .....	1	2	2
11.9 Total personnel compensation .....	47	48	50
12.1 Civilian personnel benefits .....	14	11	11
21.0 Travel and transportation of persons .....		2	2
23.3 Communications, utilities, and miscellaneous charges .....	6	13	13
24.0 Printing and reproduction .....		1	1
25.2 Other services .....	7	20	17
25.3 Other purchases of goods and services from Government accounts .....		2	2
26.0 Supplies and materials .....		2	2
32.0 Land and structures .....	1	1	1
41.0 Grants, subsidies, and contributions .....	1,447	1,952	2,143
99.0 Direct obligations .....	1,522	2,052	2,242
99.0 Reimbursable obligations .....	235	269	358
99.9 Total new obligations .....	1,757	2,321	2,600

**Personnel Summary**

Identification code 36-0137-0-1-702	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	864	952	969

**EDUCATION**

(Legislative proposal, subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 36-0137-4-1-702	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
01.01 MGIB Revision for OJT in Self-Employment .....			1
01.03 National Guard Delimiting Date Extension .....			
01.05 Extension of the Education Advisory Committee .....			
05.00 Total Direct Program .....			1

10.00 Total new obligations .....	1
<b>Budgetary resources available for obligation:</b>	
22.00 New budget authority (gross) .....	1
23.95 Total new obligations .....	-1
<b>New budget authority (gross), detail:</b>	
Mandatory:	
60.00 Appropriation .....	1
<b>Change in obligated balances:</b>	
73.10 Total new obligations .....	1
73.20 Total outlays (gross) .....	-1
<b>Outlays (gross), detail:</b>	
86.97 Outlays from new mandatory authority .....	1
<b>Net budget authority and outlays:</b>	
89.00 Budget authority .....	1
90.00 Outlays .....	1

The Administration will transmit legislation to extend the time for using education benefit for members of the National Guard activated after September 11, 2001, who qualify for chapter 35, regardless of whether they were called to active duty under title 10 or title 32 of the United States Code. The estimated cost in 2004 is \$150,000 with an estimated ten year cost of \$5 million.

The Administration will transmit legislation to modify the Montgomery G.I. Bill to enable veterans to be reimbursed for certain self-employment training programs. The estimated cost in 2004 is \$360,000 with an estimated ten year cost of \$4 million.

Legislation is required to extend the Department of Veterans Affairs Education Advisory Committee. Under current law, authority to maintain the committee expires December 31, 2003.

The Education Loan program has not issued a loan in over ten years. Since there is no longer a demand for the program, the Administration will transmit legislation to eliminate the program and waive all outstanding balances.

**Object Classification (in millions of dollars)**

Identification code 36-0137-4-1-702	2002 actual	2003 est.	2004 est.
Grants, subsidies, and contributions:			
41.0 Grants, subsidies, and contributions .....			1
41.0 Grants, subsidies, and contributions .....			
99.9 Total new obligations .....			1

**VOCATIONAL REHABILITATION AND EMPLOYMENT**

For the vocational rehabilitation and employment program administered by the Department of Veterans Affairs, \$696,728,000, which shall be available as follows:

(1) For the provision of vocational rehabilitation and employment benefits (including independent living services and assistance) to or on behalf of veterans as authorized by law, \$561,337,000. In addition, for making payments after June 30 for the vocational rehabilitation and employment program administered by the Department, such sums as may be necessary;

(2) For operating expenses associated with the provision of vocational rehabilitation and employment benefits (including administrative expenses incurred under section 3104(a) (1), (2), (5), and (11) of title 38, United States Code); and reimbursement of the Department of Defense for the cost of overseas employee mail, \$135,391,000, including no more than \$1,841,000 for construction;

(3) For the cost of direct loans, \$52,000, as authorized by 38 U.S.C. chapter 31, as amended: Provided further, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$3,938,000. (38 U.S.C. chapters 31, 36, 51, 53, 55, and 61).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 36-0135-0-1-702	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Vocational rehabilitation training .....	269	293	319
01.02 Subsistence allowance .....	207	216	226
01.04 Work study .....	11	16	16
01.91 Direct Program by Activities—Subtotal (1 level)	487	525	561
03.01 Administrative expenses .....	118	132	134
03.03 Construction, minor projects .....	1	2	2
03.91 Direct Program by Activities—Subtotal (1 level)	119	134	136
04.93 Total direct program .....	119	134	136
10.00 Total new obligations .....	606	659	697
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2	2	
22.00 New budget authority (gross) .....	607	657	696
23.90 Total budgetary resources available for obligation	609	659	696
23.95 Total new obligations .....	-606	-659	-697
24.40 Unobligated balance carried forward, end of year .....	2		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	120	132	135
Mandatory:			
60.00 Appropriation .....	487	525	561
70.00 Total new budget authority (gross) .....	607	657	696
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	29	39	39
73.10 Total new obligations .....	606	659	697
73.20 Total outlays (gross) .....	-597	-657	-695
73.40 Adjustments in expired accounts (net) .....	-1		
74.40 Obligated balance, end of year .....	39	39	39
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	97	108	110
86.93 Outlays from discretionary balances .....	16	20	24
86.97 Outlays from new mandatory authority .....	471	514	550
86.98 Outlays from mandatory balances .....	13	15	11
87.00 Total outlays (gross) .....	597	657	695
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	607	657	696
90.00 Outlays .....	596	657	695
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	5	6	6
99.01 Outlays .....	5	6	6

The mandatory request in this appropriation finances assistance allowances for certain disabled veterans who are provided with vocational rehabilitation and employment services.

The discretionary request in this appropriation provides for the corporate leadership and operational support to VA's VR&E business line as well as direct services. Additionally, funding is provided for capital asset investments.

In compliance with the Federal Credit Reform Act of 1990, the Vocational Rehabilitation Loan Fund Program account is reported separately under the Vocational Rehabilitation and Educational Loans Program Account. The Vocational Rehabilitation Loans program provides loans (based on indexed Chapter 31 Subsistence allowance rate) to veterans enrolled in a program of vocational rehabilitation who are temporarily in need of additional funds to meet their expenses.

*Special assistance to disabled veterans.*—Service-disabled veterans requiring vocational rehabilitation receive assistance to cover the costs of subsistence, tuition, books, supplies, and equipment.

The following table shows caseload for this program. Specific performance goals are contained in VA's annual performance plan.

**CASELOAD AND AVERAGE COST DATA**

	2002 actual	2003 est.	2004 est.
Total number of participants .....	69,634	71,549	73,517
Average cost .....	\$6,994	\$7,338	\$7,630
Total cost (in millions) .....	\$487	\$525	\$561

The VBA VR&E service provides counseling and assistance to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, obtain and maintain suitable employment.

**WORKLOAD**

	2002 actual	2003 est.	2004 est.
(in thousands)			
Evaluation and planning .....	61	62	63
Rehabilitation services .....	64	66	67
Employment services status .....	14	14	15
Vocational/educational counseling .....	9	9	9

**Object Classification** (in millions of dollars)

Identification code 36-0135-0-1-702	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	82	70	73
11.5 Other personnel compensation .....	3		
11.9 Total personnel compensation .....	85	70	73
12.1 Civilian personnel benefits .....	20	16	16
21.0 Employee Travel .....	1	2	2
22.0 Transportation of things .....		1	1
23.3 Communications, utilities, and miscellaneous charges .....		11	11
25.2 Other services .....	11	28	27
26.0 Supplies and materials .....		1	1
31.0 Equipment .....	1	3	3
32.0 Land and structures .....	1	2	2
41.0 Grants, subsidies, and contributions .....	487	525	561
99.9 Total new obligations .....	606	659	697

**Personnel Summary**

Identification code 36-0135-0-1-702	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,057	1,205	1,204

**INSURANCE**

For the insurance program administered by the Department of Veterans Affairs, \$33,011,000, which shall be available as follows:

(1) For the payment of military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by law, \$29,017,000, to remain available until expended. In addition, for making payments after June 30 for the insurance programs administered by the Department, such sums as may be necessary;

(2) For operating expenses associated with the provision of insurance programs; and reimbursement of the Department of Defense for the cost of overseas employee mail, \$3,994,000, including no more than \$206,000 for construction.

(38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General and special funds—Continued**

**INSURANCE—Continued**

**Program and Financing (in millions of dollars)**

Identification code 36-0120-0-1-701	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Payment to NSLI .....	1	1	1
00.10 VMLI death claims .....	8	9	9
00.12 Payment to service-disabled veterans insurance .....	19	21	21
00.13 Administrative Expenses .....	3	4	4
00.15 Minor Construction .....	1		
01.00 Total direct expenses .....	32	35	35
09.01 Administrative expenses .....	36	36	36
09.99 Total reimbursable program .....	36	36	36
10.00 Total new obligations .....	68	71	71
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	
22.00 New budget authority (gross) .....	68	70	71
23.90 Total budgetary resources available for obligation	69	71	71
23.95 Total new obligations .....	-68	-71	-71
24.40 Unobligated balance carried forward, end of year	1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	4	4	4
Mandatory:			
60.00 Appropriation .....	26	28	29
Offsetting collections (cash):			
69.00 Offsetting collections (cash) .....	36	36	36
69.00 Offsetting collections (cash) .....	2	2	2
69.90 Spending authority from offsetting collections (total mandatory) .....	38	38	38
70.00 Total new budget authority (gross) .....	68	70	71
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	6	5
73.10 Total new obligations .....	68	71	71
73.20 Total outlays (gross) .....	-68	-71	-72
74.40 Obligated balance, end of year .....	6	5	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	3	3
86.93 Outlays from discretionary balances .....		1	1
86.97 Outlays from new mandatory authority .....	59	61	63
86.98 Outlays from mandatory balances .....	5	6	5
87.00 Total outlays (gross) .....	68	71	72
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources [Administrative expenses] .....	-36	-36	-36
88.40 VMLI premiums .....	-2	-2	-2
88.90 Total, offsetting collections (cash) .....	-38	-38	-38
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	30	32	33
90.00 Outlays .....	29	33	34

Note.—The Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

The Insurance business line administers six life insurance programs, including two trust funds, two public enterprise funds, a trust revolving fund, and Veteran's Mortgage Life Insurance (VMLI), and supervises two additional programs for the benefit of servicepersons, veterans, and their beneficiaries through contracts with a commercial company. All programs are operated on a commercial basis, to the extent possible, consistent with all applicable statutes. The Insurance appropriation is the funding mechanism for the following administration of the Government life insurance activities: U.S. Government Life Insurance Fund (USGLI); National

Service Life Insurance (NSLI); Service-Disabled Veterans Insurance Fund (S-DVI); and Veterans Mortgage Life Insurance (VMLI).

*Military and naval insurance.*—Payments are made to the USGLI fund for certain World War I veterans for extra hazards of military service and for claims on war risk insurance issued to servicemen and veterans of World War I.

*National service life insurance (NSLI).*—Payments are made to the NSLI fund for certain World War II veterans for: (a) the extra hazards of service; (b) gratuitous insurance granted to certain persons unable to apply for national service life insurance; and (c) death claims on policies under the waiver of a premium while the insured was on active duty.

*Payment to service-disabled veterans insurance fund (S-DVI).*—Payments are made to the S-DVI fund to supplement the premiums and other receipts of the fund in amounts necessary to pay claims on insurance policies issued to veterans with service-connected disabilities.

*Veterans mortgage life insurance (VMLI).*—Payments are made to mortgage holders under this program, which provides mortgage protection life insurance to veterans who have received a grant for specially adapted housing due to severe disabilities. The general decline in the number of policies and the amount of insurance in force is expected to continue in 2004 as indicated in the following table.

**POLICIES AND INSURANCE IN FORCE**

	2002 actual	2003 est.	2004 est.
VMLI policies:			
Number of policies .....	3,060	2,940	2,810
Amount of insurance (dollars in millions) .....	\$186	\$183	\$178

The discretionary request in this appropriation provides for the corporate leadership and operational support to VA's insurance line. Additionally, funding is provided for capital asset investments.

**WORKLOAD**

(In thousands)

	2002 actual	2003 est.	2004 est.
Policy service actions .....	867	846	825
Collections .....	2,509	2,369	2,221
Disability claims .....	16	16	16
Insurance awards .....	493	496	499

Note.—The Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

**Object Classification (in millions of dollars)**

Identification code 36-0120-0-1-701	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	3	3	3
32.0 Land and structures .....	1	1	1
42.0 Insurance claims and indemnities .....	28	31	31
99.0 Direct obligations .....	32	35	35
99.0 Reimbursable obligations .....	36	36	36
99.9 Total new obligations .....	68	71	71

**Personnel Summary**

Identification code 36-0120-0-1-701	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	36	39	45
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	443	480	470

PENSIONS

(INCLUDING TRANSFER OF FUNDS)

For the pension programs administered by the Department of Veterans Affairs, \$3,542,742,000, which shall be available as follows:

(1) For the payment of pension benefits to or on behalf of veterans, payment of premiums due on commercial life insurance policies, and for other benefits as authorized by law, \$3,391,048,000; of which not to exceed \$16,438,000 of the amount for pension benefits shall be for necessary expenses in implementing those provisions authorized by the Omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992, the funding source for which is specifically provided as the "Pensions" appropriation: Provided, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical Care" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized. In addition, for making payments after June 30 for the pension programs administered by the Department, such sums as may be necessary;

(2) For operating expenses associated with the provision of pension benefits and reimbursement of the Department of Defense for the cost of overseas employee mail, \$151,694,000, including no more than \$3,265,000 for construction.

(38 U.S.C. chapters 15, 23, 51, 53, 55, 61, 107, 1312, 1977, and 2106, 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198; 92 Stat. 2508).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 36-0154-0-1-701	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.03 Improved law .....	2,433	2,541	2,620
01.04 Prior law .....	31	27	23
01.91 Total veterans .....	2,464	2,568	2,643
02.01 Improved law .....	632	654	676
02.02 Prior law .....	67	61	55
02.03 Old law .....	1	1	1
02.91 Total survivors .....	700	716	732
02.92 Total pensions .....	3,164	3,284	3,375
03.01 OBRA payment to VBA .....	13	16	16
03.02 Administrative expenses .....	153	154	148
03.04 Construction, minor projects .....	2	3	3
03.91 Total direct program .....	168	173	167
10.00 Total new obligations .....	3,332	3,457	3,542
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2	3	1
22.00 New budget authority (gross) .....	3,333	3,455	3,543
23.90 Total budgetary resources available for obligation	3,335	3,458	3,544
23.95 Total new obligations .....	-3,332	-3,457	-3,542
24.40 Unobligated balance carried forward, end of year .....	3	1	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	156	155	152
Mandatory:			
60.00 Appropriation .....	3,177	3,300	3,391
70.00 Total new budget authority (gross) .....	3,333	3,455	3,543
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	270	288	296
73.10 Total new obligations .....	3,332	3,457	3,542
73.20 Total outlays (gross) .....	-3,312	-3,450	-3,534
73.40 Adjustments in expired accounts (net) .....	-2		
74.40 Obligated balance, end of year .....	288	296	304
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	123	138	135
86.93 Outlays from discretionary balances .....	23	22	16
86.97 Outlays from new mandatory authority .....	2,919	3,032	3,115
86.98 Outlays from mandatory balances .....	247	258	268

87.00	Total outlays (gross) .....	3,312	3,450	3,534
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	3,333	3,455	3,543
90.00	Outlays .....	3,312	3,450	3,534
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	8	8	9
99.01	Outlays .....	8	8	9

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	3,333	3,455	3,543
Outlays .....	3,312	3,450	3,534
Legislative proposal, subject to PAYGO:			
Budget Authority .....			1
Outlays .....			1
Total:			
Budget Authority .....	3,333	3,455	3,544
Outlays .....	3,312	3,450	3,535

The mandatory request in this appropriation provides for the payment of pensions to veterans or their survivors. A veteran's entitlement is based on active duty service of a specific length (normally 90 days or more) during a designated war period, disabilities considered permanent and total, and countable income below established levels. There is no disability requirement for survivor cases or veterans age 65 or older. Income support is provided at established benefit levels. An automatic annual cost-of-living increase comparable to the annual social security increase is provided for those pensioners in the improved program and to parents receiving dependency and indemnity compensation. The increase, effective with payments made on January 1, 2004, is expected to be 2.0 percent.

The discretionary request in this appropriation provides for the corporate leadership and operational support to VA's Pension business line. Additionally, funding is provided for capital asset investments.

AVERAGE NUMBER OF PENSION CASES AND PAYMENTS

	2002 actual	2003 est.	2004 est.
<b>Veterans:</b>			
Improved law .....	328,052	327,105	326,505
Prior law .....	18,196	15,494	13,209
Old law and service .....	246	216	191
Total .....	346,494	342,815	339,905
Average payment per case, per year (in dollars) .....	\$7,111	\$7,491	\$7,776
Total obligations (in millions) .....	\$2,464	\$2,568	\$2,643
<b>Survivors:</b>			
Improved law .....	169,828	165,292	161,274
Prior law .....	63,983	57,514	51,769
Old law and service .....	944	754	605
Total .....	234,755	223,560	213,648
Average payment per case, per year (in dollars) .....	\$2,982	\$3,200	\$3,424
Total obligations (in millions) .....	\$700	\$715	\$732

The Veterans Benefits Administration determines eligibility and adjudicates all claims for pensions awards. Workload data for this program are shown below. Specific performance goals relating to the processing of veterans benefits are contained in VA's annual performance plan. The Pension business line provides processing of claims for veterans and dependents relating to pension benefits under the various laws enacted by Congress.

**General and special funds—Continued**

**PENSIONS—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

**WORKLOAD**

[Claims completed in thousands]

	2002 actual	2003 est.	2004 est.
Pension:			
Rating-Related Actions .....	104	104	97
Non Rating Actions .....	490	525	450

Legislation is proposed to make death pension effective the first day of the month in which the death occurred if the claim is received within one year, eliminating the current 45-day rule for death pension. This proposal is anticipated to increase pension costs \$649 thousand in 2004.

**Object Classification (in millions of dollars)**

Identification code 36-0154-0-1-701	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	79	86	87
11.5 Other personnel compensation .....	3	2	2
11.9 Total personnel compensation .....	82	88	89
12.1 Civilian personnel benefits .....	20	19	19
21.0 Travel and transportation of persons .....	1	2	2
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	16	17	17
24.0 Printing and reproduction .....	1		
25.2 Other services .....	26	22	16
26.0 Supplies and materials .....	2	2	1
31.0 Equipment .....	4	3	3
32.0 Land and structures .....	2	3	3
42.0 Insurance claims and indemnities .....	3,177	3,300	3,391
99.9 Total new obligations .....	3,332	3,457	3,542

**Personnel Summary**

Identification code 36-0154-0-1-701	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,791	1,752	1,752

**PENSIONS**

(Legislative proposal, subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 36-0154-4-1-701	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Eliminate 45 day rule .....			1
02.92 Total pensions .....			1
10.00 Total new obligations (object class 42.0) .....			1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			1
23.95 Total new obligations .....			-1
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....			1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			1
73.20 Total outlays (gross) .....			-1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			1
90.00 Outlays .....			1

**BURIAL BENEFITS**

For the burial benefits program administered by the Department of Veterans Affairs, \$422,172,000, which shall be available as follows:

(1) For the provision of burial benefits and payments as authorized by law, \$157,253,000. In addition, for making payments after June 30 for the burial benefits program administered by the Department, such sums as may be necessary;

(2) For operating expenses for the provision of burial benefits, for administrative expenses of the National Cemetery Administration, and for cemeterial expenses, including purchase of eight passenger motor vehicles, \$264,919,000; of which no more than \$32,000,000, to remain available until expended, is for grants to aid States in establishing, expanding, or improving State veterans cemeteries, as authorized by 38 U.S.C. 2408; and of which no more than \$76,857,000 for construction.

(38 U.S.C. 107, chapters 23, 51, 53 55, and 61).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 36-0129-0-1-700	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Burial allowance .....	35	35	36
01.02 Burial plots .....	15	20	20
01.03 Service-connected deaths .....	17	21	21
01.04 Burial flags .....	20	20	21
01.05 Headstones and markers .....	32	34	35
01.06 Graveliners .....	11	10	10
01.07 Pre-placed crypts .....	4	17	14
01.91 Total burial benefits .....	134	157	157
02.01 Administrative expenses .....	137	145	156
02.02 Construction, major projects .....	42	68	55
02.03 Construction, minor projects .....	19	25	16
02.04 Grants to states .....	41	32	33
02.91 Total other direct expenses .....	239	270	260
10.00 Total new obligations .....	373	427	417
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	116	129	112
22.00 New budget authority (gross) .....	386	410	422
23.90 Total budgetary resources available for obligation .....	502	539	534
23.95 Total new obligations .....	-373	-427	-417
24.40 Unobligated balance carried forward, end of year .....	129	112	117
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	252	253	265
Mandatory:			
60.00 Appropriation .....	134	157	157
70.00 Total new budget authority (gross) .....	386	410	422
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	110	132	171
73.10 Total new obligations .....	373	427	417
73.20 Total outlays (gross) .....	-348	-388	-414
73.40 Adjustments in expired accounts (net) .....	-2		
74.40 Obligated balance, end of year .....	132	171	175
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	120	127	137
86.93 Outlays from discretionary balances .....	94	104	120
86.97 Outlays from new mandatory authority .....	134	157	157
87.00 Total outlays (gross) .....	348	388	414
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	386	410	422
90.00 Outlays .....	349	388	414
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....		5	5
99.01 Outlays .....		5	5

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	386	410	422
Outlays .....	348	388	414
Legislative proposal, subject to PAYGO:			
Budget Authority .....			5
Outlays .....			5
<b>Total:</b>			
Budget Authority .....	386	410	427
Outlays .....	348	388	419

The Department of Veterans Affairs administers a range of burial programs to benefit eligible veterans and family members. The responsibility for these programs is divided between two VA organizations. Most monetary benefits and the burial flags program are administered by the Veterans Benefits Administration (VBA). Cemetery programs and other in-kind benefits are administered by the National Cemetery Administration (NCA). Funding for the provision of burial benefits and services in VA is provided from the Burial Appropriation and the National Cemetery Gift Fund.

The mandatory request in this appropriation provides burial benefits for: (a) the payment of an allowance of \$300 (plus transportation charges where death occurs under VA care) to reimburse, in part, the burial and funeral expense of an eligible deceased veteran; (b) the payment of \$300 for a plot allowance where an eligible veteran is not buried in a national cemetery or other cemetery under the jurisdiction of the United States; (c) the payment of a burial allowance up to \$2,000 when a veteran dies as the result of service-connected disability; (d) furnishing a flag to drape the casket of each deceased veteran entitled thereto; (e) furnishing a headstone or marker for the grave of a veteran and, in certain cases, eligible dependents; and (f) authority to provide outer burial receptacles in the National Cemetery Administration.

The discretionary request in this appropriation provides for the corporate leadership and support to VA's Burial business line and for four related programs managed by the National Cemetery Administration including: (1) burying eligible veterans and family members in national cemeteries and maintaining the graves and their environs as national shrines; (2) providing aid to States in establishing, expanding, or improving State veterans cemeteries; (3) providing headstones and markers for the graves of eligible persons in national, state, and private cemeteries; and (4) providing presidential memorial certificates to family and friends of deceased veterans, recognizing the veteran's contribution and service to the Nation. Additionally, funding is provided for capital asset investments.

**NUMBER OF BURIAL BENEFITS**

	2002 actual	2003 est.	2004 est.
Burial allowance .....	82,798	83,713	84,346
Burial plot .....	67,027	67,768	68,281
Service-connected death .....	11,978	10,425	10,631
Burial flags .....	560,466	545,818	559,463
Headstone markers .....	365,981	322,100	323,000
Graveliners .....	50,958	49,041	48,571
Preplaced crypts .....	10,097	57,100	45,600

Specific performance goals relating to the Burial business line are contained in VA's annual performance plan. The mission of the National Cemetery Administration is to honor veterans with a final resting place and lasting memorials that commemorate their service to our Nation. The National Cemetery Administration's vision is to provide a lasting tribute to our Nation's veterans by being mission-driven, results-oriented, and customer-focused. The National Cemetery Administration also reflects budget information for the National Cemetery Gift Fund. Through this Trust Fund, the Secretary is authorized to accept gifts and bequests which are made for the purpose of beautifying national cemeteries or are de-

termined to be beneficial to such cemeteries, or are made for the purpose of the operation, maintenance, or improvement of the National Memorial Cemetery of Arizona.

**Object Classification (in millions of dollars)**

Identification code 36-0129-0-1-700	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	55	59	64
11.3 Other than full-time permanent .....	5	5	5
11.9 Total personnel compensation .....	60	64	69
12.1 Civilian personnel benefits .....	16	17	18
13.0 Benefits for former personnel .....	2	2	2
21.0 Travel and transportation of persons .....	2	2	2
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	5	6	6
25.2 Other services .....	42	38	41
26.0 Supplies and materials .....	6	7	8
31.0 Equipment .....	3	9	13
32.0 Land and structures .....	60	91	66
41.0 Grants, subsidies, and contributions .....	41	32	33
42.0 Insurance claims and indemnities .....	134	157	157
99.9 Total new obligations .....	373	427	417

**Personnel Summary**

Identification code 36-0129-0-1-700	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,633	1,694	1,765

**BURIAL BENEFITS**

(Legislative proposal, subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 36-0129-4-1-700	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.05 Headstones and markers .....			5
10.00 Total new obligations (object class 42.0) .....			5
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			5
23.95 Total new obligations .....			-5
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....			5
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			5
73.20 Total outlays (gross) .....			-5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			5
90.00 Outlays .....			5

The Administration will transmit legislation that would amend the effective date of eligibility for receiving a Government headstone or marker for a veteran's grave in a private cemetery regardless of whether or not it is already marked from September 11, 2001 to November 1, 1990.

The Administration will transmit legislation that would allow states to receive a burial plot allowance for all veterans buried at no cost in a state veterans cemetery.

**Public enterprise funds:****SERVICE-DISABLED VETERANS INSURANCE FUND****Unavailable Collections** (in millions of dollars)

Identification code 36-4012-0-3-701	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	19	15	10
Appropriations:			
05.00 Service-disabled veterans insurance fund .....	-4	-5	-6
07.99 Balance, end of year .....	15	10	4

**Program and Financing** (in millions of dollars)

Identification code 36-4012-0-3-701	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Capital investment .....	11	11	11
09.02 Death Claims .....	44	45	47
09.03 All Other .....	8	9	8
10.00 Total new obligations .....	63	65	66

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	63	65	66
23.95 Total new obligations .....	-63	-65	-66

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	58	60	61
69.26 From offsetting collections (unavailable balances) .....	4	5	6
69.90 Spending authority from offsetting collections (total mandatory) .....	63	65	66

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	7	8	7
73.10 Total new obligations .....	63	65	66
73.20 Total outlays (gross) .....	-62	-65	-66
74.40 Obligated balance, end of year .....	8	7	7

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	58	60	61
86.98 Outlays from mandatory balances .....	4	5	5
87.00 Total outlays (gross) .....	62	65	66

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources: Insurance account .....	-19	-21	-21
<b>Non-Federal sources:</b>			
88.40 Interest on loans .....	-3	-3	-3
88.40 Insurance premiums earned .....	-24	-24	-24
88.40 Repayments of loans .....	-12	-12	-12
88.90 Total, offsetting collections (cash) .....	-58	-60	-61

**Net budget authority and outlays:**

89.00 Budget authority .....	4	5	6
90.00 Outlays .....	3	6	6

This fund finances the payment of claims on nonparticipating life insurance policies issued and currently is open for new issues to veterans having service-connected disabilities. The program provides insurance coverage for service-disabled veterans at standard rates.

**Operating costs—**

**Death claims.**—Represents payments to designated beneficiaries.

**All other.**—Represents payments to policyholders who surrender their policies for their cash value and hold endowment policies which have matured.

**Capital investment.**—A policyholder may borrow up to 94 percent of the value of his policy.

The trend in the number and amount of policies in force is indicated in the following table.

**POLICIES AND INSURANCE IN FORCE**

	2002 actual	2003 est.	2004 est.
Number of policies .....	148,913	145,953	142,190
Insurance in force (dollars in millions) .....	\$1,414	\$1,385	\$1,355

**Financing.**—Operations are financed from premiums and other receipts. Additional funds are received by transfer from the veterans' insurance and indemnities appropriation, instead of direct appropriations to this fund.

**Operating results and financial condition.**—Since premium and other receipts are insufficient to cover operations, the fund continues to project liabilities in excess of assets. The deficit is expected to reach an estimated \$463 million by September 30, 2004.

**Object Classification** (in millions of dollars)

Identification code 36-4012-0-3-701	2002 actual	2003 est.	2004 est.
33.0 Investments and loans .....	11	11	11
42.0 Insurance claims and indemnities .....	52	54	55
99.9 Total new obligations .....	63	65	66

**VETERANS REOPENED INSURANCE FUND****Unavailable Collections** (in millions of dollars)

Identification code 36-4010-0-3-701	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	440	425	407
Appropriations:			
05.00 Veterans reopened insurance fund .....	-15	-18	-21
07.99 Balance, end of year .....	425	407	386

**Program and Financing** (in millions of dollars)

Identification code 36-4010-0-3-701	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Death claims .....	38	39	40
09.02 Dividends .....	19	17	15
09.03 All other .....	9	9	8
09.04 Capital investment: policy loans .....	2	2	3
10.00 Total new obligations .....	68	67	66

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	68	67	66
23.95 Total new obligations .....	-68	-67	-66

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	53	49	45
69.26 From offsetting collections (unavailable balances) .....	15	18	21
69.90 Spending authority from offsetting collections (total mandatory) .....	68	67	66

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	48	50	51
73.10 Total new obligations .....	68	67	66
73.20 Total outlays (gross) .....	-66	-67	-66
74.40 Obligated balance, end of year .....	50	51	53

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	45	49	45
86.98 Outlays from mandatory balances .....	21	18	21
87.00 Total outlays (gross) .....	66	67	66

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources: interest on U.S. securities .....	-35	-32	-30
<b>Non-Federal sources:</b>			
88.40 Interest on loans .....	-1	-1	-1
88.40 Insurance premiums earned .....	-11	-11	-10
88.40 Repayments of loans .....	-6	-5	-4
88.90 Total, offsetting collections (cash) .....	-53	-49	-45

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	15	18	21
90.00	Outlays .....	13	18	21

<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities:			
	Par value .....	488	475	450
92.02	Total investments, end of year: Federal securities:			
	Par value .....	475	450	450

Note.—The Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund pays claims and administrative costs on participating life insurance policies issued during the period May 1, 1965, through May 2, 1966, under three life insurance programs: (1) service-disabled standard insurance; (2) service-disabled rated insurance; and (3) nonservice disabled insurance availing disabled World War II and Korean conflict veterans an opportunity to acquire life insurance coverage who were no longer eligible for other Government insurance.

**Budget program—**

**Death claims.**—Represents payments to designated beneficiaries.

**Dividends.**—Policyholders participate in the distribution of annual dividends.

**All other.**—This represents resources for the administrative costs of processing claims and maintaining the accounts, and to those policyholders who: (a) surrender their policies for cash value; (b) hold endowment policies which have matured; and (c) have purchased total disability income coverage and subsequently become disabled.

**Policy loans made.**—A policyholder may borrow up to 94 percent of the cash value of his policy at an interest rate adjusted to reflect private sector borrowing costs.

The following table reflects the decrease in the number of policies and the amount of insurance in force:

**POLICIES AND INSURANCE IN FORCE**

	2002 actual	2003 est.	2004 est.
Number of policies .....	67,531	62,500	57,450
Insurance in force (dollars in millions) .....	\$587	\$556	\$519

**Financing.**—Operations are financed from premiums collected from policyholders and interest on investments. Excess earnings of the fund are now distributed to the policyholders in the form of an annual dividend.

**Object Classification** (in millions of dollars)

Identification code 36-4010-0-3-701	2002 actual	2003 est.	2004 est.
33.0 Investments and loans .....	4	4	4
42.0 Insurance claims and indemnities .....	40	41	40
43.0 Interest and dividends .....	24	22	22
99.9 Total new obligations .....	68	67	66

**SERVICEMEMBERS' GROUP LIFE INSURANCE FUND**

**Program and Financing** (in millions of dollars)

Identification code 36-4009-0-3-701	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Premium payments .....	638	634	532
09.02 Reimbursable program .....	1	1	1
10.00 Total new obligations (object class 41.0) .....	639	635	533

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross) .....	639	634	532
23.90 Total budgetary resources available for obligation	640	635	533
23.95 Total new obligations .....	-639	-635	-533

24.40 Unobligated balance carried forward, end of year .....	1	1	.....
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**New budget authority (gross), detail:**

<b>Mandatory:</b>				
69.00	Offsetting collections (cash) .....	639	634	532

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	5	5	5
73.10	Total new obligations .....	639	635	533
73.20	Total outlays (gross) .....	-639	-634	-532
74.40	Obligated balance, end of year .....	5	5	5

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority .....	634	629	527
86.98	Outlays from mandatory balances .....	5	5	5
87.00	Total outlays (gross) .....	639	634	532

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
88.40	Offsetting collections (cash) from: Non-Federal sources: Withholdings from serviceman's pay .....	-639	-634	-532

**Net budget authority and outlays:**

89.00	Budget authority .....			
90.00	Outlays .....			

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: Federal securities:			
	Par value .....	5	5	5
92.02	Total investments, end of year: Federal securities:			
	Par value .....	5	5	5

This fund finances the payment of group life insurance premiums to private insurance companies under the Servicemembers' Group Life Insurance Act of 1965, as amended.

**Credit accounts:**

**HOUSING PROGRAM ACCOUNT**

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, subchapters I-III, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That during fiscal year 2004, not to exceed \$300,000 in gross obligations for direct loans for specially adapted housing loans, 38 U.S.C 3711(i).

For the cost of the benefits authorized by 38 U.S.C. 2101, such sums as may be necessary.

For operating expenses associated with the housing program as authorized by 38 U.S.C., chapters 21 and 37, \$158,541,000 to carry out the grant program and direct and guaranteed loan programs, of which \$4,746,000 may be transferred to and merged with the appropriation, "General Administration"; and of which no more than \$1,728,000 is available for construction: Provided, That of the amount provided for housing operating expenses, (1) \$1,400,000 is for administering the Transitional Housing program as authorized by 38 U.S.C. chapter 20, subchapter VI; and (2) \$563,000 is for administering the Native American Housing program as authorized by 38 U.S.C. chapter 37, subchapter V, as amended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 36-1119-0-1-704	2002 actual	2003 est.	2004 est.
0101 GIF direct loans, downward reestimate of subsidies	1,798	878	.....
0102 Negative subsidies/subsidy reestimates .....		5	.....

Credit accounts—Continued

HOUSING PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)

Identification code 36-1119-0-1-704	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy	10	10	40
00.02 Guaranteed loan subsidy	194	306	275
00.05 Reestimates of direct loan subsidy	17	277	
00.06 Interest on reestimates of the direct loan subsidy	3	229	
00.07 Reestimates of guaranteed loan subsidy	417	218	
00.08 Interest on reestimates of the guaranteed loan subsidy	114	27	
00.09 Specialty Adapted Housing Grant Program	25	25	25
00.10 Administrative expenses	165	169	157
00.91 Direct Program by Activities—Subtotal (1 level)	945	1,261	497
01.12 Construction, minor projects	2	2	2
10.00 Total new obligations	947	1,263	499
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	52	51	41
22.00 New budget authority (gross)	947	1,253	490
23.90 Total budgetary resources available for obligation	999	1,304	531
23.95 Total new obligations	-947	-1,263	-499
24.40 Unobligated balance carried forward, end of year	51	41	32
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	168	171	159
Mandatory:			
60.00 Appropriation	779	1,082	331
70.00 Total new budget authority (gross)	947	1,253	490
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	22	3	40
73.10 Total new obligations	947	1,263	499
73.20 Total outlays (gross)	-966	-1,227	-502
74.40 Obligated balance, end of year	3	40	38
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	165	140	130
86.93 Outlays from discretionary balances	22		31
86.97 Outlays from new mandatory authority	779	1,082	331
86.98 Outlays from mandatory balances		5	10
87.00 Total outlays (gross)	966	1,227	502
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	947	1,253	490
90.00 Outlays	967	1,227	502
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority	8	8	8
99.01 Outlays	8	8	8

Summary of Budget Authority and Outlays

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Enacted/requested:</b>			
Budget Authority	947	1,253	490
Outlays	966	1,227	502
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority			48
Outlays			10
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority			
Outlays			-5
<b>Total:</b>			
Budget Authority	947	1,253	538
Outlays	966	1,227	507

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 36-1119-0-1-704	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Acquired and Vendee Loans	1,051	311	284
115002 Native American Direct Loan Levels	5	3	3
115003 Transitional Housing Direct Loan Levels		20	20
115901 Total direct loan levels	1,056	334	307
<b>Direct loan subsidy (in percent):</b>			
132001 Acquired and Vendee Loans	0.86	-1.39	10.88
132002 Native American Direct Loan Levels	-6.72	-8.96	0.28
132003 Transitional Housing Direct Loan Levels	0.00	48.25	48.25
132901 Weighted average subsidy rate	0.85	1.80	13.36
<b>Direct loan subsidy budget authority:</b>			
133001 Acquired and Vendee Loans	9	-4	31
133002 Native American Direct Loan Levels			
133003 Transitional Housing Direct Loan Levels		10	10
133901 Total subsidy budget authority	9	6	41
<b>Direct loan subsidy outlays:</b>			
134001 Acquired and Vendee Loans	10	-4	31
134002 Native American Direct Loan Levels			
134003 Transitional Housing Direct Loan Levels		5	10
134901 Total subsidy outlays	10	1	41
<b>Direct loan upward reestimate subsidy budget authority:</b>			
135001 Acquired and Vendee Loans	20	506	
135901 Total upward reestimate budget authority	20	506	
<b>Direct loan upward reestimate subsidy outlays:</b>			
136001 Acquired and Vendee Loans	20	506	
136901 Total upward reestimate outlays	20	506	
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 Acquired and Vendee Loans	-1,068	-308	
137002 Native American Direct Loan Levels	-2	-4	
137901 Total downward reestimate budget authority	-1,070	-312	
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 Acquired and Vendee Loans	-1,068	-308	
138002 Native American Direct Loan Levels	-2	-4	
138901 Total downward reestimate subsidy outlays	-1,070	-312	
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Veterans Housing Benefit Program	37,071	34,800	35,248
215002 Guaranteed Loan Sale Securities	967	471	
215901 Total loan guarantee levels	38,038	35,271	35,248
<b>Guaranteed loan subsidy (in percent):</b>			
232001 Veterans Housing Benefit Program	0.39	0.81	0.78
232002 Guaranteed Loan Sale Securities	5.05	5.06	0.00
232901 Weighted average subsidy rate	0.51	0.87	0.78
<b>Guaranteed loan subsidy budget authority:</b>			
233001 Veterans Housing Benefit Program	145	282	275
233002 Guaranteed Loan Sale Securities	49	24	
233901 Total subsidy budget authority	194	306	275
<b>Guaranteed loan subsidy outlays:</b>			
234001 Veterans Housing Benefit Program	145	282	275
234002 Guaranteed Loan Sale Securities	49	24	
234901 Total subsidy outlays	194	306	275
<b>Guaranteed loan upward reestimate subsidy budget authority:</b>			
235001 Veterans Housing Benefit Program	532	245	
235901 Total upward reestimate budget authority	532	245	
<b>Guaranteed loan upward reestimate subsidy outlays:</b>			
236001 Veterans Housing Benefit Program	532	245	
236901 Total upward reestimate subsidy outlays	532	245	
<b>Guaranteed loan downward reestimate subsidy budget authority:</b>			
237001 Veterans Housing Benefit Program	-727	-568	
237901 Total downward reestimate subsidy budget authority	-727	-568	
<b>Guaranteed loan downward reestimate subsidy outlays:</b>			
238001 Veterans Housing Benefit Program	-727	-568	
238901 Total downward reestimate subsidy outlays	-727	-568	

Administrative expense data:			
351001 Budget authority .....	168	171	159
359001 Outlays from new authority .....	168	171	159

As required by the Federal Credit Reform Act of 1990, this account records, for these programs, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond, (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) as well as for the administrative expenses of this program. The subsidy amounts are estimated on a net present value basis.

**Veterans housing benefit program fund program account.**—The Federal guaranty for this program protects lenders against the following types of losses: (a) for loans of \$45,000 or less, 50 percent of the loan is guaranteed; (b) for loans greater than \$45,000, but not more than \$56,250, \$22,500; (c) for loans more than \$56,250, but less than \$144,000, the lesser of \$36,000 or 40 percent of the loan; or (d) for loans greater than \$144,000, the lesser of \$60,000 or 25 percent of the loan.

**Native American veterans housing loan program account.**—The Native American Veterans Housing Loan program provides direct loans to veterans living on trust lands under 38 U.S.C. chapter 37, section 3761. These loans are available to purchase, construct or improve homes to be occupied as the veteran's residence. The principal amount of a loan under this authority is generally limited to \$80,000, except in areas where housing costs are significantly higher than average costs nationwide. This is a pilot program that began in 1993 and is authorized through December 31, 2005.

**Guaranteed transitional housing loans for homeless veterans program account.**—Public Law 105-368, the "Veterans Benefits Improvement Act of 1998," established a pilot project designed to expand the supply of transitional housing for homeless veterans and to guarantee up to 15 investment loans with a maximum aggregate value of \$100 million. The project must enforce sobriety standards and provide a wide range of supportive services such as counseling for substance abuse and job readiness skills. Residents will be required to pay a reasonable fee. The Administration will transmit legislation that will convert the program from a mandatory loan program to a discretionary grant program in order to improve service to veterans subject to Congressional authorization.

**Specially adapted housing grants.**—Specially adapted housing grants, up to a maximum of \$48,000, are provided to certain severely disabled veterans. Veterans who suffer service-connected blindness or who have lost the use of both upper extremities can receive up to \$8,250. The following table shows caseload for this program. Specific performance goals are contained in VA's annual performance plan.

Legislation is proposed to extend VA's authority to sell and/or lease acquired properties to government agencies, nonprofit organizations and veteran service organizations to use in providing services primarily to homeless veterans. The provision allowing VA to sell and/or lease these properties expires December 31, 2003.

**CASELOAD AND AVERAGE COST DATA**

	2002 actual	2003 est.	2004 est.
Housing grants:			
Number of housing grants .....	575	600	600
Average cost per grant .....	\$42,000	\$42,000	\$42,000
Total cost (in millions) .....	\$24	\$25	\$25

The discretionary request in this appropriation provides for the corporate leadership and operational support to VA's housing business line. Additionally, funding is provided for capital asset investments.

The Housing program facilitates the extension of private capital, on more liberal terms than generally available to nonveterans, to: assist veterans and servicepersons in obtaining housing credits; provide grants to aid permanently and totally disabled veterans in acquiring specially adapted housing; and assist veterans in retaining their homes during periods of temporary economic difficulty through intensive supplemental mortgage loan servicing.

**WORKLOAD**

(In thousands)

	2002 actual	2003 est.	2004 est.
Construction and valuation .....	267	310	320
Loan processing .....	832	750	750
Loan service and claims .....	328	340	340
Property management .....	39	41	42

**Object Classification (in millions of dollars)**

Identification code 36-1119-0-1-704	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	89	81	81
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	90	82	82
12.1 Civilian personnel benefits .....	24	20	20
21.0 Travel and transportation of persons .....	2	3	2
23.1 Rental payments to GSA .....	6		
23.2 Rental payments to others .....	1	3	3
23.3 Communications, utilities, and miscellaneous charges .....	3	15	16
24.0 Printing and reproduction .....		1	
25.2 Other services .....	35	40	30
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	3	4	3
32.0 Land and structures .....	2	2	2
41.0 Grants, subsidies, and contributions .....	780	1,092	340
99.9 Total new obligations .....	947	1,263	499

**Personnel Summary**

Identification code 36-1119-0-1-704	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,718	1,519	1,446
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....			

**HOUSING PROGRAM ACCOUNT**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 36-1119-2-1-704	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
08.89 Grants .....			48
10.00 Total new obligations (object class 41.0) .....			48
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			48
23.95 Total new obligations .....			-48
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			48
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			48
73.20 Total outlays (gross) .....			-10
74.40 Obligated balance, end of year .....			38
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			48

Credit accounts—Continued

HOUSING PROGRAM ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-1119-2-1-704	2002 actual	2003 est.	2004 est.
90.00 Outlays .....			10
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....			
99.01 Outlays .....			

HOUSING PROGRAM ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-1119-4-1-704	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....			-10
10.00 Total new obligations (object class 41.0) .....			-10
<b>Budgetary resources available for obligation:</b>			
23.95 Total new obligations .....			10
24.40 Unobligated balance carried forward, end of year .....			10
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			-10
73.20 Total outlays (gross) .....			5
74.40 Obligated balance, end of year .....			-5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			-5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			-5
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....			
99.01 Outlays .....			

The administration will transmit legislation that will convert the guaranteed transitional housing loans for homeless veterans program from a mandatory loan program to a discretionary grant program in order to improve service to veterans subject to Congressional authorization.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 36-1119-4-1-704	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115003 Transitional Housing for Homeless Veterans Direct Loans .....			-20
115901 Total direct loan levels .....			-20
Direct loan subsidy (in percent):			
132003 Transitional Housing for Homeless Veterans Direct Loans .....			-48.25
132901 Weighted average subsidy rate .....			-48.25
Direct loan subsidy budget authority:			
133003 Transitional Housing for Homeless Veterans Direct Loans .....			-10
133901 Total subsidy budget authority .....			-10
Direct loan subsidy outlays:			
134003 Transitional Housing for Homeless Veterans Direct Loans .....			-5
134901 Total subsidy outlays .....			-5

HOUSING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4127-0-3-704	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	1,051	311	284
00.02 Interest on Treasury borrowing .....	331	175	175
00.03 Property sales expense .....	3	3	3
00.04 Property management/other expense .....	-7	1	3
00.05 Property improvement expense .....	1	2	2
00.91 Direct Program by Activities—Subtotal (1 level) .....	1,379	492	467
08.01 Payment of negative subsidy to receipt account .....		4	
08.02 Payment of downward reestimate to receipt account .....	714	260	
08.04 Payment of excess interest earned to receipt account .....	355	47	
08.91 Direct Program by Activities—Subtotal (1 level) .....	1,069	311	
10.00 Total new obligations .....	2,448	803	467
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	45	227	742
22.00 New financing authority (gross) .....	2,630	1,319	505
23.90 Total budgetary resources available for obligation .....	2,675	1,546	1,247
23.95 Total new obligations .....	-2,448	-803	-467
24.40 Unobligated balance carried forward, end of year .....	227	742	780
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	3,738	628	292
69.00 Offsetting collections (cash) .....	1,524	1,368	378
69.47 Portion applied to repay debt .....	-2,632	-677	-165
69.90 Spending authority from offsetting collections (total mandatory) .....	-1,108	691	213
70.00 Total new financing authority (gross) .....	2,630	1,319	505
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	52	78	27
73.10 Total new obligations .....	2,448	803	467
73.20 Total financing disbursements (gross) .....	-2,421	-855	-478
74.40 Obligated balance, end of year .....	78	27	16
87.00 Total financing disbursements (gross) .....	2,421	855	478
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Federal sources: Payments from program account .....	-29	-506	-31
88.00 Transfer of loan sales from LSSA .....	-968	-470	
Non-Federal sources:			
Non-Federal sources:			
88.40 Repayments of principal .....	-172	-223	-203
88.40 Interest received on loans .....	-95	-150	-127
88.40 Fees .....	-16	-1	
88.40 Downpayment on Vendee loan/other .....	-26		
88.40 Cash sale of properties .....	-21	-18	-17
88.40 Interest income—Treasury .....	-197		
88.90 Total, offsetting collections (cash) .....	-1,524	-1,368	-378
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	1,106	-49	127
90.00 Financing disbursements .....	897	-513	100

Status of Direct Loans (in millions of dollars)

Identification code 36-4127-0-3-704	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....			
1131 Direct loan obligations exempt from limitation .....	1,051	311	284
1150 Total direct loan obligations .....	1,051	311	284
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1,782	1,601	1,217
1231 Disbursements: Direct loan disbursements .....	1,051	311	284
Repayments:			
1251 Repayments and prepayments .....	-172	-223	-204

1253	Proceeds from loan asset sales to the public with recourse .....	- 968	- 471	.....
	Write-offs for default:			
1263	Direct loans .....	- 5	- 1	- 1
1264	Other adjustments, net .....	- 87	.....	.....
1290	Outstanding, end of year .....	1,601	1,217	1,296

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 36-4127-0-3-704	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	133	305	270	292
	Investments in US securities:				
1106	Receivables, net .....	506	140	.....	.....
	Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross .....	1,782	1,601	1,217	1,296
1402	Interest receivable .....	48	36	38	.....
1403	Accounts receivable from foreclosed property .....	1	1	.....	.....
1404	Foreclosed property .....	64	.....	.....	.....
1405	Other assets .....	1,102	847	432	519
1499	Net present value of assets related to direct loans .....	2,885	2,561	1,685	1,853
1999	Total assets .....	3,018	3,372	2,095	2,145
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....	.....	.....	.....	.....
2103	Debt .....	1,878	2,984	2,095	2,145
2104	Resources payable to Treasury .....	.....	.....	.....	.....
2105	Other .....	1,140	388	.....	.....
2204	Non-Federal liabilities: Liabilities for loan guarantees .....	.....	.....	.....	.....
2999	Total liabilities .....	3,018	3,372	2,095	2,145
4999	Total liabilities and net position .....	3,018	3,372	2,095	2,145

**HOUSING GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 36-4129-0-3-704	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Acquisition of homes .....	1,144	2,482	2,509
00.02	Losses on defaulted loans .....	299	356	398
00.03	Interest on Treasury borrowing .....	1	1	1
00.04	Reimburse DLFA for loan sales .....	970	471	.....
00.05	Payment to trustee reserve .....	48	3	.....
00.06	Reimburse Liquidating for subordination certificate .....	33	30	25
00.07	Loan Sale Closing Costs .....	2	1	.....
00.09	Property sales expense .....	79	188	192
00.10	Property management expense .....	60	135	138
00.11	Property improvement expense .....	16	72	74
00.12	Loans acquired .....	272	270	273
00.91	Direct Program by Activities—Subtotal (1 level) .....	2,924	4,009	3,610
08.02	Payment of downward reestimate to receipt account .....	580	401	.....
08.04	Payment of excess interest to receipt account .....	147	166	.....
08.91	Direct Program by Activities—Subtotal (1 level) .....	727	567	.....
10.00	Total new obligations .....	3,651	4,576	3,610
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	4,634	5,090	5,356
22.00	New financing authority (gross) .....	4,107	4,842	4,166
23.90	Total budgetary resources available for obligation .....	8,741	9,932	9,522

23.95	Total new obligations .....	- 3,651	- 4,576	- 3,610
24.40	Unobligated balance carried forward, end of year .....	5,090	5,356	5,912

**New financing authority (gross), detail:**

<b>Mandatory:</b>				
69.00	Offsetting collections (cash) .....	4,107	4,842	4,166

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	62	25	85
73.10	Total new obligations .....	3,651	4,576	3,610
73.20	Total financing disbursements (gross) .....	- 3,688	- 4,516	- 3,539
74.40	Obligated balance, end of year .....	25	85	156
87.00	Total financing disbursements (gross) .....	3,688	4,516	3,539

**Offsets:**

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
Federal sources:				
88.00	Payments from program account .....	- 724	- 551	- 275
88.00	Recoveries from DLFA .....	- 945	- 270	- 295
88.25	Interest on uninvested funds .....	- 295	- 269	- 300
Non-Federal sources:				
Non-Federal sources:				
88.40	Funding fees .....	- 512	- 589	- 593
88.40	Cash sale of properties .....	- 536	- 2,638	- 2,679
88.40	Redemption of properties and other .....	- 18	.....	.....
88.40	Refunds from Trust .....	- 37	.....	.....
88.40	Subordinate certificate deposits .....	- 33	- 30	- 24
88.45	Loan sale proceeds .....	- 1,007	- 495	.....
88.90	Total, offsetting collections (cash) .....	- 4,107	- 4,842	- 4,166

**Net financing authority and financing disbursements:**

89.00	Financing authority .....	.....	.....	.....
90.00	Financing disbursements .....	- 419	- 326	- 627

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 36-4129-0-3-704	2002 actual	2003 est.	2004 est.	
<b>Position with respect to appropriations act limitation on commitments:</b>				
2111	Limitation on guaranteed loans made by private lenders .....	.....	.....	.....
2131	Guaranteed loan commitments exempt from limitation .....	37,071	34,800	35,248
2132	Guaranteed loan commitments for loan asset sales with recourse .....	970	471	.....
2150	Total guaranteed loan commitments .....	38,041	35,271	35,248
2199	Guaranteed amount of guaranteed loan commitments .....	12,868	11,640	11,312
<b>Cumulative balance of guaranteed loans outstanding:</b>				
2210	Outstanding, start of year .....	227,705	257,828	284,664
2231	Disbursements of new guaranteed loans .....	37,071	34,800	35,247
2232	Guarantees of loans sold to the public with recourse .....	970	471	.....
2251	Repayments and prepayments .....	- 6,153	- 5,596	- 6,152
<b>Adjustments:</b>				
2261	Terminations for default that result in loans receivable .....	- 296	- 355	- 396
2262	Terminations for default that result in acquisition of property .....	- 1,144	- 2,482	- 2,509
2263	Terminations for default that result in claim payments .....	- 52	- 2	- 4
2264	Other adjustments, net .....	- 273	.....	.....
2290	Outstanding, end of year .....	257,828	284,664	310,850
<b>Memorandum:</b>				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	87,734	96,580	104,895
<b>Addendum:</b>				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	344	872	1,087
2331	Disbursements for guaranteed loan claims .....	296	355	396
2351	Repayments of loans receivable .....	- 21	- 54	- 67
2361	Write-offs of loans receivable .....	- 45	- 86	- 104
2364	Other adjustments, net .....	298	.....	.....
2390	Outstanding, end of year .....	872	1,087	1,312

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from

**Credit accounts—Continued****HOUSING GUARANTEED LOAN FINANCING ACCOUNT—Continued**

the Government resulting from loan guarantees committed in 1992 and beyond, including modifications of guaranteed loans that resulted from commitments in any year, and from the guarantee of loans sold through the securitization programs. The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 36-4129-0-3-704	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	4,696	5,113	5,355	5,973
Investments in US securities:				
1106 Receivables, net .....	594	255	272	301
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross .....	344	872	1,086	1,310
1502 Interest receivable .....	9			
1504 Accounts receivable from foreclosed property .....	830	9	10	11
1505 Other assets .....	43	34	26	35
1599 Net present value of assets related to defaulted guaranteed loans .....	1,226	915	1,122	1,356
1999 Total assets .....	6,516	6,283	6,749	7,630
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Federal liabilities: Debt .....	26	19		
2105 Other liabilities .....		410	384	389
Non-Federal liabilities:				
2201 Accounts payable .....	1,129	14	16	18
2204 Non-federal liabilities .....	5,361	5,840	6,349	7,223
2999 Total liabilities .....	6,516	6,283	6,749	7,630
4999 Total liabilities and net position .....	6,516	6,283	6,749	7,630

**HOUSING LIQUIDATING ACCOUNT****Program and Financing** (in millions of dollars)

Identification code 36-4025-0-3-704	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Capital investments:			
00.01 Acquisition of homes .....	53	42	38
00.02 Property improvements .....	3	3	3
00.03 Cash advances .....	2	2	2
00.04 Acquisition of defaulted guaranteed loans .....	12	14	11
00.05 Repurchase of loans sold .....	7		
00.91 Total capital investments .....	77	61	54
01.00 Total capital investments .....	77	61	54
Operating expenses:			
01.02 Property management expense .....	9	8	7
01.03 Sales expense .....	9	8	7
01.04 Claims processed .....		26	23
01.05 Other operating expenses .....	-1		
01.91 Total operating expenses .....	17	42	37
10.00 Total new obligations (object class 33.0) .....	94	103	91
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	115	26	
22.00 New budget authority (gross) .....	194	174	134
22.40 Capital transfer to general fund .....	-189	-96	-42
23.90 Total budgetary resources available for obligation .....	120	104	92
23.95 Total new obligations .....	-94	-103	-91
24.40 Unobligated balance carried forward, end of year .....	26		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	224	174	134

69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-30		
69.90 Spending authority from offsetting collections (total mandatory) .....	194	174	134
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-23	4	
73.10 Total new obligations .....	94	103	91
73.20 Total outlays (gross) .....	-97	-107	-91
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	30		
74.40 Obligated balance, end of year .....	4		

<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	97	107	91

<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources: Payments from direct loan financing account .....			
88.00	-55	-40	-11
Non-Federal sources:			
Non-Federal sources:			
88.40	-34	-30	-27
88.40	-52	-47	-42
88.40	-29	-26	-24
88.40	-7	-2	-2
88.40	-54	-24	-28
88.90 Total, offsetting collections (cash) .....	-224	-174	-134
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	30		

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-127	-67	-43

**Status of Direct Loans** (in millions of dollars)

Identification code 36-4025-0-3-704	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	128	149	119
1232 Disbursements: Purchase of loans assets from the public .....	7		
1251 Repayments: Repayments and prepayments .....	-34	-30	-27
1264 Write-offs for default: Other adjustments, net .....	48		
1290 Outstanding, end of year .....	149	119	92

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 36-4025-0-3-704	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	9,182	6,704	4,859
2251 Repayments and prepayments .....	-2,413	-1,762	-1,277
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-12	-14	-11
2262 Terminations for default that result in acquisition of property .....	-53	-43	-38
2263 Terminations for default that result in claim payments .....		-26	-24
2264 Other adjustments, net .....			
2290 Outstanding, end of year .....	6,704	4,859	3,509

**Memorandum:**

2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	3,012	2,155	1,526
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**Addendum:**

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	274	282	286
2331 Disbursements for guaranteed loan claims .....	12	14	11
2361 Write-offs of loans receivable .....	-4	-10	-8
2364 Other adjustments, net .....			
2390 Outstanding, end of year .....	282	286	289

**Statement of Operations** (in millions of dollars)

Identification code 36-4025-0-3-704	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue	140	112	89	72
0102 Expense	-140	-82	-90	-87
0105 Net income or loss (-)		30	-1	-15

**Balance Sheet** (in millions of dollars)

Identification code 36-4025-0-3-704	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury		29	26	24
Investments in US securities:				
1106 Receivables, net	128	6	5	4
1201 Non-Federal assets: Investments in non-Federal securities, net	452	203	182	164
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross		149	119	92
1402 Interest receivable		92	83	75
1499 Net present value of assets related to direct loans		241	202	167
1901 Other Federal assets: Other assets		-3	13	26
1999 Total assets	580	476	428	385
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt	567	466	419	377
2207 Non-Federal liabilities: Other	13	10	9	8
2999 Total liabilities	580	476	428	385
4999 Total liabilities and net position	580	476	428	385

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in this program in 1992 and beyond is recorded in the corresponding program and financing accounts.

**NATIVE AMERICAN AND TRANSITIONAL HOUSING DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 36-4130-0-3-704	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans	6	13	23
00.03 Interest on Treasury borrowing	1	1	2
00.91 Direct Program by Activities—Subtotal (1 level)	7	14	25
08.02 Payment of downward reestimate to receipt account	2	4	
10.00 Total new obligations	9	18	25
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year		2	
22.00 New financing authority (gross)	11	16	25
23.90 Total budgetary resources available for obligation	11	18	25
23.95 Total new obligations	-9	-18	-25
24.40 Unobligated balance carried forward, end of year	2		
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow	9	10	13
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	6	8	15
68.47 Portion applied to repay debt	-4	-2	-3
68.90 Spending authority from offsetting collections (total discretionary)	2	6	12
70.00 Total new financing authority (gross)	11	16	25
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year			1

73.10 Total new obligations	9	18	25
73.20 Total financing disbursements (gross)	-9	-17	-24
74.40 Obligated balance, end of year		1	2
87.00 Total financing disbursements (gross)	9	17	24

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources		-5	-10
88.25 Interest on uninvested funds	-1		
Non-Federal sources:			
88.40 Non-federal sources—Repayments and prepayments of principal		-1	-1
88.40 Non-Federal sources—Interest received on loans	-1	-2	-4
88.40 Non-Federal sources—Fees			
88.40 Non-Federal sources—Other income	-4		
88.90 Total, offsetting collections (cash)	-6	-8	-15

**Net financing authority and financing disbursements:**

89.00 Financing authority	5	8	10
90.00 Financing disbursements	3	9	9

**Status of Direct Loans** (in millions of dollars)

Identification code 36-4130-0-3-704	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1121 Limitation available from carry-forward	100	100	90
1131 Direct loan obligations exempt from limitation	6	3	3
1143 Unobligated limitation carried forward (P.L. 105-368)	-100	-90	-70
1150 Total direct loan obligations	6	13	23
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	19	18	30
1231 Disbursements: Direct loan disbursements	6	13	23
1251 Repayments: Repayments and prepayments	-1	-1	-2
1264 Write-offs for default: Other adjustments, net	-6		
1290 Outstanding, end of year	18	30	51

**Balance Sheet** (in millions of dollars)

Identification code 36-4130-0-3-704	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
Investments in US securities:				
1106 Receivables, net			1	2
1107 Advances and prepayments	2		1	1
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	19	18	30	51
1402 Interest receivable		5	6	7
1499 Net present value of assets related to direct loans	19	23	36	58
1999 Total assets	19	25	38	61
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable				
2103 Federal liabilities debt	19	21	29	41
2105 Other liabilities	4		9	20
2999 Total liabilities	19	25	38	61
4999 Total liabilities and net position	19	25	38	61

This account contains information on the Native American Veterans Housing Loan program and the Guaranteed Transitional Housing Loans for Homeless Veterans program. The Transitional Housing loans are 100% guaranteed and use the Federal Financing Bank (FFB) as the lending institution. For budget purposes, all FFB loans shall be treated as direct loans.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligation in 1992

**Credit accounts—Continued**

**NATIVE AMERICAN AND TRANSITIONAL HOUSING DIRECT LOAN  
FINANCING ACCOUNT—Continued**

and beyond. The amounts in the account are means of financing and are not included in the budget totals.

**NATIVE AMERICAN AND TRANSITIONAL HOUSING DIRECT LOAN  
FINANCING ACCOUNT**

(Legislative proposal, subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 36-4130-4-3-704	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans			-10
10.00 Total new obligations			-10
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross)			-10
23.95 Total new obligations			10
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow			-5
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)			-5
70.00 Total new financing authority (gross)			-10
<b>Change in obligated balances:</b>			
73.10 Total new obligations			-10
73.20 Total financing disbursements (gross)			9
74.40 Obligated balance, end of year			-1
87.00 Total financing disbursements (gross)			-9
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources			5
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority			-5
90.00 Financing disbursements			-4

The administration will transmit legislation that will convert the guaranteed transitional housing loans for homeless veterans program from a mandatory loan program to a discretionary grant program in order to improve service to veterans subject to Congressional authorization.

**Status of Direct Loans (in millions of dollars)**

Identification code 36-4130-4-3-704	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1121 Limitation available from carry-forward			
1131 Direct loan obligations exempt from limitation			
1143 Unobligated limitation carried forward (P.L. 105-368)			-10
1150 Total direct loan obligations			-10
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			
1231 Disbursements: Direct loan disbursements			-10
1251 Repayments: Repayments and prepayments			
Write-offs for default:			
1263 Direct loans			
1264 Other adjustments, net			
1290 Outstanding, end of year			-10

**Balance Sheet (in millions of dollars)**

Identification code 36-4130-4-3-704	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
Investments in US securities:				
1106 Receivables, net				-1
1107 Advances and prepayments				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross				-10
1402 Interest receivable				
1499 Net present value of assets related to direct loans				-10
1999 Total assets				-11
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable				-5
2103 Federal liabilities debt				-6
2105 Other liabilities				
2999 Total liabilities				-11
4999 Total liabilities and net position				-11

**VOCATIONAL REHABILITATION AND EDUCATION LOANS PROGRAM  
ACCOUNT**

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 36-0140-0-1-702	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Vocational Rehabilitation	3	3	4
115002 Education Loans			
115901 Total direct loan levels	3	3	4
Direct loan subsidy (in percent):			
132001 Vocational Rehabilitation	2.18	1.50	1.33
132002 Education Loans	0.00	6.49	0.00
132901 Weighted average subsidy rate	0.00	0.00	0.00
Direct loan subsidy budget authority:			
133001 Vocational Rehabilitation			
133002 Education Loans			
133901 Total subsidy budget authority			
Direct loan subsidy outlays:			
134001 Vocational Rehabilitation			
134002 Education Loans			
134901 Total subsidy outlays			
Administrative expense data:			
351001 Budget authority			
358001 Outlays from balances			

The Vocational Rehabilitation Loan program's administrative and subsidy costs are appropriated under "Vocational Rehabilitation and Employment." The Education Loan program's administrative and subsidy costs are appropriated under "Education."

As required by the Federal Credit Reform Act of 1990, this account records, for these programs, the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as the administrative expenses of these programs. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

VOCATIONAL REHABILITATION AND EDUCATION DIRECT LOAN  
FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4259-0-3-702	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	3	3	4
10.00 Total new obligations (object class 33.0) .....	3	3	4
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....	3	3	4
23.95 Total new obligations .....	-3	-3	-4
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow (indefinite) .....	3	3	4
Spending authority from offsetting collections:			
Discretionary:			
68.00 Spending Authority from Offsetting collections (cash) .....	3	3	4
68.47 Portion applied to repay debt (-) .....	-3	-3	-4
68.90 Spending authority from offsetting collections (total discretionary) .....			
70.00 Total new financing authority (gross) .....	3	3	4
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	3	3	4
73.20 Total financing disbursements (gross) .....	-3	-3	-4
87.00 Total financing disbursements (gross) .....	3	3	4
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Repayments and prepayments of principal .....			
88.40 Repayments and prepayments of principal .....	-3	-3	-4
88.90 Total, offsetting collections (cash) .....	-3	-3	-4
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....			

Status of Direct Loans (in millions of dollars)

Identification code 36-4259-0-3-702	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	3	3	4
1150 Total direct loan obligations .....	3	3	4
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1	1	1
1231 Disbursements: Direct loan disbursements .....	3	3	4
1251 Repayments: Repayments and prepayments (-) .....	-3	-3	-4
1290 Outstanding, end of year .....	1	1	1

Balance Sheet (in millions of dollars)

Identification code 36-4259-0-3-702	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....		1	1	1
1499 Net present value of assets related to direct loans .....		1	1	1
1999 Total assets .....		1	1	1
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt .....		1	1	1
2999 Total liabilities .....		1	1	1
4999 Total liabilities and net position .....		1	1	1

This account contains information on the Vocational Rehabilitation Loan Program and Education Loan Program.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in the account are means of financing and are not included in the budget totals.

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 36-8133-0-7-702	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Deductions from military pay .....	1	1	1
02.40 Contributions .....	1	2	1
02.99 Total receipts and collections .....	2	3	2
Appropriations:			
05.00 Post-Vietnam era veterans education account .....	-2	-3	-2
07.99 Balance, end of year .....			

Program and Financing (in millions of dollars)

Identification code 36-8133-0-7-702	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Payment to post-Vietnam era trainees .....	2	3	2
00.03 Participant disenrollments .....	7	9	9
10.00 Total new obligations .....	9	12	11
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	86	79	70
22.00 New budget authority (gross) .....	2	3	2
23.90 Total budgetary resources available for obligation .....	88	82	72
23.95 Total new obligations .....	-9	-12	-11
24.40 Unobligated balance carried forward, end of year .....	79	70	62
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	2	3	2
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	1	2
73.10 Total new obligations .....	9	12	11
73.20 Total outlays (gross) .....	-8	-12	-11
74.40 Obligated balance, end of year .....	1	2	2
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	2	3	2
86.98 Outlays from mandatory balances .....	6	9	9
87.00 Total outlays (gross) .....	8	12	11
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2	3	2
90.00 Outlays .....	9	12	11

This account consists of voluntary contributions by eligible servicepersons and matching contributions provided by the Department of Defense. The fund provides educational assistance payments to participants who entered the service after December 31, 1976, and are pursuing training under chapter 32, title 38, U.S.C. Section 901 is a non-contributory program with educational assistance provided by the Department of Defense. Public Law 99-576, enacted October 28, 1986, closed the program permanently for new enrollments effective March 31, 1987. Public Law 106-419, enacted November 1, 2000, provides qualified participants in this program another opportunity (through October 31, 2001) to convert to the All-Volunteer Force Educational Assistance program (Montgomery GI Bill). The estimated activity in the fund follows:

## POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT—Continued

## CONTRIBUTIONS, PARTICIPANTS, DISENROLLMENTS, REFUNDS AND TRAINEES

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
Total budget authority .....	\$2	\$3	\$2
Servicepersons .....	\$1	\$1	\$1
Transferred from Department of Defense (bonus) .....	\$1	\$1	\$1
Transferred from Department of Defense (matching) .....	\$0	\$1	\$1
Transferred from Department of Defense (section 901) .....	\$0	\$0	\$0
Total participants (end of year) .....	202,909	192,909	183,109
Total contributors (end of year) .....	912	800	800
Average contribution per contributor (actual dollars) .....	\$923	\$923	\$923
Number of disenrollments .....	10,700	10,800	10,600
Total refunds .....	\$6	\$9	\$9
Total trainees .....	1,145	980	880
Total trainee cost .....	\$2	\$3	\$2
Average cost per trainee (actual dollars) .....	\$1,772	\$3,122	\$2,375
Section 901 trainees .....	34	20	20

## Object Classification (in millions of dollars)

Identification code 36-8133-0-7-702	2002 actual	2003 est.	2004 est.
41.0 Grants, subsidies, and contributions .....	2	3	2
44.0 Refunds .....	7	9	9
99.9 Total new obligations .....	9	12	11

## NATIONAL SERVICE LIFE INSURANCE FUND

## Unavailable Collections (in millions of dollars)

Identification code 36-8132-0-7-701	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	10,237	10,027	9,741
Receipts:			
02.20 Premium and other receipts .....	185	183	171
02.40 Interest .....	823	766	719
02.41 Payments from general and special funds .....	1	1	1
02.80 National Service Life Insurance fund, offsetting collections .....	475	450	423
02.99 Total receipts and collections .....	1,484	1,400	1,314
04.00 Total: Balances and collections .....	11,721	11,427	11,055
Appropriations:			
05.00 National Service Life Insurance fund .....	-1,694	-1,686	-1,658
05.99 Total appropriations .....	-1,694	-1,686	-1,658
07.99 Balance, end of year .....	10,027	9,741	9,397

## Program and Financing (in millions of dollars)

Identification code 36-8132-0-7-701	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct:			
Operating expenses:			
00.01 Death claims .....	621	635	652
00.02 Disability claims .....	13	12	11
00.03 Matured endowments .....	5	7	9
00.04 Cash surrenders .....	31	32	32
00.05 Dividends .....	346	323	286
00.06 Interest paid on dividend credits and deposits .....	58	57	56
00.07 Payment to Insurance account .....	20	22	22
00.91 Total operating expenses .....	1,094	1,088	1,068
02.01 Capital investment: Policy loans .....	85	83	85
02.93 Total direct obligations .....	1,179	1,171	1,153
Reimbursable program:			
09.01 Death claims .....	293	301	309
09.02 Disability Claims .....	6	6	5
09.03 Matured Endowments .....	3	3	4
09.04 Cash Surrenders .....	14	15	15
09.05 Dividends .....	163	153	136
09.06 Interest paid on dividend credits and deposits .....	27	27	26
09.07 Payment to Insurance account .....	9	10	10
09.09 Reimbursable program .....	515	515	505
10.00 Total new obligations .....	1,694	1,686	1,658

## Budgetary resources available for obligation:

22.00 New budget authority (gross) .....	1,694	1,686	1,658
23.95 Total new obligations .....	-1,694	-1,686	-1,658

## New budget authority (gross), detail:

Mandatory:			
60.26 Appropriation (trust fund) .....	1,008	950	892
69.00 Offsetting collections (cash) .....	475	450	423
69.26 From offsetting collections (unavailable balances) .....	211	286	343
69.90 Spending authority from offsetting collections (total mandatory) .....	686	736	766
70.00 Total new budget authority (gross) .....	1,694	1,686	1,658

## Change in obligated balances:

72.40 Obligated balance, start of year .....	1,403	1,446	1,488
73.10 Total new obligations .....	1,694	1,686	1,658
73.20 Total outlays (gross) .....	-1,651	-1,644	-1,620
74.40 Obligated balance, end of year .....	1,446	1,488	1,526

## Outlays (gross), detail:

86.97 Outlays from new mandatory authority .....	1,483	1,400	1,315
86.98 Outlays from mandatory balances .....	168	244	305
87.00 Total outlays (gross) .....	1,651	1,644	1,620

## Offsets:

Against gross budget authority and outlays:

Offsetting collections (cash) from:

Non-Federal sources:			
88.40 Repayments of loans .....	-131	-122	-114
88.40 Optional settlements .....	-1	-1	-1
88.40 Net income offsets adjustments .....	-343	-327	-308
88.90 Total, offsetting collections (cash) .....	-475	-450	-423

## Net budget authority and outlays:

89.00 Budget authority .....	1,219	1,236	1,235
90.00 Outlays .....	1,176	1,194	1,197

## Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value .....	11,639	11,465	11,229
92.02 Total investments, end of year: Federal securities:			
Par value .....	11,465	11,229	10,923

Note.—The Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund was established in 1940. It is for the World War II servicemen's and veterans' insurance program. Over 22 million policies have been issued under this program. Activity of the fund reflects a rising claim workload. The trend in the number and amount of policies in force is shown as follows:

## POLICIES AND INSURANCE IN FORCE

	2002 actual	2003 est.	2004 est.
Number of policies .....	1,502,463	1,396,960	1,291,620
Insurance in force (dollars in millions) .....	\$15,550	\$14,809	\$14,005

This fund is operated on a commercial basis to the extent possible. The income of the fund is derived from premium receipts, interest on investments, and payments which are made to the fund from the Veterans insurance and indemnities appropriation.

Assets of the fund, which are largely invested in special interest-bearing Treasury securities and in policy loans, are expected to decrease from \$11,991 million as of September 30, 2003 to \$11,587 million as of September 30, 2004. The actuarial estimate of policy obligations as of September 30, 2003, total \$11,315 million, leaving a balance of \$272 million for contingency reserves.

The status of the fund, excluding noncash transactions, is as follows:

**Status of Funds** (in millions of dollars)

Identification code 36-8132-0-7-701	2002 actual	2003 est.	2004 est.
<b>Unexpended balance, start of year:</b>			
0100 Uninvested balance (unavailable collections) .....	1	8	
0101 Federal securities: Par value .....	11,639	11,465	11,229
0199 Total balance, start of year .....	11,640	11,473	11,229
<b>Cash income during the year:</b>			
<b>Current law:</b>			
<b>Offsetting receipts (proprietary):</b>			
1220 NSLI fund, premium and other receipts .....	185	183	171
<b>Offsetting receipts (intragovernmental):</b>			
1240 NSLI fund, interest .....	823	766	719
1241 NSLI fund, payments from general and special funds .....	1	1	1
<b>Offsetting collections:</b>			
1280 NSLI fund, offsetting collections .....	475	450	423
1299 Income under present law .....	1,484	1,400	1,314
<b>Cash outgo during year:</b>			
<b>Current law:</b>			
4500 National service life insurance fund .....	-1,651	-1,644	-1,620
<b>Unexpended balance, end of year:</b>			
8700 Uninvested balance .....	8		
8701 Federal securities: Par value .....	11,465	11,229	10,923
8799 Total balance, end of year .....	11,473	11,229	10,923

**Object Classification** (in millions of dollars)

Identification code 36-8132-0-7-701	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
33.0 Investments and loans .....	85	83	85
42.0 Insurance claims and indemnities .....	670	686	704
43.0 Interest and dividends .....	425	401	364
99.0 Direct obligations .....	1,180	1,170	1,153
99.0 Reimbursable obligations .....	514	516	505
99.9 Total new obligations .....	1,694	1,686	1,658

Legislation will be proposed to authorize payment of NSLI and USGLI proceeds to an alternate beneficiary when the proceeds have not been claimed by the named beneficiary within two years following the death of the policyholder or within two years of enactment, whichever is later. There are no anticipated costs in 2004, since the first payment would not be made until two years after enactment.

**UNITED STATES GOVERNMENT LIFE INSURANCE FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 36-8150-0-7-701	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	50	44	39
<b>Receipts:</b>			
02.40 Interest and profits on investments in public debt securities .....	4	4	3
02.80 United States government life insurance fund, offsetting collections .....	1	1	1
02.99 Total receipts and collections .....	5	5	4
04.00 Total: Balances and collections .....	55	49	43
<b>Appropriations:</b>			
05.00 United States government life insurance fund .....	-11	-10	-9
05.99 Total appropriations .....	-11	-10	-9
07.99 Balance, end of year .....	44	39	34

**Program and Financing** (in millions of dollars)

Identification code 36-8150-0-7-701	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Operating expenses:</b>			
00.01 Death claims .....	2	2	1
00.05 Dividends .....	1		
00.06 Interest paid on dividend credits and deposits .....	1	1	1

00.07 Other Costs .....	1	1	1
09.01 Death Claims .....	4	4	4
09.02 Dividends .....	2	2	2
09.09 Reimbursable program .....	6	6	6
10.00 Total new obligations .....	11	10	9

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	11	10	9
23.95 Total new obligations .....	-11	-10	-9

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....	5	4	3
69.00 Offsetting collections (cash) .....	1	1	1
69.26 From offsetting collections (unavailable balances) .....	5	5	5
69.90 Spending authority from offsetting collections (total mandatory) .....	6	6	6
70.00 Total new budget authority (gross) .....	11	10	9

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	19	18	17
73.10 Total new obligations .....	11	10	9
73.20 Total outlays (gross) .....	-11	-11	-11
74.40 Obligated balance, end of year .....	18	17	15

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	5	4	4
86.98 Outlays from mandatory balances .....	6	7	7
87.00 Total outlays (gross) .....	11	11	11

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.40 Offsetting collections (cash) from: Repayments of loans .....	-1	-1	-1

**Net budget authority and outlays:**

89.00 Budget authority .....	10	9	9
90.00 Outlays .....	10	11	10

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities: Par value .....	67	62	55
92.02 Total investments, end of year: Federal securities: Par value .....	62	55	48

Note.—The Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund was established in 1919 to receive premiums and pay claims on insurance issued under the provisions of the War Risk Insurance Act. The general decline in the activity of the fund is indicated in the following table:

**POLICIES AND INSURANCE IN FORCE**

	2002 actual	2003 est.	2004 est.
Number of policies .....	13,217	11,700	10,240
Insurance in force (dollars in millions) .....	\$42	\$37	\$32

The fund is operated on a commercial basis to the extent possible. The income of the fund is derived from interest on investments and payments from the Veterans insurance and indemnities appropriation. Effective January 1, 1983, premiums were discontinued because reserves held in the fund were adequate to meet future liabilities of the program.

Assets of the fund, which are largely invested in interest-bearing securities and policy loans, are estimated to decrease from \$59 million as of September 30, 2003, to \$52 million as of September 30, 2004, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 2004, totals \$51 million, leaving a balance of \$1 million for contingency reserves.

The status of the fund, excluding noncash transactions, is as follows:

## UNITED STATES GOVERNMENT LIFE INSURANCE FUND—Continued

## Status of Funds (in millions of dollars)

Identification code 36-8150-0-7-701	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0101 Federal securities: Par value .....	67	62	55
0199 Total balance, start of year .....	69	62	56
Cash income during the year:			
Current law:			
Offsetting receipts (intragovernmental):			
1240 Interest and profits on investments in public debt securities, USGLI, VA .....	4	4	3
Offsetting collections:			
1280 Offsetting collections, USGLI .....	1	1	1
1299 Income under present law .....	5	5	4
Cash outgo during year:			
Current law:			
4500 United States government life insurance fund .....	-11	-11	-11
Unexpended balance, end of year:			
8701 Federal securities: Par value .....	62	55	48
8799 Total balance, end of year .....	62	56	49

## Object Classification (in millions of dollars)

Identification code 36-8150-0-7-701	2002 actual	2003 est.	2004 est.
Direct obligations:			
42.0 Insurance claims and indemnities .....	2	2	1
43.0 Interest and dividends .....	3	2	2
99.0 Direct obligations .....	5	4	3
99.0 Reimbursable obligations .....	6	6	6
99.9 Total new obligations .....	11	10	9

## VETERANS SPECIAL LIFE INSURANCE FUND

## Unavailable Collections (in millions of dollars)

Identification code 36-8455-0-8-701	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	1,488	1,516	1,530
Receipts:			
02.80 Veterans special life insurance fund, offsetting collections .....	236	231	226
04.00 Total: Balances and collections .....	1,724	1,747	1,756
Appropriations:			
05.00 Veterans special life insurance fund .....	-208	-217	-219
05.99 Total appropriations .....	-208	-217	-219
07.99 Balance, end of year .....	1,516	1,530	1,537

## Program and Financing (in millions of dollars)

Identification code 36-8455-0-8-701	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Death claims .....	59	65	71
09.02 Cash surrenders .....	4	5	5
09.03 Dividends .....	93	88	85
09.04 All other .....	31	38	37
09.05 Payments to Insurance account .....	5	5	5
09.06 Capital investment .....	16	16	16
10.00 Total new obligations .....	208	217	219
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	208	217	219
23.95 Total new obligations .....	-208	-217	-219
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	236	231	226
69.26 From offsetting collections (unavailable balances) .....	-28	-14	-7
69.90 Spending authority from offsetting collections (total mandatory) .....	208	217	219

## Change in obligated balances:

72.40 Obligated balance, start of year .....	269	292	315
73.10 Total new obligations .....	208	217	219
73.20 Total outlays (gross) .....	-184	-194	-198
74.40 Obligated balance, end of year .....	292	315	336

## Outlays (gross), detail:

86.97 Outlays from new mandatory authority .....	20	21	21
86.98 Outlays from mandatory balances .....	164	173	177
87.00 Total outlays (gross) .....	184	194	198

## Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities .....	-143	-141	-139
Non-Federal sources:			
88.40 Interest on loans .....	-6	-6	-6
88.40 Insurance premiums earned .....	-69	-66	-64
88.40 Repayments of loans .....	-18	-18	-17
88.90 Total, offsetting collections (cash) .....	-236	-231	-226

## Net budget authority and outlays:

89.00 Budget authority .....	-28	-14	-7
90.00 Outlays .....	-52	-37	-28

## Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value .....	1,756	1,807	1,816
92.02 Total investments, end of year: Federal securities:			
Par value .....	1,807	1,816	1,816

Note.—The Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund finances the payment of claims on life insurance policies issued before January 3, 1957, to veterans who served in the Armed Forces subsequent to April 1, 1951. No new policies can be issued. Policyholders may elect to purchase total disability income coverage with the payment of additional premiums.

## Budget program—

**Death claims.**—Represents payments to designated beneficiaries.

**Cash surrenders.**—A policyholder may terminate his or her insurance by cashing in the policy for its cash value.

**Dividends.**—Policyholders participate in the distribution of annual dividends.

**All other.**—Classified in this category are payments to policyholders who: (a) hold endowment policies which have matured; (b) have purchased total disability income coverage and subsequently become disabled; and (c) are paid interest on dividend credits and deposits.

The following table reflects the decrease in the number of policies and the amounts of insurance in force:

## POLICIES AND INSURANCE IN FORCE

	2002 actual	2003 est.	2004 est.
Number of policies .....	227,341	220,340	212,650
Insurance in force (dollars in millions) .....	\$2,604	\$2,564	\$2,514

**Financing.**—Payments from this fund are financed primarily from premium receipts and interest on investments.

**Operating results and financial condition.**—Lower than expected death rates on insurance written against this fund has kept death claim payments well below the amount of premium and interest receipts, thereby producing an annual increase in the total revenue of the fund. Excess earnings of the fund are now distributed to the policyholders in the form of an annual dividend.

## Object Classification (in millions of dollars)

Identification code 36-8455-0-8-701	2002 actual	2003 est.	2004 est.
33.0 Investments and loans .....	17	18	19
42.0 Insurance claims and indemnities .....	84	93	93
43.0 Interest and dividends .....	107	106	107

99.9	Total new obligations .....	208	217	219
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<sup>1</sup>The total cost of administering veterans insurance programs is funded through direct appropriations to this account and through reimbursements from the insurance trust fund.

This appropriation provides for the Department's top management direction and administrative support, including data processing, fiscal, personnel, and legal services.

**DEPARTMENTAL ADMINISTRATION**

GENERAL ADMINISTRATION

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including administrative expenses in support of Department-wide capital planning, management and policy activities, not to exceed \$25,000 for official reception and representation expenses, and reimbursement of the General Services Administration for security guard services, \$283,973,000, including no more than \$5,405,000 for construction.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 36-0151-0-1-705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.11 General administration .....	235	274	279
00.12 Major Construction .....	4	1	3
00.30 Minor Construction .....	3	10	4
01.00 Total Direct Program .....	242	285	286
Reimbursable program:			
09.01 Administration of housing credit programs .....	4	4	4
09.04 Other reimbursable programs .....	180	154	136
09.99 Total reimbursable program .....	184	158	140
10.00 Total new obligations .....	426	443	426
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	9	16	3
22.00 New budget authority (gross) .....	436	429	424
23.90 Total budgetary resources available for obligation	445	445	427
23.95 Total new obligations .....	-426	-443	-426
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	16	3	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	251	271	284
42.00 Transferred from other accounts .....	1		
43.00 Appropriation (total discretionary) .....	252	271	284
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	184	158	140
70.00 Total new budget authority (gross) .....	436	429	424
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	59	59	70
73.10 Total new obligations .....	426	443	426
73.20 Total outlays (gross) .....	-419	-432	-423
73.40 Adjustments in expired accounts (net) .....	-7		
74.40 Obligated balance, end of year .....	59	70	74
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	363	376	369
86.93 Outlays from discretionary balances .....	56	56	54
87.00 Total outlays (gross) .....	419	432	423
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-184	-158	-140
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	252	271	284
90.00 Outlays .....	235	274	283
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	11	12	14
99.01 Outlays .....	11	12	14

Object Classification (in millions of dollars)

Identification code 36-0151-0-1-705	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	136	152	159
11.5 Other personnel compensation .....	5	5	5
11.9 Total personnel compensation .....	141	157	164
12.1 Civilian personnel benefits .....	33	45	48
21.0 Employee travel .....	3	4	4
23.1 Rental payments to GSA .....	17	18	19
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	3	4	4
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	28	40	33
26.0 Supplies and materials .....	3	2	3
31.0 Equipment .....	6	2	2
32.0 Land and structures .....	6	11	7
99.0 Direct obligations .....	242	285	286
99.0 Reimbursable obligations .....	184	158	140
99.9 Total new obligations .....	426	443	426

Personnel Summary

Identification code 36-0151-0-1-705	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,863	1,980	2,031
<b>Reimbursable:</b>			
Total compensable workyears:			
2001 Civilian full-time equivalent employment <sup>1</sup> .....	740	499	450

<sup>1</sup>Reflects FTE treated as reimbursements in all years and the effects of Credit Reform, per P.L. 101-508.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$62,450,000, including no more than \$700,000 for construction.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 36-0170-0-1-705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Direct program .....	52	55	61
01.03 Construction, minor projects .....	1	2	1
01.92 Total direct program .....	53	57	62
09.01 Reimbursable program .....	3	3	3
10.00 Total new obligations .....	56	60	65

OFFICE OF INSPECTOR GENERAL—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0170-0-1-705	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year		1	
22.00 New budget authority (gross)	57	59	65
23.90 Total budgetary resources available for obligation	57	60	65
23.95 Total new obligations	-56	-60	-65
24.40 Unobligated balance carried forward, end of year	1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	54	56	62
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	3	3	3
70.00 Total new budget authority (gross)	57	59	65
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	11	10	12
73.10 Total new obligations	56	60	65
73.20 Total outlays (gross)	-56	-58	-64
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	10	12	12
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	46	55	61
86.93 Outlays from discretionary balances	10	3	3
87.00 Total outlays (gross)	56	58	64
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-3	-3	-3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	54	56	62
90.00 Outlays	53	55	61
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority	2	3	3
99.01 Outlays	2	3	3

This appropriation provides Department-wide audit, investigation, and healthcare inspection and support functions to identify and report weaknesses and deficiencies in VA programs and operations that create conditions for existing or potential instances of criminal activity, fraud, waste, and mismanagement. The audit function plans and conducts internal programmatic audits of all facets of VA operations as well as contract audit services for all applicable Department contracts. The investigative function conducts criminal and administrative investigations of improper and illegal activities involving VA programs, personnel, beneficiaries, and other third parties. The healthcare inspection function performs legislatively mandated medical care quality assurance reviews and oversight. The support function provides office administration.

Additionally, funding is provided for capital asset investments.

Object Classification (in millions of dollars)

Identification code 36-0170-0-1-705	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	30	31	34
11.5 Other personnel compensation	2	2	2
11.9 Total personnel compensation	32	33	36
12.1 Civilian personnel benefits	8	8	10
21.0 Employee Travel	3	3	3
23.1 Rental payments to GSA	2	3	3
25.2 Other services	6	7	8
31.0 Equipment	1	1	1
32.0 Land and structures	1	2	1

99.0 Direct obligations	53	57	62
99.0 Reimbursable obligations	3	3	3
99.9 Total new obligations	56	60	65

Personnel Summary

Identification code 36-0170-0-1-705	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	370	386	417
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment	23	25	25

Intragovernmental funds:

SUPPLY FUND

Program and Financing (in millions of dollars)

Identification code 36-4537-0-4-705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program-COGS-Merchandizing	1,020	1,196	1,243
09.02 Reimbursable program-Other-Operations	56	65	65
09.03 Reimbursable program-COGS-Printing and Publications	6	5	5
09.04 Reimbursable program-Other	2	2	2
09.05 Reimbursable program-Equipment-Procurement Services and Distribution	1	2	3
10.00 Total new obligations	1,085	1,270	1,318
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	151	274	274
22.00 New budget authority (gross)	1,208	1,270	1,318
23.90 Total budgetary resources available for obligation	1,359	1,544	1,592
23.95 Total new obligations	-1,085	-1,270	-1,318
24.40 Unobligated balance carried forward, end of year	274	274	274
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash)	1,213	1,270	1,318
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-5		
69.90 Spending authority from offsetting collections (total mandatory)	1,208	1,270	1,318
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	118	188	188
73.10 Total new obligations	1,085	1,270	1,318
73.20 Total outlays (gross)	-1,020	-1,270	-1,318
74.00 Change in uncollected customer payments from Federal sources (unexpired)	5		
74.40 Obligated balance, end of year	188	188	188
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	1,020	1,270	1,318
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1,213	-1,270	-1,318
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	5		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	-193		
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority	2	2	2
99.01 Outlays	2	2	2

Under the provisions of 38 U.S.C. 8121, the Supply Fund is responsible for the operation and maintenance of a supply system for VA. The Supply Fund is an intragovernmental revolving fund without fiscal year limitations.

**Budget program.**—The fund provides financial support for: (1) a National Acquisition Center or central contracting office; (2) the maintenance of field station inventories; (3) a service and distribution center; (4) a service and reclamation program; (5) a national prosthetics distribution center; and (6) an asset management service.

Costs for the administration of supply activities at VA field stations are not financed by the Supply Fund. These costs are charged directly to applicable appropriations accounts.

**Financing.**—Costs of supplies, equipment, and services acquired through the Supply Fund and Supply Fund operating costs are recovered through reimbursements from the VA appropriations and other Government agencies receiving goods and services. For 2004, Supply Fund sales are estimated to reach \$1.26 billion. Average inventory needed to support those sales will be \$34 million.

**Operating results.**—The Fund operated at a profit of \$25 million in 2002. The new total of retained earnings is \$77 million. Operating expense as related to sales was 6 percent.

**Object Classification** (in millions of dollars)

Identification code 36-4537-0-4-705	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	24	29	30
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	25	30	31
12.1 Civilian personnel benefits .....	6	6	6
21.0 Travel and transportation of persons .....	3	3	3
22.0 Transportation of things .....	3	5	6
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	2	3	2
24.0 Printing and reproduction .....	6	6	6
25.1 Advisory and assistance services .....	468	431	437
26.0 Supplies and materials .....	287	406	428
31.0 Equipment .....	283	378	397
99.9 Total new obligations .....	1,085	1,270	1,318

**Personnel Summary**

Identification code 36-4537-0-4-705	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	382	436	440

**FRANCHISE FUND**

**Program and Financing** (in millions of dollars)

Identification code 36-4539-0-4-705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	130	152	163
10.00 Total new obligations .....	130	152	163
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	38	53	54
22.00 New budget authority (gross) .....	145	152	163
23.90 Total budgetary resources available for obligation .....	183	205	217
23.95 Total new obligations .....	-130	-152	-163
24.40 Unobligated balance carried forward, end of year .....	53	54	54

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	149	150	150
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-4	2	13
69.90 Spending authority from offsetting collections (total mandatory) .....	145	152	163
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	14	20	24

73.10 Total new obligations .....	130	152	163
73.20 Total outlays (gross) .....	-128	-146	-163
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	4	-2	-13
74.40 Obligated balance, end of year .....	20	24	11

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	128	146	163
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**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-149	-150	-150
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	4	-2	-13

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....	-21	-4	13

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....			
99.01 Outlays .....			

VA was chosen as a pilot Franchise Fund agency under the Government Management and Reform Act, P.L. 103-356, of 1994. This budget's general provisions extends the authority under that Act. Established in 1997, administrative services included in the Franchise Fund are financed on a fee-for-service basis rather than through VA's General Administration appropriation. VA Enterprise Centers are the lines of business within the VA Franchise Fund and are expected to have net billings of about \$164 million and employ 762 people, who were transferred from their parent organizations.

The Franchise Fund concept is intended to increase competition for government administrative services resulting in lower costs and higher quality.

**Object Classification** (in millions of dollars)

Identification code 36-4539-0-4-705	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	38	47	50
12.1 Civilian personnel benefits .....	9	10	11
21.0 Travel and transportation of persons .....	1	2	2
23.1 Rental payments to GSA .....	4	6	6
23.3 Communications, utilities, and miscellaneous charges .....	24	32	34
24.0 Printing and reproduction .....	2	2	2
25.2 Other services .....	35	38	43
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	15	10	10
32.0 Land and structures .....		3	3
99.9 Total new obligations .....	130	152	163

**Personnel Summary**

Identification code 36-4539-0-4-705	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	670	740	762

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Offsetting receipts from the public:</b>			
36-247300 Contributions from military personnel, Veteran's Educational Assistance Act of 1984 .....	233	267	357
36-273330 Housing downward reestimates .....	1,798	878	
36-275510 Housing negative subsidies .....		5	
General Fund Offsetting receipts from the public .....	2,031	1,150	357

ADMINISTRATIVE PROVISIONS  
(INCLUDING TRANSFER OF FUNDS)

SEC. 101. (a) Appropriations available for fiscal years 2004 and 2005 for operating expenses in the Compensation, Pension, Burial, Insurance, Education, and Vocational Rehabilitation and Employment accounts may be transferred to any other of the mentioned accounts for operating expense purposes to correct for assumptions used to restructure the VA's budget request: Provided, That the total amount transferred from or into any single account for operating expenses may not exceed the schedule in subsection (c).

(b) Appropriations available for fiscal years 2004 and 2005 for purposes of construction (non-grants) in the Compensation, Pension, Insurance, Education, Vocational Rehabilitation and Employment, and Housing accounts may be transferred to any other of the mentioned accounts for construction expense purposes to correct for assumptions used to restructure the VA's budget request: Provided, That the total amount transferred from or into any single account for construction may not exceed the schedule in subsection (c).

(c) The limitation on transfers is ten percent in 2004, five percent in 2005, and zero percent thereafter.

(d) Appropriations available for operating expenses in the Medical Care and Medical and Prosthetic Research accounts may be transferred to each other for operating expense purposes to correct for assumptions used to restructure the VA's budget request: Provided, That the total amount transferred from or into any single account for operating expenses may not exceed ten percent in 2004, two-and-a-half percent in 2005, and zero percent thereafter.

(e) Transfers pursuant to this section shall be effective five days after notice thereof is transmitted to the appropriations committees of the House and Senate.

SEC. 102. Of the amounts provided for operating expenses in the Department's appropriations accounts, except for the Medical Care and Medical and Prosthetic Research accounts, five percent is available until September 30, 2005.

SEC. 103. Appropriations available to the Department of Veterans Affairs for construction are available until expended.

SEC. 104. Appropriations available to the Department of Veterans Affairs for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109 hire of passenger motor vehicles; lease of a facility or land or both; and uniforms or allowances therefore, as authorized by 5 U.S.C. 5901-5902.

SEC. 105. Construction funds (non-grants) provided in several of the accounts are available for constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102 (excluding lease of a facility or land or both), 8103, 8106, 8108, 8109, 8110, 8122, and 8162 of title 38, United States Code, as appropriate to each account, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition.

Such construction funds are also available for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

Except for advance planning activities, including needs assessments which may or may not lead to capital investments, and other capital asset management related activities, such as portfolio development and management activities, and investment strategy studies funded through the advance planning fund, design of projects funded through the design fund, and planning and design activities funded through the design fund and CARES fund, including needs assessments which may or may not lead to capital investments; none of the funds appropriated for construction shall be used for any project where the estimated cost is \$4,000,000 or more, unless the project has been approved by the Congress in the budgetary process. Construction funds provided in each account for fiscal year 2004 for projects where the estimated cost is \$4,000,000 or more, shall be obligated: (1) by the awarding of a construction documents contract by September 30, 2004; and (2) by the awarding of a design-build or construction contract by September 30, 2005. The Secretary shall promptly report in writing to the Committees on Appropriations any approved construction project of \$4,000,000 or more in which obligations are not incurred within the time limitations established above.

SEC. 106. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901-7904 or 42 U.S.C. 5141-5204), unless reimbursement of cost is made to the "Medical Care" account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 107. Appropriations accounts available to the Department of Veterans Affairs shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100-86, except that if such obligations are from trust fund accounts they shall be payable from "Compensation" and "Pensions" accounts.

SEC. 108. Notwithstanding any other provision of law, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veteran's Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the "Insurance" and "General Administration" accounts on a pro-rata basis for the cost of administration of the insurance programs financed through those accounts: Provided, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year 2004 that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: Provided further, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: Provided further, That the Secretary shall determine the cost of administration for fiscal year 2004 which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

SEC. 109. Amounts deducted from enhanced-use lease proceeds to reimburse an account for expenses incurred by that account during a prior fiscal year for providing enhanced-use lease services, may be obligated during the fiscal year in which the proceeds are received.

SEC. 110. Funds available in any Department of Veterans Affairs appropriation for salaries and other administrative expenses shall also be available to reimburse the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication for all services provided at rates which will recover actual costs but not exceed \$29,318,000 for the Office of Resolution Management and \$3,010,000 for the Office of Employment and Discrimination Complaint Adjudication: Provided, That payments may be made in advance for services to be furnished based on estimated costs: Provided further, That amounts received shall be credited to "General Administration" for use by the office that provided the service.

SEC. 111. (a) Receipts that would otherwise be credited to the accounts listed in subsection (c) shall be deposited into the Medical Care Collections Fund, and shall be transferred to the Medical Care account, to remain available until expended, to carry out the purposes of the Medical Care account.

(b) The unobligated balances in the accounts listed in subsection (c), plus those in the Grants for Construction of State Extended Care Facilities account, shall be transferred to and merged with the Medical Care account and remain available until expended, to carry out the purposes of the Medical Care account: Provided, That the obligated balances in these accounts may be transferred to and merged with the Medical Care account at the discretion of the Secretary of Veterans Affairs and shall remain available until expended.

(c) Veterans Extended Care Revolving Fund; Medical Facilities Revolving Fund; Special Therapeutic and Rehabilitation Fund; Nursing Home Revolving Fund; Veterans Health Services Improvement Fund; and Parking Revolving Fund.

SEC. 112. Notwithstanding any other provision of law, the unobligated balances in the Construction, Major Projects and Construction, Minor Projects shall be transferred to and merged with each appropriation provided in this Act as appropriate, and shall remain available under the terms under which originally appropriated.

SEC. 113. The Department of Veterans Affairs is authorized to continue the Franchise Fund pilot authorized by section 403 of P.L. 103-356 and title 1 of P.L. 104-204 until October 1, 2004.

## TITLE IV—GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I, II, and III of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefor in the budget estimates submitted for the appropriations: Provided, That this provision does not apply to accounts that do not contain an object classification for travel: Provided further, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; to travel performed by the Offices of Inspector General in connection with audits and investigations; to travel performed by the U.S. Consumer Product Safety Commission in connection with litigations; or to payments to interagency motor pools where separately set forth in the budget schedules: Provided further, That if appropriations in titles I, II, and III exceed the amounts set forth in budget estimates initially submitted for such appropriations, the expenditures for travel may correspondingly exceed the amounts therefor set forth in the estimates only to the extent notice of such an increase is transmitted to the Committees on Appropriations.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

SEC. 404. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 405. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made; or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Officer or is specifically exempt by law from such audit.

SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between the domicile and the place of employment of the officer or employee, with the exception of an officer or employee authorized such transportation under 31 U.S.C. 1344 or 5 U.S.C. 7905.

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: Provided, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 408. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for level IV of the Executive Schedule, unless specifically authorized by law.

SEC. 409. None of the funds provided in this Act may be used to pay the expenses of, or otherwise compensate, non-Federal parties

intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 410. Except as otherwise provided under existing law, or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are: (1) a matter of public record and available for public inspection; and (2) thereafter included in a publicly available list of all contracts entered into within 24 months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 411. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency: (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder; and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning: (A) the contract pursuant to which the report was prepared; and (B) the contractor who prepared the report pursuant to such contract.

SEC. 412. Except as otherwise provided in section 406, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 413. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 414. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than \$300,000 unless the Secretary submits a report which the Committees on Appropriations of the Congress approve within 30 days following the date on which the report is received.

SEC. 415. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made. (b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. 416. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for indirect costs, except as published in Office of Management and Budget Circular A–21.

SEC. 417. Such sums as may be necessary for fiscal year 2004 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 418. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 419. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of such Act as may be necessary in carrying out the programs set forth in the budget for 2004 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior

appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 420. Notwithstanding any other provision of law, the term “qualified student loan” with respect to national service education awards shall mean any loan determined by an institution of higher education to be necessary to cover a student’s cost of attendance at such institution and made directly to a student by a State agency, in addition to other meanings under section 148(b)(7) of the National and Community Service Act.

SEC. 421. Except in the case of entities that are funded solely with Federal funds or any natural persons that are funded under this Act, none of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties to lobby or litigate in respect to adjudicatory proceedings funded in this Act. A chief executive officer of any entity receiving funds under this Act shall certify that none of these funds have been used to engage in the lobbying of the Federal Government or in litigation against the United States unless authorized under existing law.

SEC. 422. No part of any funds appropriated in this Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

SEC. 423. Section 312 of the National Aeronautics and Space Administration of 1958, as amended, is further amended by—

(a) Striking the second Sec. “312” and inserting “313”;

(b) inserting the title, “Full Cost Appropriations Account Structure”, before Sec. 313;

(c) in subsection (a)

(1) striking “Human space flight” and inserting “Space flight capabilities”;

(2) striking “technology” and inserting “exploration”; and

(3) striking “2002” and inserting “2004”;

(d) striking subsection (c), and inserting the following new subsection: “(c) The unexpired balances of prior appropriations to the Administration for activities authorized under this Act may be transferred to the new account established for such activity in subsection (a). Balances so transferred may be merged with funds in the newly established account and thereafter may be accounted for as one fund under the same terms and conditions”.

SEC. 424. Chapter 17 of title 38, United States Code, is amended—

(1) in section 1705 by adding at the end the following new subsection:

“(d) The Secretary may not enroll a veteran under paragraph (a)(7) (Except for a veteran with a service-connected disability) or under paragraph (a)(8) unless the veteran pays to the United States an annual enrollment fee of \$250.”

(2) in section 1729A(b) by redesignating paragraphs (1) through (8) as paragraphs (2) through (9) and by adding at the beginning the following new paragraph (1):

“(1) Section 1705(d) of this title.”.

SEC. 425. Notwithstanding 38 U.S.C. 1722A, the Secretary shall require a veteran enrolled in priority category 7 or 8 to pay the United States \$15 for each 30-day supply of medication furnished such veteran under chapter 17 of title 38, United States Code, on an outpatient basis for the treatment of a non-service-connected disability or condition.

SEC. 426. Section 1710B(b) of title 38, United States Code, is amended to read as follows:

“(b) The Secretary shall ensure that the average daily census in nursing homes, domiciliaries, home care programs, and noninstitutional extended care services programs over which the Secretary has direct jurisdiction and for which the Secretary contracts, plus the average daily census of veterans for which the Secretary pays per diem to States for services in State homes, is not less in total than in fiscal year 1998.”

SEC. 427. Section 1722A of title 38, United States Code, is amended by striking subsection (d).

SEC. 428. No funds of the Department of Veterans Affairs shall be available for hospital care or nursing home care or medical services provided to any person under chapter 17 of title 38, United States Code, for a non-service-connected disability described in section 1729(a)(2) of such title, unless that person has disclosed to the Secretary of Veterans Affairs, in such form as the Secretary may require, current, accurate third-party reimbursement information for purposes of section 1729 of such title; Provided, That the Secretary may recover, in the same manner as any other debt due the United States, the reasonable charges for such care or services from any person who does not make such disclosure as required; Provided further, That any amounts so recovered for care or services provided in a prior fiscal year may be obligated by the Secretary during the fiscal year in which amounts is received.

SEC. 429. Section 1722A(a)(3)(B) of title 38, United States Code, is amended by striking out “such veteran if such veteran were eligible for pension under section 1521” and inserting in lieu thereof “a veteran with no dependents under section 1521(d)”.

# CORPS OF ENGINEERS—CIVIL WORKS

## CORPS OF ENGINEERS—CIVIL WORKS

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood and storm damage reduction, aquatic ecosystem restoration, and related purposes.

### Federal Funds

#### General and special funds:

#### GENERAL INVESTIGATIONS PROGRAM

(Budget authority in millions of dollars)

General investigations:	2002 actual	2003 est.	2004 est.
Direct program:			
General fund .....	154	103	100
Rivers and harbors contributed funds (cost sharing, permanent appropriation) .....	43	30	31
Total direct program: .....	197	133	131
Reimbursable program .....	37	9	9
Total program .....	234	142	140

#### GENERAL INVESTIGATIONS

*For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood and storm damage reduction, aquatic ecosystem restoration, and related projects, restudy of authorized projects, miscellaneous investigations, and, when authorized by law, surveys and detailed studies and plans and specifications of projects prior to construction, \$100,000,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 96-3121-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
Surveys and planning:			
00.01 Navigation, flood damage prevention, and shoreline protection studies .....	32	30	25
00.02 Comprehensive basin studies .....	3	3	2
00.03 Special studies .....	36	30	23
00.04 Review of authorized projects .....	8	6	4
00.05 Cooperation with other Federal agencies and non-Federal interests .....	8	11	7
00.07 Preconstruction engineering and design .....	11	35	24
Collection and study of basic data:			
00.08 Flood plain management services .....	15	6	5
00.09 Other programs .....	31	6	1
00.10 Research and development .....	22	15	9
09.11 Reimbursable program activity .....	37	9	9
10.00 Total new obligations .....	203	151	109
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	51	39	
22.00 New budget authority (gross) .....	191	112	109
23.90 Total budgetary resources available for obligation	242	151	109
23.95 Total new obligations .....	-203	-151	-109
24.40 Unobligated balance carried forward, end of year	39		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	154	103	100
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	40	9	9

68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
68.90 Spending authority from offsetting collections (total discretionary) .....	37	9	9
70.00 Total new budget authority (gross) .....	191	112	109

#### Change in obligated balances:

72.40 Obligated balance, start of year .....	27	31	49
73.10 Total new obligations .....	203	151	109
73.20 Total outlays (gross) .....	-202	-133	-110
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	3		
74.40 Obligated balance, end of year .....	31	49	48

#### Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	115	67	65
86.93 Outlays from discretionary balances .....	87	66	45
87.00 Total outlays (gross) .....	202	133	110

#### Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-40	-9	-9
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	3		

#### Net budget authority and outlays:

89.00 Budget authority .....	154	103	100
90.00 Outlays .....	162	124	101

#### Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....	5	5	5
99.01 Outlays .....	5	5	5

This appropriation funds studies to determine the need, the engineering and economic feasibility, and the environmental and social suitability of solutions to water and related land resource problems; and funds preconstruction engineering and design, data collection, interagency coordination, and research. Because the Corps already has a large backlog of ongoing construction work, the budget limits funding for the study and design of additional projects.

#### Object Classification (in millions of dollars)

Identification code 96-3121-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	59	59	58
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	1	1	1
11.7 Military personnel .....	1	1	1
11.9 Total personnel compensation .....	62	62	61
12.1 Civilian personnel benefits .....	14	14	5
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	3	3	2
23.1 Rental payments to GSA .....	4	4	2
23.3 Communications, utilities, and miscellaneous .....	2	2	1
24.0 Printing and reproduction .....	3	3	1
25.2 Other services .....	53	32	12
25.3 Purchase of goods and services from Government accounts .....	17	14	10
25.5 Research and development contracts .....	4	4	3
26.0 Supplies and materials .....	2	2	1
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	166	142	100
99.0 Reimbursable obligations .....	37	9	9
99.9 Total new obligations .....	203	151	109

**General and special funds—Continued**

**GENERAL INVESTIGATIONS—Continued**

**Personnel Summary**

Identification code 96-3121-0-1-301	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,211	1,190	1,150

**CONSTRUCTION PROGRAM**

(Budget authority in millions of dollars)

Construction, general:	2002 actual	2003 est.	2004 est.
Direct program:			
General fund .....	1596	1309	1028
Omnibus Appropriation (P.L. 106-554) .....	-3		
Rescission (P.L. 106-554) .....	-2		
Harbor Maintenance Trust Fund .....	16	15	212
Inland Waterways Trust Fund .....	104	84	110
Rivers and harbors contributed funds (costsharing, permanent appropriation) .....	270	185	189
Total direct program .....	1981	1593	1539
Reimbursable program .....	755	434	434
Total program .....	2736	2027	1973

**CONSTRUCTION**

For expenses necessary for the construction of river and harbor, flood and storm damage reduction, aquatic ecosystem restoration, and related projects authorized by law; and detailed studies, and plans and specifications, of projects authorized or made eligible for selection by law, \$1,350,000,000, to remain available until expended, of which such sums as are necessary to cover the Federal share of construction costs for coastal harbors and channels and the Federal share of construction costs for facilities under the Dredged Material Disposal Facilities program shall be derived from the Harbor Maintenance Trust Fund; and of which such sums as are necessary to cover one-half of the costs of construction and rehabilitation of inland waterways projects (including rehabilitation costs for the Lock and Dam 11, Mississippi River, Iowa; Lock and Dam 24, Mississippi River, Illinois and Missouri; and Lock and Dam 3, Mississippi River, Minnesota projects) shall be derived from the Inland Waterways Trust Fund.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 96-3122-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
Navigation projects:			
Channels and harbors:			
00.04 Projects specifically authorized by Congress .....	258	228	193
00.05 Projects not specifically authorized by Congress .....	7	7	6
00.09 Locks and dams .....	194	187	159
Beach erosion control projects:			
00.12 Projects specifically authorized by Congress .....	101	95	81
00.13 Projects not specifically authorized by Congress .....	3	5	4
Flood control projects:			
Local protection:			
00.16 Projects specifically authorized by Congress .....	501	390	330
00.17 Projects not specifically authorized by Congress .....	23	27	23
00.18 Emergency streambank and shoreline protection .....	15	7	6
00.22 Reservoirs .....	18	7	6
00.25 Multiple-purpose power projects .....	37	24	20
Major rehabilitation and dam safety assurance projects:			
00.27 Navigation .....	26	27	23
00.28 Flood control .....	16	16	13
00.29 Multiple-purpose power projects .....	69	58	49
00.33 Employees' compensation .....	17	19	16
00.34 Environmental projects .....	308	303	256

00.35 Project modification for environmental restoration	33	20	17
00.36 Aquatic plant control .....	3	3	2
00.37 Aquatic ecosystems .....	41	14	12
00.39 Beneficial uses of dredged material .....	1	1	1
01.00 Direct program subtotal .....	1,671	1,438	1,217
09.00 Reimbursable program .....	755	434	434
10.00 Total new obligations .....	2,426	1,872	1,651

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	865	918	955
22.00 New budget authority (gross) .....	2,479	1,909	1,693
22.21 Unobligated balance transferred to other accounts	-2		
23.90 Total budgetary resources available for obligation	3,342	2,827	2,648
23.95 Total new obligations .....	-2,426	-1,872	-1,651
24.40 Unobligated balance carried forward, end of year .....	918	955	997

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	1,594	1,309	1,028
41.00 Transferred to other accounts .....	-3		
43.00 Appropriation (total discretionary) .....	1,591	1,309	1,028
Spending authority from offsetting collections:			
68.00 Offsetting collections (Cash) .....	743	600	665
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	145		
68.90 Spending authority from offsetting collections (total discretionary) .....	888	600	665
70.00 Total new budget authority (gross) .....	2,479	1,909	1,693

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	-295	-440	-534
73.10 Total new obligations .....	2,426	1,872	1,651
73.20 Total outlays (gross) .....	-2,426	-1,966	-1,780
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-145		
74.40 Obligated balance, end of year .....	-440	-534	-663

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1,796	1,145	1,016
86.93 Outlays from discretionary balances .....	630	821	764
87.00 Total outlays (gross) .....	2,426	1,966	1,780

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-190	-600	-665
88.40 Non-Federal sources .....	-553		
88.90 Total, offsetting collections (cash) .....	-743	-600	-665
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-145		

**Net budget authority and outlays:**

89.00 Budget authority .....	1,591	1,309	1,028
90.00 Outlays .....	1,683	1,366	1,115

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	19	21	21
99.01 Outlays .....	19	21	21

This appropriation funds construction, major rehabilitation, and related activities for water resources projects whose principal purpose is to provide navigation, flood and storm damage reduction, or aquatic ecosystem restoration benefits to the Nation.

The budget focuses on completing ongoing construction projects, rather than starting new projects that add to the existing workload. New projects delay the completion of ongoing projects.

The budget proposes to expand the use of the Harbor Maintenance Trust Fund to include all Federal costs associated with coastal port and channel construction. See "Harbor Maintenance Trust Fund" and "Inland Waterways Trust Fund" for the construction costs financed through those accounts.

This account includes \$66 million for the Comprehensive Everglades Restoration Plan (CERP), which represents 4.9 percent of the total request for this account and 1.6 percent of the total 2004 request for the Corps of Engineers. Funding the CERP at this level would not have a significant impact on the overall Corps of Engineers civil works program in the 2004 budget year. The budget assumes continuation of the study and design phases for CERP projects over the next few years, which would not have a significant impact on the overall Corps of Engineers civil works program. Future levels of funding for construction of CERP projects will depend on the availability of funds, and the impact of such future long-term funding on the overall Corps of Engineers civil works program cannot be determined at this time. The budget for the Department of the Interior (DOI) includes an additional \$9 million for the CERP.

This Corps account and the DOI budget include \$78 million and \$103 million, respectively, for other Everglades work. Therefore, the budget includes a total of \$256 million for the Everglades restoration effort for FY 2004.

The budget provides funds for the continuing authorities program (projects that do not require specific legislation), which includes projects for flood control (Section 205), emergency streambank and shoreline protection (Section 14), beach erosion control (Section 103), mitigation of shore damages (Section 111), navigation (Section 107), snagging and clearing (Section 208), aquatic ecosystem restoration (Section 206), beneficial uses of dredged material at operating projects (Sections 204, 207, and 933), and project modifications for improvement of the environment (Section 1135).

Object Classification (in millions of dollars)			
Identification code 96-3122-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	179	184	184
11.3 Other than full-time permanent .....	4	4	5
11.5 Other personnel compensation .....	6	6	7
11.7 Military personnel .....	4	4	4
11.9 Total personnel compensation .....	193	198	200
12.1 Civilian personnel benefits .....	47	48	48
<b>Military personnel benefits:</b>			
12.2 Accrued retirement .....	2	2	2
12.2 Other personnel .....	2	2	2
21.0 Travel and transportation of persons .....	12	12	12
23.1 Rental payments to GSA .....	15	15	15
23.3 Communications, utilities, and miscellaneous .....	7	7	7
24.0 Printing and reproduction .....	7	7	7
25.1 Advisory and assistance services .....	115	115	115
25.2 Other services .....	694	465	242
25.3 Purchase of goods and services from Government accounts .....	60	60	60
25.5 Research and development contracts .....	9	9	9
26.0 Supplies and materials .....	12	12	12
31.0 Equipment .....	16	16	16
32.0 Land and structures .....	480	470	470
99.0 Direct obligations .....	1,671	1,438	1,217
99.0 Reimbursable obligations .....	755	434	434
99.9 Total new obligations .....	2,426	1,872	1,651

**Personnel Summary**

Identification code 96-3122-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	3,781	3,800	3,800
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1,130	1,100	1,100

**OPERATION AND MAINTENANCE PROGRAM**

(Budget authority in millions of dollars)

	2002 actual	2003 est.	2004 est.
Operation and maintenance, general:			
<b>Direct program:</b>			
General fund .....	1217	1076	1055
General fund homeland security allocation .....		64	104
Emergency Supplemental (P.L. 107-117) .....	139		
Supplemental (P.L. 107-206) .....	32		
Recission (P.L. 107-206) .....	-3		
Special recreation user fees (discretionary) .....	34	34	34
Bonneville Power Administration transfer (mandatory) .....	127		
Harbor Maintenance Trust Fund .....	624	740	600
Inland Waterways Trust Fund .....			146
PMA direct funding proposed reduction to general fund .....		-149	-145
Special recreation user fees (mandatory) .....	3		
Rivers and harbors contributed funds (mandatory) .....	28	18	19
Subtotal direct program .....	2201	1783	1813
<b>Reimbursable program:</b>			
Bonneville Power Administration .....		139	143
PMA funding proposal .....		149	145
Other reimbursements .....	255	95	95
Subtotal, reimbursable program .....	255	383	383
Total program .....	2456	2166	2196

**OPERATION AND MAINTENANCE**

For expenses necessary for the operation, maintenance, and care of existing river and harbor, flood and storm damage reduction, aquatic ecosystem restoration, and related projects; for providing security for infrastructure owned and operated by, or on behalf of, the U.S. Army Corps of Engineers, including administrative buildings and facilities, laboratories, and the Washington Aqueduct; for the maintenance of harbor channels provided by a State, municipality, or other public agency that serve essential navigation needs of general commerce, where authorized by law; and for surveys and charting of northern and northwestern lakes and connecting waters, clearing and straightening channels, and removal of obstructions to navigation, \$1,939,000,000, to remain available until expended, of which such sums as are necessary to cover one-quarter of the costs of operation and maintenance of all Federal inland waterways that have averaged more than five billion ton-miles of commercial cargo per year over the past five years, and one-half of the cost of operation and maintenance of all other Federal inland waterways, shall be derived from the Inland Waterways Trust Fund; of which such sums as are necessary to cover the Federal share of operation and maintenance costs for coastal harbors and channels shall be derived from the Harbor Maintenance Trust Fund; of which such sums as become available from the special account for the U.S. Army Corps of Engineers established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 4601-6a(i)), may be derived from that account for resource protection, research, interpretation, and maintenance activities related to resource protection in the areas at which outdoor recreation is available; and of which such sums as become available under section 217 of the Water Resources Development Act of 1996, Public Law 104-303, shall be used to cover the cost of operation and maintenance of the dredged material disposal facilities for which fees have been collected.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 96-3123-0-1-300	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	36	30	31
<b>Receipts:</b>			
02.20 Special recreation use fees .....	28	34	34
02.21 User fees, Fund for non-Federal use of disposal facilities .....	3	1	1
02.99 Total receipts and collections .....	31	35	35
04.00 Total: Balances and collections .....	67	65	66
<b>Appropriations:</b>			
05.00 Operation and maintenance, general .....	-37	-34	-34
05.99 Total appropriations .....	-37	-34	-34

## General and special funds—Continued

## OPERATION AND MAINTENANCE—Continued

## Unavailable Collections (in millions of dollars)—Continued

Identification code 96-3123-0-1-300	2002 actual	2003 est.	2004 est.
07.99 Balance, end of year .....	30	31	32

Note.—The receipts shown in this schedule are on deposit in Treasury account 96-5007, "Special Recreation user fees".

## Program and Financing (in millions of dollars)

Identification code 96-3123-0-1-300	2002 actual	2003 est.	2004 est.
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## Obligations by program activity:

00.01 Channels and harbors .....	83	65	65
00.02 Locks and dams .....	387	350	350
00.05 Reservoirs .....	356	320	320
00.06 Channel improvements, inspections, and miscellaneous maintenance .....	28	20	20
00.09 Multiple-purpose power projects .....	523	350	350
00.91 Total operation and maintenance projects .....	1,377	1,105	1,105
01.01 Protection of navigation .....	42	40	40
01.02 National emergency preparedness .....	5	5	5
01.05 Special programs to improve operation and maintenance .....	58	50	50
01.91 Total miscellaneous items .....	105	95	95
01.92 Total direct program .....	1,482	1,200	1,200
09.00 Reimbursable program activity .....	239	234	238
10.00 Total new obligations .....	1,721	1,434	1,438

## Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	37	120	94
22.00 New budget authority (gross) .....	1,804	1,408	1,431
23.90 Total budgetary resources available for obligation	1,841	1,528	1,525
23.95 Total new obligations .....	-1,721	-1,434	-1,438
24.40 Unobligated balance carried forward, end of year .....	120	94	87

## New budget authority (gross), detail:

Discretionary:			
Appropriation:			
40.00 Appropriation .....	1,217	1,076	1,055
40.00 Appropriation .....	139	64	104
40.00 Appropriation .....	32		
40.20 Appropriation (SRUF) .....	34	34	34
40.73 Reduction pursuant to P.L. 107-206 .....	-3		
43.00 Appropriation (total discretionary) .....	1,419	1,174	1,193
Mandatory:			
60.20 Appropriation (SRUF) .....	3		
62.00 Transferred from other accounts .....	127		
62.50 Appropriation (total mandatory) .....	130		
Spending authority from offsetting collections:			
Discretionary:			
Offsetting collections (cash):			
68.00 Offsetting collections (cash) .....	250	95	95
68.00 Offsetting collections (Bonneville Power) .....		139	143
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	5		
68.90 Spending authority from offsetting collections (total discretionary) .....	255	234	238
70.00 Total new budget authority (gross) .....	1,804	1,408	1,431

## Change in obligated balances:

72.40 Obligated balance, start of year .....	303	270	252
73.10 Total new obligations .....	1,721	1,434	1,438
73.20 Total outlays (gross) .....	-1,749	-1,452	-1,429
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-5		
74.40 Obligated balance, end of year .....	270	252	261

## Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	1,301	1,233	1,253
86.93 Outlays from discretionary balances .....	448	215	176
86.98 Outlays from mandatory balances .....		4	
87.00 Total outlays (gross) .....	1,749	1,452	1,429

## Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Other Federal sources (Cash) .....	-174	-95	-95
88.00 Other Federal sources (BPA) .....		-139	-143
88.40 Non-Federal sources .....	-76		
88.90 Total, offsetting collections (cash) .....	-250	-234	-238
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-5		

## Net budget authority and outlays:

89.00 Budget authority .....	1,549	1,174	1,193
90.00 Outlays .....	1,498	1,218	1,191

## Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....	55	56	56
99.01 Outlays .....	55	56	56

## Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:			
Budget Authority .....	2002 actual	2003 est.	2004 est.
Budget Authority .....	1,549	1,174	1,193
Outlays .....	1,499	1,218	1,191
Legislative proposal, not subject to PAYGO:			
Budget Authority .....		-149	-145
Outlays .....		-149	-144
Total:			
Budget Authority .....	1,549	1,025	1,048
Outlays .....	1,499	1,069	1,047

This appropriation funds operation, maintenance, and related activities at the water resources projects that the Corps of Engineers operates and maintains. Work to be accomplished consists of dredging, repair, and operation of structures and other facilities, as authorized in the various River and Harbor, Flood Control, and Water Resources Development Acts. Related activities include aquatic plant control, monitoring of completed coastal projects, removal of sunken vessels, and the collection of domestic waterborne commerce statistics. The budget proposes to use this account to fund all of the costs associated with protecting Corps of Engineers facilities from potential security threats. This appropriation also includes funds for National Emergency Preparedness under Executive Order 11490.

The budget proposes to expand the use of the Inland Waterways Trust Fund to include the costs of operating and maintaining, as well as constructing and rehabilitating, the inland waterways system. Specifically, the fund also would finance a portion of the system's operation and maintenance costs, as follows: (a) one-quarter of the operation and maintenance costs of all Federal inland waterways that have averaged more than five billion ton-miles of traffic per year over the past five years; and (b) one-half of the costs of operating and maintaining all other Federal inland waterways. See "Harbor Maintenance Trust Fund" and "Inland Waterway Trust Fund" for the operation and maintenance costs financed through those accounts.

In accordance with Section 2406 of the National Energy Policy Act of 1992 (P.L. 102-486), the Secretary of the Army entered into an agreement with the Bonneville Power Administration for direct funding of hydropower activities in the Pacific Northwest beginning in FY 1999. The budget is proposing the direct funding of hydropower operation and maintenance for the three other Federal Power Marketing Administrations that sell power generated at Corps of Engineers facilities.

This account includes no funding for the Comprehensive Everglades Restoration Plan (CERP), as these projects are in the study and design phases; therefore, funding the CERP at this level would not have a significant impact on the overall Corps of Engineers civil works program in the 2004 budget

year. The budget assumes continuation of the study phase for CERP projects over the next couple of years, which would not have a significant impact on the overall Corps of Engineers civil works program. Future levels of funding for operation and maintenance of CERP projects will depend on the pace of project construction and availability of funds. The impact of such future long-term funding on the overall Corps of Engineers civil works program cannot be determined at this time.

**Object Classification** (in millions of dollars)

Identification code 96-3123-0-1-300	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	631	545	555
11.3 Other than full-time permanent .....	24	25	25
11.5 Other personnel compensation .....	29	30	31
11.7 Military personnel .....	3	3	3
11.9 Total personnel compensation .....	687	603	614
12.1 Civilian personnel benefits .....	154	134	137
21.0 Travel and transportation of persons .....	20	15	15
22.0 Transportation of things .....	10	10	10
23.1 Rental payments to GSA .....	15	15	15
23.2 Rental payments to others .....	3	3	3
23.3 Communications, utilities, and misc. chgs. ....	25	20	20
24.0 Printing and reproduction .....	3	3	4
25.1 Advisory and assistance services .....	7	7	7
25.2 Other services .....	74	50	50
25.3 Goods and services from Government accounts ..	65	50	45
25.4 Operation and maintenance of facilities .....	35	30	30
25.7 Operation and maintenance of equipment .....	10	10	10
26.0 Supplies and materials .....	45	25	20
31.0 Equipment .....	35	25	20
32.0 Land and structures .....	294	200	200
99.0 Direct obligations .....	1,482	1,200	1,200
99.0 Reimbursable obligations .....	239	234	238
99.9 Total new obligations .....	1,721	1,434	1,438

**Personnel Summary**

Identification code 96-3123-0-1-300	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	11,505	11,570	11,610

**OPERATIONS AND MAINTENANCE**

(Legislative Proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 96-3123-2-1-300	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
Operation and maintenance projects:			
00.09 Multiple-purpose power projects .....		-149	-145
01.92 Total direct program .....		-149	-145
09.00 Reimbursable program—Operation and maintenance of PMA hydropower projects .....		149	145
10.00 Total new obligations .....			
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....		-149	-145
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		149	145
70.00 Total new budget authority (gross) .....			
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			
73.20 Total outlays (gross) .....			-1

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....			1
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....		-149	-145
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		-149	-145
90.00 Outlays .....		-149	-144

The budget proposes to finance the costs of operation and maintenance of certain Army Corps of Engineers hydropower facilities directly from receipts collected by the Southeastern Power Administration, the Southwestern Power Administration, and the Western Area Power Administration. Each year, these Power Marketing Administrations would transfer an agreed upon amount to the Army Corps of Engineers for deposit in its "Operation and Maintenance" account. The transferred funds would be treated as an offsetting collection. The \$1,939,000,000 request for "Operation and Maintenance" for FY 2004 includes \$145,000,000 derived from such receipts. A direct funding arrangement already is in place for the Bon-neville Power Administration.

**Object Classification** (in millions of dollars)

Identification code 96-3123-2-1-300	2002 actual	2003 est.	2004 est.
25.7 Direct obligations: Direct Program-Operation and maintenance of PMA Hydropower projects .....		-149	-145
99.0 Reimbursable obligations: Reimbursable obligations ..		149	145
99.9 Total new obligations .....			

**REGULATORY PROGRAM**

*For expenses necessary for administration of laws pertaining to regulation of navigable waters and wetlands, \$144,000,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 96-3126-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Permit evaluation .....	109	113	113
00.03 Enforcement .....	21	25	25
00.05 Studies .....	1	5	5
00.06 Administrative appeals .....	1	2	2
00.07 Environmental impact statements .....	1	2	2
01.92 Total direct obligations .....	133	147	147
09.00 Reimbursable program .....	1	1	1
10.00 Total new obligations .....	134	148	148
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	13	8	5
22.00 New budget authority (gross) .....	129	145	145
23.90 Total budgetary resources available for obligation	142	153	150
23.95 Total new obligations .....	-134	-148	-148
24.40 Unobligated balance carried forward, end of year .....	8	5	2
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	127	144	144
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	1	1	1
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	2	1	1
70.00 Total new budget authority (gross) .....	129	145	145

**General and special funds—Continued**

**REGULATORY PROGRAM—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 96-3126-0-1-301	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	6	-2
73.10 Total new obligations .....	134	148	148
73.20 Total outlays (gross) .....	-133	-154	-152
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	6	-2	-6
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	113	138	138
86.93 Outlays from discretionary balances .....	20	16	14
87.00 Total outlays (gross) .....	133	154	152
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-1	-1	-1
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	127	144	144
90.00 Outlays .....	132	153	151
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	7	7	7
99.01 Outlays .....	7	7	7

This appropriation provides funds to administer laws pertaining to regulation of activities affecting U.S. waters, including wetlands, in accordance with the Rivers and Harbors Appropriation Act of 1899, the Clean Water Act, and the Marine Protection, Research and Sanctuaries Act of 1972.

The requested funds are needed to reduce permit approval times, improve mitigation oversight, protect important aquatic resources, and support watershed planning efforts in sensitive environmental areas in cooperation with States and local communities.

**Object Classification (in millions of dollars)**

Identification code 96-3126-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	70	72	73
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	73	75	76
12.1 Civilian personnel benefits .....	17	17	18
21.0 Travel and transportation of persons .....	4	4	4
22.0 Transportation of things .....	2	3	3
23.1 Rental payments to GSA .....	2	3	3
23.3 Communications, utilities, and miscellaneous .....	2	3	3
24.0 Printing and reproduction .....	2	3	2
25.2 Other services .....	20	25	25
25.3 Purchase goods & svcs. fm Government accts. ....	5	5	5
25.7 Operation and maintenance of equipment .....	2	3	3
26.0 Supplies and materials .....	2	3	3
31.0 Equipment .....	2	3	2
99.0 Direct obligations .....	133	147	147
99.0 Reimbursable obligations .....	1	1	1
99.9 Total new obligations .....	134	148	148

**Personnel Summary**

Identification code 96-3126-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,447	1,450	1,450

**FLOOD CONTROL AND COASTAL EMERGENCIES**

For expenses necessary for emergency flood control, response to hurricanes and other natural disasters, and related activities, including the activities that the U.S. Army Corps of Engineers undertakes to ensure its readiness to respond to such emergencies, \$70,000,000 to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 96-3125-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Disaster preparedness .....	18	20	22
00.02 Emergency operations .....	11	15	15
00.03 Rehabilitation .....	16	23	23
00.04 Advance measures .....	2	11	11
09.00 Reimbursable program activity .....	29	30	30
10.00 Total new obligations .....	76	99	101
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	179	72	3
22.00 New budget authority (gross) .....	-31	30	80
23.90 Total budgetary resources available for obligation .....	148	102	83
23.95 Total new obligations .....	-76	-99	-101
24.40 Unobligated balance carried forward, end of year .....	72	3	-18
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	-25	20	70
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	44	10	10
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-50		
68.90 Spending authority from offsetting collections (total discretionary) .....	-6	10	10
70.00 Total new budget authority (gross) .....	-31	30	80
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-97	-49	20
73.10 Total new obligations .....	76	99	101
73.20 Total outlays (gross) .....	-78	-30	-55
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	50		
74.40 Obligated balance, end of year .....	-49	20	66
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	-6	15	40
86.93 Outlays from discretionary balances .....	84	15	15
87.00 Total outlays (gross) .....	78	30	55
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-44	-10	-10
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	50		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-25	20	70
90.00 Outlays .....	35	20	45
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

This account provides funds for emergency flood control, response to hurricanes and other natural disasters, and related activities, including preparedness, advance measures, flood fighting, emergency operations, providing potable water on an emergency basis, repair of certain flood and storm damage reduction projects, and the planning, training, exercises, and other activities that the Corps of Engineers undertakes to ensure its readiness to respond to such emergencies.

The budget increases funding to the ten-year average for this account in order to meet emergency needs without disrupting activities in other program areas and to reduce the need for supplemental appropriations.

Object Classification (in millions of dollars)				
Identification code 96-3125-0-1-301	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent .....	16	7	7	
11.5 Other personnel compensation .....	1	1	1	
11.9 Total personnel compensation .....	17	8	8	
12.1 Civilian personnel benefits .....	4	2	2	
21.0 Travel and transportation of persons .....	2	1	1	
23.1 Rental payments to GSA .....	2	1	1	
23.3 Communications, utilities, and miscellaneous charges .....	3	1	1	
25.3 Other purchases of goods and services from Government accounts .....	10	49	51	
31.0 Equipment .....	3	1	1	
32.0 Land and structures .....	6	6	6	
99.0 Direct obligations .....	47	69	71	
99.0 Reimbursable obligations .....	29	30	30	
99.9 Total new obligations .....	76	99	101	

**Personnel Summary**

Identification code 96-3125-0-1-301	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	315	140	140

**FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM**

For expenses necessary to clean up contamination from sites in the United States resulting from work performed as part of the Nation's early atomic energy program, \$140,000,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 96-3130-0-1-053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	141	141	140
09.01 Reimbursable program .....	10		
10.00 Total new obligations .....	151	141	140
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	2	3
22.00 New budget authority (gross) .....	151	140	140
23.90 Total budgetary resources available for obligation .....	154	142	143
23.95 Total new obligations .....	-151	-141	-140
24.40 Unobligated balance carried forward, end of year .....	2	3	3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	140	140	140
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	13		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
68.90 Spending authority from offsetting collections (total discretionary) .....	11		
70.00 Total new budget authority (gross) .....	151	140	140
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	38	37	55
73.10 Total new obligations .....	151	141	140

73.20 Total outlays (gross) .....	-154	-123	-140
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
74.40 Obligated balance, end of year .....	37	55	55

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	108	84	84
86.93 Outlays from discretionary balances .....	46	39	56
87.00 Total outlays (gross) .....	154	123	140

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-13		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	2		

**Net budget authority and outlays:**

89.00 Budget authority .....	140	140	140
90.00 Outlays .....	141	123	140

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

This appropriation funds the cleanup of certain low-level radioactive materials and mixed wastes, located mostly at sites contaminated as a result of the Nation's early efforts to develop atomic weapons.

**Object Classification (in millions of dollars)**

Identification code 96-3130-0-1-053	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	7	7	7
12.1 Civilian personnel benefits .....	2	2	2
25.2 Other services .....	112	112	111
25.3 Other purchases of goods and services from Government accounts .....	20	20	20
99.0 Direct obligations .....	141	141	140
99.0 Reimbursable obligations .....	10		
99.9 Total new obligations .....	151	141	140

**Personnel Summary**

Identification code 96-3130-0-1-053	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	133	140	140

**GENERAL EXPENSES**

For expenses necessary for general administration and related civil works functions in the headquarters of the U.S. Army Corps of Engineers, the offices of the Division Engineers, the Humphreys Engineer Center Support Activity, the Institute for Water Resources, the U.S. Army Engineer Research and Development Center, and the U.S. Army Corps of Engineers Finance Center, \$171,000,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 96-3124-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Executive direction and management:			
00.01 Office, Chief of Engineers .....	59	57	56
00.02 Division offices .....	74	74	73
00.09 Humphreys Engineer Center support activity .....	17	17	17
00.11 Institute for Water Resources .....	5	5	4
00.12 USACE finance center .....	1	1	1
09.00 Reimbursable program .....	6	1	4

General and special funds—Continued

GENERAL EXPENSES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 96-3124-0-1-301	2002 actual	2003 est.	2004 est.
10.00 Total new obligations .....	162	155	155
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	2	2
22.00 New budget authority (gross) .....	159	155	171
23.90 Total budgetary resources available for obligation .....	164	157	173
23.95 Total new obligations .....	-162	-155	-155
24.40 Unobligated balance carried forward, end of year .....	2	2	18
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	153	155	171
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	6		
70.00 Total new budget authority (gross) .....	159	155	171
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	36	34	29
73.10 Total new obligations .....	162	155	155
73.20 Total outlays (gross) .....	-164	-159	-168
74.40 Obligated balance, end of year .....	34	29	15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	122	124	137
86.93 Outlays from discretionary balances .....	42	35	31
87.00 Total outlays (gross) .....	164	159	168
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-6		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	153	155	171
90.00 Outlays .....	158	159	168
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	5	6	6
99.01 Outlays .....	5	6	6

This appropriation funds the executive direction and management, the centralized operations, and the administration of the Corps of Engineers at the following offices and facilities:

*Headquarters, U.S. Army Corps of Engineers.*—This office provides executive direction and management for the entire civil works program.

*Offices of the Division Engineers.*—The eight division offices supervise work in 38 district offices.

*Humphreys Engineer Center Support Activity.*—This support center provides administrative services (such as personnel, logistics, information management, and finance and accounting) for the Office of the Chief of Engineers and other separate field operating activities.

*Institute for Water Resources.*—This institute performs studies and analyses and develops planning techniques for the management and development of the Nation's water resources.

*United States Army Corps of Engineers Finance Center.*—This center provides centralized support for all Corps finance and accounting activities.

*U.S. Army Engineer Research and Development Center.*—This center manages all research and development for the civil work program.

Object Classification (in millions of dollars)

Identification code 96-3124-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	82	88	90
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	1	1	1
11.7 Military personnel .....	3	3	4
11.9 Total personnel compensation .....	87	93	96
12.1 Civilian personnel benefits .....	19	21	21
12.2 Accrued retirement .....	2	2	2
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	5	4	4
23.1 Rental payments to GSA .....	5	5	5
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous .....	3	4	4
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	19	14	4
25.3 Purchase goods & svcs. fm Government accts. ....	11	6	10
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	156	154	151
99.0 Reimbursable obligations .....	6	1	4
99.9 Total new obligations .....	162	155	155

Personnel Summary

Identification code 96-3124-0-1-301	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,090	1,095	1,095

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES PROGRAM

[Budget authority in millions of dollars]

Flood control, Mississippi River and tributaries:	2002 actual	2003 est.	2004 est.
<b>Direct program:</b>			
General fund .....	346	281	280
Rivers and harbors contributed funds (cost sharing, permanent appropriations) .....	53	36	38
Total direct program .....	399	317	318
Reimbursable program .....	30	20	23
Total program .....	429	337	341

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

For expenses necessary for the flood damage reduction program for the Mississippi River alluvial valley below Cape Girardeau, Missouri, as authorized by law, \$280,000,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 96-3112-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 General investigations .....	8	8	8
00.03 Construction .....	183	140	137
00.05 Maintenance .....	156	140	137
09.11 Reimbursable program .....	30	20	23
10.00 Total new obligations .....	377	308	305
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	2	
22.00 New budget authority (gross) .....	377	306	305
23.90 Total budgetary resources available for obligation .....	380	308	305
23.95 Total new obligations .....	-377	-308	-305
24.40 Unobligated balance carried forward, end of year .....	2		

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	346	281 280
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash) .....	39	25 25
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-8	
68.90	Spending authority from offsetting collections (total discretionary) .....	31	25 25
70.00	Total new budget authority (gross) .....	377	306 305
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	51	41 75
73.10	Total new obligations .....	377	308 305
73.20	Total outlays (gross) .....	-395	-274 -305
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	8	
74.40	Obligated balance, end of year .....	41	75 75
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	351	230 229
86.93	Outlays from discretionary balances .....	44	44 76
87.00	Total outlays (gross) .....	395	274 305
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-39	-25 -25
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	8	
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	346	281 280
90.00	Outlays .....	356	249 280
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00	Budget authority .....	7	7 7
99.01	Outlays .....	7	7 7

This appropriation funds planning, construction, and operation and maintenance activities associated with projects to reduce flood damage in the lower Mississippi River alluvial valley below Cape Girardeau, Missouri.

<b>Object Classification (in millions of dollars)</b>			
Identification code 96-3112-0-1-301	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent .....	74	74 75
11.3	Other than full-time permanent .....	3	3 3
11.5	Other personnel compensation .....	9	9 9
11.7	Military personnel .....	1	1 1
11.9	Total personnel compensation .....	87	87 88
12.1	Civilian personnel benefits .....	18	18 19
21.0	Travel and transportation of persons .....	5	5 5
23.1	Rental payments to GSA .....	3	3 3
23.3	Communications, utilities, and miscellaneous .....	3	3 3
24.0	Printing and reproduction .....	1	1 1
25.1	Advisory and assistance services .....	11	11 11
25.2	Other services .....	172	119 115
25.3	Purchase goods & svcs. fm Government .....	6	5 5
25.4	Operation and maintenance of facilities .....	1	1 1
26.0	Supplies and materials .....	5	4 4
31.0	Equipment .....	1	1 1
32.0	Land and structures .....	34	30 26
99.0	Direct obligations .....	347	288 282
99.0	Reimbursable obligations .....	30	20 23
99.9	Total new obligations .....	377	308 305

**Personnel Summary**

Identification code 96-3112-0-1-301	2002 actual	2003 est.	2004 est.
Direct:			
1001	Total compensable workyears: Civilian full-time equivalent employment .....	1,575	1,550 1,550

**PAYMENT TO SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST FUND**

<b>Program and Financing (in millions of dollars)</b>			
Identification code 96-3129-0-1-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Payment to SD Terrestrial Wildlife Habitat Restoration Trust Fund .....	10	10 10
10.00	Total new obligations (object class 25.2) .....	10	10 10
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	10	10 10
23.95	Total new obligations .....	-10	-10 -10
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00	Appropriation .....	10	10 10
<b>Change in obligated balances:</b>			
73.10	Total new obligations .....	10	10 10
73.20	Total outlays (gross) .....	-10	-10 -10
<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority .....	10	10 10
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	10	10 10
90.00	Outlays .....	10	10 10

This fund makes payments to the South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund, established by the Water Resources Act of 1999 (P.L. 106-53).

**PERMANENT APPROPRIATIONS**

<b>Unavailable Collections (in millions of dollars)</b>			
Identification code 96-9921-0-2-999	2002 actual	2003 est.	2004 est.
01.99	Balance, start of year .....	17	17 17
Receipts:			
02.00	Licenses under Federal Power Act, improvements of navigable waters, mainte .....	6	8 9
02.20	Receipts from leases of lands acquired for flood control, navigation, and .....	8	8 9
02.99	Total receipts and collections .....	14	16 18
04.00	Total: Balances and collections .....	31	33 35
Appropriations:			
05.00	Permanent appropriations .....	-14	-16 -16
07.99	Balance, end of year .....	17	17 19

<b>Program and Financing (in millions of dollars)</b>			
Identification code 96-9921-0-2-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02	Maintenance and operation of dams and other improvements of navigable waters .....	6	8 8
00.03	Payments to States .....	8	8 8
10.00	Total new obligations .....	14	16 16
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	14	16 16
23.95	Total new obligations .....	-14	-16 -16
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20	Appropriation (special fund) .....	14	16 16
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	1	2
73.10	Total new obligations .....	14	16 16
73.20	Total outlays (gross) .....	-15	-16 -16
74.40	Obligated balance, end of year .....	2	2

**General and special funds—Continued**

**PERMANENT APPROPRIATIONS—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 96-9921-0-2-999	2002 actual	2003 est.	2004 est.
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	12	16	16
86.98 Outlays from mandatory balances .....	3		
87.00 Total outlays (gross) .....	15	16	16
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	14	16	16
90.00 Outlays .....	15	16	16

This account covers the following three permanent appropriations:

*Hydraulic mining debris reservoir.*—The Corps uses fees paid by Pacific Gas and Electric Company to help maintain the Englebright Dam, Yuba River, CA, mine debris restraining works and associated hydropower generation facilities. (33 U.S.C. 683)

*Maintenance and operation of dams and other improvements of navigable waters.*—The Corps uses its share of certain fees levied by the Federal Energy Regulatory Commission (on the private use of Federal property, including facilities and land; private construction and operation of water management and appurtenant facilities; and private benefit from headwater improvement by others) for construction, operation, and maintenance of Federal water management facilities. (16 U.S.C. 810(a))

*Payments to States.*—In lieu of taxes, the Corps pays to States three-fourths of the rent received from the lease of Federal lands acquired for flood control, navigation, and allied purposes. (33 U.S.C. 701c-3)

**Object Classification (in millions of dollars)**

Identification code 96-9921-0-2-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
13.0 Benefits for former personnel .....	1	1	1
25.2 Other services .....	3	5	5
41.0 Grants, subsidies, and contributions .....	7	7	7
99.0 Direct obligations .....	12	14	14
99.5 Below reporting threshold .....	2	2	2
99.9 Total new obligations .....	14	16	16

**Personnel Summary**

Identification code 96-9921-0-2-999	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	22	20	20

**Intragovernmental funds:**

**REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 96-4902-0-4-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Operating Expenses:</b>			
09.01 Plant and equipment services .....	527	527	507
09.02 Warehousing (GPRA) .....	14	13	13
09.03 Shop and facility services .....	1,691	1,649	1,672
09.04 General administrative services .....	1,357	1,305	1,305
09.09 Total operating expenses .....	3,589	3,494	3,497
<b>Capital Investment:</b>			
09.20 Land and structures .....	13	7	14

09.21 Dredges .....	13	7	23
09.22 Other floating plant .....	23	36	26
09.23 Land-based equipment .....	9	5	6
09.24 Tools, office furniture, and equipment .....	16	26	15
09.29 Total capital investment .....	74	81	84
10.00 Total new obligations .....	3,663	3,575	3,581

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	74	72	44
22.00 New budget authority (gross) .....	3,661	3,547	3,547
23.90 Total budgetary resources available for obligation	3,735	3,619	3,591
23.95 Total new obligations .....	-3,663	-3,575	-3,581
24.40 Unobligated balance carried forward, end of year .....	72	44	10

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	3,684	3,547	3,547
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-23		
69.90 Spending authority from offsetting collections (total mandatory) .....	3,661	3,547	3,547

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	776	831	859
73.10 Total new obligations .....	3,663	3,575	3,581
73.20 Total outlays (gross) .....	-3,631	-3,547	-3,547
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	23		
74.40 Obligated balance, end of year .....	831	859	893

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	3,631	3,547	3,547
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**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources	-3,684	-3,547	-3,547
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	23		

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....	-53		

This revolving fund provides for the acquisition, operation, and maintenance of plant and equipment used in civil works functions; and for temporary financing of services chargeable to civil works appropriations. In addition, payments are made into the fund when other agencies or entities use facilities acquired by the fund.

**Object Classification (in millions of dollars)**

Identification code 96-4902-0-4-301	2002 actual	2003 est.	2004 est.
21.0 Travel and transportation of persons .....	24	24	24
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	12	12	12
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges	31	31	31
24.0 Printing and reproduction .....	19	19	19
25.1 Advisory and assistance services .....	1	1	1
25.2 Other services .....	3,208	3,120	3,126
25.3 Other purchases of goods and services from Government accounts .....	147	147	147
25.7 Operation and maintenance of equipment .....	11	11	11
26.0 Supplies and materials .....	150	150	150
31.0 Equipment .....	39	39	39
32.0 Land and structures .....	17	17	17
42.0 Insurance claims and indemnities .....	1	1	1
44.0 Refunds .....	1	1	1
99.9 Total new obligations .....	3,663	3,575	3,581

**Trust Funds****INLAND WATERWAYS TRUST FUND****Unavailable Collections** (in millions of dollars)

Identification code 20-8861-0-7-301	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	404	412	433
Receipts:			
02.00 Transfer from general fund, Inland waterways revenue act taxes .....	95	88	89
02.40 Interest and profits on investments in public debt securities .....	17	17	21
02.99 Total receipts and collections .....	112	105	110
04.00 Total: Balances and collections .....	516	517	543
Appropriations:			
05.00 Inland waterways trust fund .....	-104	-84	-256
07.99 Balance, end of year .....	412	433	287

**Program and Financing** (in millions of dollars)

Identification code 20-8861-0-7-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	105	83	255
10.00 Total new obligations .....	105	83	255
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		1
22.00 New budget authority (gross) .....	104	84	256
23.90 Total budgetary resources available for obligation .....	105	84	257
23.95 Total new obligations .....	-105	-83	-255
24.40 Unobligated balance carried forward, end of year .....		1	2

**New budget authority (gross), detail:**

Identification code 20-8861-0-7-301	2002 actual	2003 est.	2004 est.
Discretionary:			
40.26 Appropriation (trust fund) .....	104	84	256

**Change in obligated balances:**

Identification code 20-8861-0-7-301	2002 actual	2003 est.	2004 est.
72.40 Obligated balance, start of year .....	22	19	19
73.10 Total new obligations .....	105	83	255
73.20 Total outlays (gross) .....	-108	-83	-231
74.40 Obligated balance, end of year .....	19	19	43

**Outlays (gross), detail:**

Identification code 20-8861-0-7-301	2002 actual	2003 est.	2004 est.
86.90 Outlays from new discretionary authority .....	85	71	218
86.93 Outlays from discretionary balances .....	23	12	13
87.00 Total outlays (gross) .....	108	83	231

**Net budget authority and outlays:**

Identification code 20-8861-0-7-301	2002 actual	2003 est.	2004 est.
89.00 Budget authority .....	104	84	256
90.00 Outlays .....	108	83	231

**Memorandum (non-add) entries:**

Identification code 20-8861-0-7-301	2002 actual	2003 est.	2004 est.
92.01 Total investments, start of year: Federal securities: Par value .....	405	405	
92.02 Total investments, end of year: Federal securities: Par value .....	405		

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

Identification code 20-8861-0-7-301	2002 actual	2003 est.	2004 est.
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The Inland Waterways Trust Fund is authorized under the Inland Waterways Revenue Act of 1978 (P.L. 95-502), as amended by the Water Resources Development Act of 1986 (P.L. 99-662). Revenue is derived from taxes imposed on fuel for vessels engaged in commercial waterway transportation, plus investment interest. The budget shows all activity related to the Inland Waterways Trust Fund as occurring within this account, rather than in the "Construction" and "Operation and Maintenance" accounts.

The fund is used to pay one-half of the construction and major rehabilitation costs of specified federal inland water-

ways projects. The budget proposes to expand the use of the fund to include the costs of operating and maintaining, as well as constructing, the inland waterways system. Specifically, the fund would finance a portion of the system's operation and maintenance, as follows: (a) one-quarter of the operation and maintenance costs of all federal inland waterways that have averaged more than five billion ton-miles of traffic per year over the past five years; and (b) one-half of the costs of operating and maintaining all other federal inland waterways.

**Object Classification** (in millions of dollars)

Identification code 20-8861-0-7-301	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	9	10	10
12.1 Civilian personnel benefits .....	1	1	1
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	7	9	9
25.2 Other services .....	54	31	203
25.3 Other purchases of goods and services from Govern- ment accounts .....	4	5	5
25.5 Research and development contracts .....		1	1
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
32.0 Land and structures .....	24	20	20
99.9 Total new obligations .....	105	83	255

**Personnel Summary**

Identification code 20-8861-0-7-301	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equiv- alent employment .....	184	185	185

**RIVERS AND HARBORS CONTRIBUTED FUNDS****Unavailable Collections** (in millions of dollars)

Identification code 96-8862-0-7-301	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Contributions, rivers and harbors, other than port and harbor user fees, C .....	394	270	278
Appropriations:			
05.00 Rivers and harbors contributed funds .....	-394	-270	-278
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 96-8862-0-7-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
General investigations:			
00.01 Where required for an authorized Federal study .....	25	17	17
00.02 Where not required for an authorized Federal study .....	27	7	7
Construction:			
00.03 Where required for an authorized Federal project Flood control, Mississippi River and tributaries: Where required for an authorized feature .....	31	16	16
00.06 Where not required for an authorized Federal project .....	5	2	2
Maintenance:			
00.07 Where required for an authorized Federal project .....	7	43	43
00.08 Where not required for an authorized Federal project .....	2	6	6
Coastal Wetlands:			
00.09 Coastal wetlands restoration: Where required for projects .....	40	6	6
10.00 Total new obligations .....	339	317	317

**Budgetary resources available for obligation:**

Identification code 96-8862-0-7-301	2002 actual	2003 est.	2004 est.
21.40 Unobligated balance carried forward, start of year .....	196	251	204

RIVERS AND HARBORS CONTRIBUTED FUNDS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 96-8862-0-7-301	2002 actual	2003 est.	2004 est.
22.00 New budget authority (gross) .....	394	270	278
23.90 Total budgetary resources available for obligation	590	521	482
23.95 Total new obligations .....	-339	-317	-317
24.40 Unobligated balance carried forward, end of year .....	251	204	165
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	394	270	278
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	103	112	135
73.10 Total new obligations .....	339	317	317
73.20 Total outlays (gross) .....	-330	-294	-275
74.40 Obligated balance, end of year .....	112	135	177
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	234	162	167
86.98 Outlays from mandatory balances .....	96	132	108
87.00 Total outlays (gross) .....	330	294	275
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	394	270	278
90.00 Outlays .....	330	294	275
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....		2	2
99.01 Outlays .....		2	2

Funds are contributed by non-Federal interests for use on improvements of rivers and harbors. This includes cost-sharing contributions for the study, design, construction, and operation and maintenance of authorized Federal projects; as well as contributions of 100 percent of the costs of other work.

Object Classification (in millions of dollars)

Identification code 96-8862-0-7-301	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	26	27	27
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	28	29	29
12.1 Civilian personnel benefits .....	6	6	7
13.0 Benefits for former personnel .....	13	13	13
25.2 Other services .....	291	268	267
99.0 Direct obligations .....	338	316	316
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	339	317	317

Personnel Summary

Identification code 96-8862-0-7-301	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	529	530	530

HARBOR MAINTENANCE TRUST FUND

Unavailable Collections (in millions of dollars)

Identification code 96-8863-0-7-301	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	1,777	1,854	1,912
Receipts:			
02.00 User fees .....	653	733	787
02.40 Earnings on investments .....	77	94	93

02.99 Total receipts and collections .....	730	827	880
04.00 Total: Balances and collections .....	2,507	2,681	2,792
Appropriations:			
05.01 Saint Lawrence Seaway Development Corporation, operations and maintenance .....	-13	-14	-14
05.02 Army Corps of Engineers, operation and maintenance of commercial navigatio .....	-640	-755	-812
05.99 Total Appropriations .....	-653	-769	-826
07.99 Balance, end of year .....	1,854	1,912	1,966

Program and Financing (in millions of dollars)

Identification code 96-8863-0-7-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	624	740	600
00.02 Dredged material disposal facilities .....	16	15	212
10.00 Total new obligations .....	640	755	812
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	640	755	812
23.95 Total new obligations .....	-640	-755	-812
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation (trust fund):			
40.26 Appropriation (Constructon general) .....	16	15	212
40.26 Appropriation (Operations & maintenance) .....	624	740	600
43.00 Appropriation (total discretionary) .....	640	755	812
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	640	755	812
73.20 Total outlays (gross) .....	-640	-755	-812
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	640	755	812
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	640	755	812
90.00 Outlays .....	640	755	812
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	1,805	1,804	1,833
92.02 Total investments, end of year: Federal securities: Par value .....	1,804	1,833	1,833
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	10	10	10
99.01 Outlays .....	10	10	10

The Harbor Maintenance Trust Fund is authorized under the Harbor Maintenance Revenue Act of 1986 (P.L. 99-662, Title XIV), as amended. Revenue is derived from receipts from a 0.125 percent *ad valorem* tax imposed upon commercial users of specified U.S. ports, Saint Lawrence Seaway tolls, and investment interest. The budget shows all activity related to the Harbor Maintenance Trust Fund as occurring within this account, rather than in the "Construction" and "Operation and Maintenance" accounts.

The Harbor Maintenance Revenue Act authorized expenditures from this fund to finance up to 100 percent of Corps of Engineers harbor operation and maintenance costs, including the operation and maintenance of Great Lakes navigation projects. The fund fully finances the operation and maintenance of the Saint Lawrence Seaway Development Corporation. Public Law 104-303 authorized the federal share of construction costs for facilities under the dredged material disposal facilities program to be derived from the fund.

The North American Free Trade Agreement Implementation Act (P.L. 103-182, section 683), authorized payment from the fund of administrative expenses incurred by the Department of the Treasury, the Army Corps of Engineers, and the Department of Commerce related to administration of

the harbor maintenance tax, but not to exceed \$5,000,000 for any fiscal year.

The budget proposes to expand the use of the fund to include all federal costs associated with coastal port and channel construction.

A 1995 decision by the United States Court of International Trade, *United States Shoe Corp. v. United States* (Case No. 94-11-00668), found the harbor maintenance tax unconstitutional under the export clause of the Constitution (Article I, section 9, clause 5), and enjoined the Customs Service from collecting the tax on exports. The Supreme Court affirmed that decision on March 31, 1998.

**Object Classification** (in millions of dollars)

Identification code 96-8863-0-7-301	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	111	113	115
12.1 Civilian personnel benefits .....	26	27	27
13.0 Benefits for former personnel .....	3	3	5
21.0 Travel and transportation of persons .....	15	15	20
22.0 Transportation of things .....	8	10	10
23.1 Rental payments to GSA .....	10	10	15
23.2 Rental payments to others .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	20	30	30
24.0 Printing and reproduction .....	2	5	5
25.1 Advisory and assistance services .....	6	9	10
25.2 Other services .....	60	60	60
25.3 Other purchases of goods and services from Government accounts .....	50	50	50
25.4 Operation and maintenance of facilities .....	30	30	35
25.7 Operation and maintenance of equipment .....	7	10	15
26.0 Supplies and materials .....	35	40	45
31.0 Equipment .....	25	30	35
32.0 Land and structures .....	230	311	333
99.9 Total new obligations .....	640	755	812

**Personnel Summary**

Identification code 96-8863-0-7-301	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2,011	2,010	2,010

**COASTAL WETLANDS RESTORATION PROGRAM**

[Budget authority in millions of dollars]

	2002 actual	2003 est.	2004 est.
Coastal wetlands restoration:			
Corps of Engineers .....	4	7	10
Environmental Protection Agency .....	7	15	7
Fish & Wildlife Service .....	6	6	11
National Marine Fisheries Service .....	9	4	21
Natural Resources Conservation Service .....	4	14	9
Undistributed balance .....	32	11	0
Rivers and harbors contributed funds (cost sharing, permanent appropriation) .....	0	1	1
Total program .....	62	58	59

**COASTAL WETLANDS RESTORATION TRUST FUND**

**Program and Financing** (in millions of dollars)

Identification code 96-8333-0-7-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	44	46	49
10.00 Total new obligations .....	44	46	49
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	180	198	209
22.00 New budget authority (gross) .....	62	57	58
23.90 Total budgetary resources available for obligation .....	242	255	267
23.95 Total new obligations .....	-44	-46	-49

24.40 Unobligated balance carried forward, end of year .....	198	209	218
<b>New budget authority (gross), detail:</b>			
Mandatory:			
62.00 Transferred from other accounts .....	62	57	58
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	88	105	92
73.10 Total new obligations .....	44	46	49
73.20 Total outlays (gross) .....	-27	-57	-58
74.40 Obligated balance, end of year .....	105	92	83
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		57	58
86.98 Outlays from mandatory balances .....	27		
87.00 Total outlays (gross) .....	27	57	58
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	62	57	58
90.00 Outlays .....	27	57	58

The Coastal Wetlands Planning, Protection and Restoration Act (P.L. 101-646, Title III) directs the Secretary of the Interior to distribute to the Coastal Wetlands Restoration Trust Fund a portion of the amounts appropriated each fiscal year from the Sport Fish Restoration Account. The Louisiana Coastal Wetlands Conservation and Restoration Task Force, an interagency task force (including the Corps, Environmental Protection Agency, Fish and Wildlife Service, Natural Resources Conservation Service, and National Marine Fisheries Service) chaired by the Secretary of the Army, uses these funds to provide for planning the creation, protection, and restoration of coastal wetlands in the State of Louisiana.

**Object Classification** (in millions of dollars)

Identification code 96-8333-0-7-301	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	2	2	2
25.2 Other services .....	42	44	47
99.9 Total new obligations .....	44	46	49

**Personnel Summary**

Identification code 96-8333-0-7-301	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	32	20	20

**SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 96-8217-0-7-306	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	32	43	55
Receipts:			
02.40 Payment from the general fund .....	10	10	10
02.41 Earnings on investments .....	1	2	3
02.99 Total receipts and collections .....	11	12	13
04.00 Total: Balances and collections .....	43	55	68
07.99 Balance, end of year .....	43	55	68

**Program and Financing** (in millions of dollars)

Identification code 96-8217-0-7-306	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION  
TRUST FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 96-8217-0-7-306	2002 actual	2003 est.	2004 est.
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	32	42	56
92.02 Total investments, end of year: Federal securities:			
Par value .....	42	56	70

This fund, authorized in the Water Resources Development Act of 1999 (P.L. 106-53), supports wildlife habitat restoration efforts undertaken by the State of South Dakota. The establishment of this fund satisfies the Federal obligation under the Fish and Wildlife Coordination Act (16 U.S.C. 1661 et. seq.) to mitigate for the loss of habitat due to flooding from the Oahe and Big Bend projects, which were part of the Pick-Sloan Missouri River Basin program.

WASHINGTON AQUEDUCT

Federal Funds

General and special funds:

WASHINGTON AQUEDUCT

Program and Financing (in millions of dollars)

Identification code 96-3128-0-1-301	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	1	.....
09.01 Reimbursable program .....	1	.....	.....
10.00 Total new obligations .....	4	1	.....
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	1	.....
22.00 New budget authority (gross) .....	1	.....	.....
23.90 Total budgetary resources available for obligation	5	1	.....
23.95 Total new obligations .....	-4	-1	.....
24.40 Unobligated balance carried forward, end of year .....	1	.....	.....
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	17	10	3
69.47 Portion applied to repay debt .....	-16	-10	-3
69.90 Spending authority from offsetting collections (total mandatory) .....	1	.....	.....
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	12	1	.....
73.10 Total new obligations .....	4	1	.....
73.20 Total outlays (gross) .....	-15	-1	-3
74.40 Obligated balance, end of year .....	1	.....	-3
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	15	1	3
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-17	-10	-3

Net budget authority and outlays:

89.00 Budget authority .....	-16	-10	-3
90.00 Outlays .....	-2	-9	.....

The Washington Aqueduct supplies drinking water to the District of Columbia and to Arlington and Falls Church, Virginia. The Safe Drinking Water Act Amendments of 1996 authorized the Corps to borrow limited amounts from Treasury from FY 1997 through FY 1999 to improve the water system, to be repaid over time by the customers of the Aqueduct. (P.L. 104-182, section 306)

Object Classification (in millions of dollars)

Identification code 96-3128-0-1-301	2002 actual	2003 est.	2004 est.
32.0 Direct obligations: Land and structures .....	3	1	.....
99.0 Reimbursable obligations: Reimbursable obligations ...	1	.....	.....
99.9 Total new obligations .....	4	1	.....

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for official reception and representation expenses (not to exceed \$5,000); and during the current fiscal year the Revolving Fund, Corps of Engineers, shall be available for purchase (not to exceed 100 for replacement only) and hire of passenger motor vehicles.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

SEC. 101. Beginning in fiscal year 2004 and thereafter, agreements proposed for execution by the Assistant Secretary of the Army (Civil Works) or the United States Army Corps of Engineers pursuant to section 4 of the Rivers and Harbor Act of 1915, Public Law 64-291; section 11 of the River and Harbor Act of 1925, Public Law 68-585; the Civil Functions Appropriations Act, 1936, Public Law 75-208; section 215 of the Flood Control Act of 1968, as amended, Public Law 90-483; sections 104, 203, and 204 of the Water Resources Development Act of 1986, as amended, Public Law 99-662; section 206 of the Water Resources Development Act of 1992, as amended, Public Law 102-580; section 211 of the Water Resources Development Act of 1996, Public Law 104-303; and any other specific project authority, shall be limited to credits and reimbursements per project not to exceed \$10,000,000 in each fiscal year, and total credits and reimbursements for all applicable projects not to exceed \$50,000,000 in each fiscal year.

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation as follows:

- State and Private Forestry, Forest Service, Department of Agriculture.
- Operation and Maintenance, Army, Department of the Army.
- Construction, National Park Service, Department of the Interior.
- Federal Aid to Highways, Miscellaneous Studies, Reports, and Projects; Federal Highway Administration, Department of Transportation.
- Capital Improvement, Bonneville Power Administration.

# OTHER DEFENSE—CIVIL PROGRAMS

## MILITARY RETIREMENT

### Federal Funds

#### General and special funds:

#### PAYMENT TO MILITARY RETIREMENT FUND

#### Program and Financing (in millions of dollars)

Identification code 97-0040-0-1-054	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	17,047	17,928	18,617
10.00 Total new obligations (object class 13.0) .....	17,047	17,928	18,617
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	17,047	17,928	18,617
23.95 Total new obligations .....	-17,047	-17,928	-18,617
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	17,047	17,928	18,617
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	17,047	17,928	18,617
73.20 Total outlays (gross) .....	-17,047	-17,928	-18,617
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	17,047	17,928	18,617
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	17,047	17,928	18,617
90.00 Outlays .....	17,047	17,928	18,617

The FY 2004 payment to the military retirement fund includes funds for the amortization of the unfunded liability for all retirement benefits earned by military personnel for service prior to 1985. The amortization schedule for the unfunded liability is determined by the Department of Defense Retirement Board of Actuaries. Included in the unfunded liability are the consolidated requirements of the military departments to cover retired officers and enlisted personnel of the Army, Navy, Marine Corps, and Air Force, retainer pay of enlisted personnel of the Fleet Reserve of the Navy and Marine Corps, and survivors benefits.

### Trust Funds

#### MILITARY RETIREMENT FUND

#### Unavailable Collections (in millions of dollars)

Identification code 97-8097-0-7-602	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	161,723	169,746	177,182
Receipts:			
02.40 Employing agency contributions .....	12,935	12,084	12,546
02.41 Earnings on investments .....	13,229	13,480	13,695
02.42 General fund payment (unfunded liability) .....	17,047	17,928	18,617
02.99 Total receipts and collections .....	43,211	43,492	44,858
04.00 Total: Balances and collections .....	204,934	213,238	222,040
Appropriations:			
05.00 Military retirement fund .....	-35,188	-36,056	-36,870
05.99 Total appropriations .....	-35,188	-36,056	-36,870
07.99 Balance, end of year .....	169,746	177,182	185,170

#### Program and Financing (in millions of dollars)

Identification code 97-8097-0-7-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Nondisability .....	30,220	30,966	31,665
00.02 Temporary disability .....	59	60	61
00.03 Permanent disability .....	1,217	1,247	1,275
00.04 Fleet Reserve .....	1,603	1,642	1,679
00.05 Survivors' benefits .....	2,089	2,141	2,189
10.00 Total new obligations (object class 42.0) .....	35,188	36,056	36,870
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	35,188	36,056	36,870
23.95 Total new obligations .....	-35,188	-36,056	-36,870
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	43,212	43,491	44,858
60.45 Portion precluded from obligation .....	-8,024	-7,435	-7,988
62.50 Appropriation (total mandatory) .....	35,188	36,056	36,870
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3,007	3,135	3,267
73.10 Total new obligations .....	35,188	36,056	36,870
73.20 Total outlays (gross) .....	-35,060	-35,925	-36,736
74.40 Obligated balance, end of year .....	3,135	3,267	3,401
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	35,060	35,925	36,736
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	35,188	36,056	36,870
90.00 Outlays .....	35,060	35,925	36,736
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	156,978	162,396	174,854
92.02 Total investments, end of year: Federal securities:			
Par value .....	162,396	174,854	188,571

Public Law 98-94 provided for accrual funding of the military retirement system and for the establishment of a Department of Defense Military Retirement Fund in 1985. The fund has three sources of income. The first is payments from the Military Personnel accounts, which cover the liability for future benefits accruing to current service members. The second is a payment from the general treasury to cover the accrued unfunded liability of current members and current retirees. The third source is income from the investment of fund balances from past and current payments into the fund.

The status of the fund is as follows:

#### Status of Funds (in millions of dollars)

Identification code 97-8097-0-7-602	2002 actual	2003 est.	2004 est.
<b>Unexpended balance, start of year:</b>			
0100 Treasury balance .....	18	19	.....
Federal securities:			
0101 Par value .....	156,978	162,396	174,854
0102 Unrealized discounts .....	7,734	10,466	5,595
0199 Total balance, start of year .....	164,730	172,881	180,449
<b>Cash income during the year:</b>			
Current law:			
Offsetting receipts (intragovernmental):			
Offsetting receipts (intragovernmental):			
1240 Employing agency contributions, DOD military .....	12,931	12,080	12,542
1240 Employing agency contributions, Corps of Engineers .....	4	4	4
1241 Earning on investments .....	13,229	13,480	13,695
1242 Federal contributions .....	17,047	17,928	18,617

**General and special funds—Continued**

**MILITARY RETIREMENT FUND—Continued**

**Status of Funds (in millions of dollars)—Continued**

Identification code 97-8097-0-7-602	2002 actual	2003 est.	2004 est.
1299 Income under present law .....	43,211	43,492	44,858
Cash outgo during year:			
Current law:			
4500 Military retirement fund .....	-35,060	-35,925	-36,736
Unexpended balance, end of year:			
8700 Uninvested balance .....	19		
Federal securities:			
8701 Par value .....	162,396	174,854	188,571
8702 Unrealized discounts .....	10,466	5,595	
8799 Total balance, end of year .....	172,881	180,449	188,571

**RETIREE HEALTH CARE**

*Federal Funds*

**General and special funds:**

**PAYMENT TO UNIFORMED SERVICES RETIREE HEALTH CARE FUND**

**Program and Financing (in millions of dollars)**

Identification code 97-0850-0-1-054	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		14,740	15,256
10.00 Total new obligations (object class 13.0) .....		14,740	15,256
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		14,740	15,256
23.95 Total new obligations .....		-14,740	-15,256
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....		14,740	15,256
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		14,740	15,256
73.20 Total outlays (gross) .....		-14,740	-15,256
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		14,740	15,256
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		14,740	15,256
90.00 Outlays .....		14,740	15,256

**UNIFORMED SERVICES RETIREE HEALTH CARE FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 97-5472-0-2-551	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			18,322
Receipts:			
02.40 Employing agency contributions .....		7,656	8,374
02.41 Earnings on investments .....		371	1,214
02.42 Federal contributions .....		14,740	15,256
02.99 Total receipts and collections .....		22,767	24,844
04.00 Total: Balances and collections .....		22,767	43,166
Appropriations:			
05.00 DoD Medicare-eligible retiree health care fund .....		-4,445	-4,765
07.99 Balance, end of year .....		18,322	38,401

**Program and Financing (in millions of dollars)**

Identification code 97-5472-0-2-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		4,445	4,765

10.00 Total new obligations (object class 13.0) .....	4,445	4,765
<b>Budgetary resources available for obligation:</b>		
22.00 New budget authority (gross) .....	4,445	4,765
23.95 Total new obligations .....	-4,445	-4,765
<b>New budget authority (gross), detail:</b>		
Mandatory:		
60.20 Appropriation (special fund) .....	4,445	4,765
<b>Change in obligated balances:</b>		
73.10 Total new obligations .....	4,445	4,765
73.20 Total outlays (gross) .....	-4,445	-4,765
<b>Outlays (gross), detail:</b>		
86.97 Outlays from new mandatory authority .....	4,445	4,765
<b>Net budget authority and outlays:</b>		
89.00 Budget authority .....	4,445	4,765
90.00 Outlays .....	4,445	4,765
<b>Memorandum (non-add) entries:</b>		
92.02 Total investments, end of year: Federal securities:		
Par value .....	18,222	38,248

Public Law 106-398 provides for accrual funding for health care to Medicare-eligible retirees. The statute establishes an accrual health care fund which has three sources of funding: The first is monthly payments from the Military Personnel accounts, which cover the liability for future benefits accruing to current service members. The second is an annual payment from the general treasury on the accrued unfunded liability and the third source is income from the investment of fund balances.

The President's Budget proposes to extend accrual financing to non-Medicare eligible retirees.

**Object Classification (in millions of dollars)**

Identification code 97-5472-0-2-551	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....		1	1
11.5 Other personnel compensation .....		1	1
11.9 Total personnel compensation .....		2	2
99.9 Total new obligations .....		2	2

**EDUCATION BENEFITS**

*Trust Funds*

**EDUCATION BENEFITS FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 97-8098-0-7-702	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	897	898	931
Receipts:			
02.40 Employing agency contributions .....	280	263	263
02.41 Interest .....	50	33	38
02.99 Total receipts and collections .....	330	296	301
04.00 Total: Balances and collections .....	1,227	1,194	1,232
Appropriations:			
05.00 Education benefits fund .....	-329	-263	-273
07.99 Balance, end of year .....	898	931	959

**Program and Financing (in millions of dollars)**

Identification code 97-8098-0-7-702	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Active duty program .....	83	95	104
00.02 Selected reserve program .....	150	168	169

10.00	Total new obligations (object class 25.2) .....	233	263	273
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	17	103	103
22.00	New budget authority (gross) .....	320	263	273
23.90	Total budgetary resources available for obligation .....	337	366	376
23.95	Total new obligations .....	-233	-263	-273
24.40	Unobligated balance carried forward, end of year .....	103	103	103
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.26	Appropriation (trust fund) .....	329	263	273
69.10	Change in uncollected customer payments from Federal sources (unexpired) .....	-9		
70.00	Total new budget authority (gross) .....	320	263	273
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	-9		
73.10	Total new obligations .....	233	263	273
73.20	Total outlays (gross) .....	-233	-263	-273
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	9		
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	128	263	273
86.98	Outlays from mandatory balances .....	105		
87.00	Total outlays (gross) .....	233	263	273
<b>Offsets:</b>				
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	9		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	329	263	273
90.00	Outlays .....	233	263	273
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities: Par value .....	885	957	1,002
92.02	Total investments, end of year: Federal securities: Par value .....	957	1,002	1,062

The 1985 Defense Authorization Bill, Public Law 98-525, provided for the accrual funding of certain education benefits for active duty military personnel under the authority of Chapter 30, Title 38 U.S.C., and to Selected Reserve personnel under the authority of Chapter 1606, Title 10 U.S.C. Public Law 100-48 made this program permanent. The fund is financed through actuarially-determined Government contributions from the Department of Defense military personnel appropriations and interest on investments. Funds are transferred to the Department of Veterans Affairs to make benefit payments to eligible personnel. The status of the fund is as follows:

**Status of Funds (in millions of dollars)**

Identification code 97-8098-0-7-702	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100	Uninvested balance .....	1	
Federal securities:			
0101	Par value .....	885	957
0102	Unrealized discounts .....	19	45
0199	Total balance, start of year .....	905	1,001
Cash income during the year:			
Current law:			
Offsetting receipts (intragovernmental):			
1240	Employing agency contributions .....	280	263
1241	Interest on investments .....	50	33
1299	Income under present law .....	330	296
Cash outgo during year:			
Current law:			
Cash outgo during the year (-):			
4500	Cash outgo during the year (-) .....	-83	-95
4500	Cash outgo during the year (-) .....	-150	-168

4599	Outgo under current law (-) .....	-233	-263	-273
Unexpended balance, end of year:				
Federal securities:				
8701	Par value .....	957	1,002	1,062
8702	Unrealized discounts .....	45	32	
8799	Total balance, end of year .....	1,001	1,034	1,062

**AMERICAN BATTLE MONUMENTS COMMISSION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries, \$32,400,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 74-0100-0-1-705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Administration and U.S. memorials .....	5	5
00.02	European memorials and cemeteries .....	19	24
00.03	Mediterranean memorials and cemeteries .....	5	5
00.04	Asian memorials and cemeteries .....	1	1
10.00	Total new obligations .....	30	35
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year .....		5
22.00	New budget authority (gross) .....	35	30
23.90	Total budgetary resources available for obligation .....	35	35
23.95	Total new obligations .....	-30	-35
24.40	Unobligated balance carried forward, end of year .....	5	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	35	30
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	8	10
73.10	Total new obligations .....	30	35
73.20	Total outlays (gross) .....	-28	-33
74.40	Obligated balance, end of year .....	10	12
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	24	26
86.93	Outlays from discretionary balances .....	4	7
87.00	Total outlays (gross) .....	28	33
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	35	30
90.00	Outlays .....	28	33

The American Battle Monuments Commission is responsible for: the maintenance and construction of U.S. monuments and memorials commemorating the achievements in battle of our Armed Forces since 1917; controlling erection of monuments and markers by U.S. citizens and organizations in foreign countries; and for the design, construction, and maintenance of permanent military cemetery memorials in foreign countries. American Battle Monuments Commission is continuing productivity improvements and infrastructure modernization at cemeteries and memorials overseas.

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Object Classification (in millions of dollars)**

Identification code 74-0100-0-1-705	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	11	11	11
11.8 Special personal services payments .....	1	1	1
11.9 Total personnel compensation .....	12	12	12
12.1 Civilian personnel benefits .....	4	4	4
23.3 Communications, utilities, and miscellaneous charges .....	9	9	9
25.2 Other services .....	2	2	2
26.0 Supplies and materials .....	3	8	5
99.9 Total new obligations .....	30	35	32

**Personnel Summary**

Identification code 74-0100-0-1-705	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	367	370	370

**FOREIGN CURRENCY FLUCTUATIONS**

**Program and Financing (in millions of dollars)**

Identification code 74-0101-0-1-705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1	1	1
10.00 Total new obligations (object class 21.0) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	10	9	8
23.95 Total new obligations .....	-1	-1	-1
24.40 Unobligated balance carried forward, end of year .....	9	8	8
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1	1	1

**Trust Funds**

**CONTRIBUTIONS**

**Unavailable Collections (in millions of dollars)**

Identification code 74-8569-0-7-705	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	4	4	1
<b>Receipts:</b>			
02.00 Contributions, American Battle Monuments Commission .....	21	4	9
02.40 Earnings on investments, American Battle Monuments Commission .....	5		
02.99 Total receipts and collections .....	26	4	9
04.00 Total: Balances and collections .....	30	8	10
<b>Appropriations:</b>			
05.00 Contributions .....	-26	-7	-10
07.99 Balance, end of year .....	4	1	

**Program and Financing (in millions of dollars)**

Identification code 74-8569-0-7-705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.04 World War II Memorial .....	24	9	10
10.00 Total new obligations (object class 32.0) .....	24	9	10

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	70	72	72
22.00 New budget authority (gross) .....	26	7	10
23.90 Total budgetary resources available for obligation .....	96	79	82
23.95 Total new obligations .....	-24	-9	-10
24.40 Unobligated balance carried forward, end of year .....	72	72	72

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....	26	7	10

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	20	20	20
73.10 Total new obligations .....	24	9	10
73.20 Total outlays (gross) .....	-24	-9	-10
74.40 Obligated balance, end of year .....	20	20	20

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	24	7	10
86.98 Outlays from mandatory balances .....		2	
87.00 Total outlays (gross) .....	24	9	10

**Net budget authority and outlays:**

89.00 Budget authority .....	26	7	10
90.00 Outlays .....	24	9	10

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value .....	94	82	27
92.02 Total investments, end of year: Federal securities:			
Par value .....	82	27	27

*Purchase of flowers.*—Private citizens contribute funds for the purchase of flowers to decorate graves and tablets of the missing at the cemeteries and memorials administered by the Commission.

*Repair of non-Federal war memorials.*—When requested to do so and upon receipt of the necessary funds, the Commission arranges for and oversees the repair of war memorials to U.S. Forces erected in foreign countries by American citizens, States, municipalities, or associations.

*World War II Memorial.*—Public Law 103-32 authorized the American Battle Monuments Commission to collect private contributions to fund construction of a memorial in the District of Columbia to honor members of the Armed Forces of the United States who served in World War II. The Commission projects that contributions to the World War II Memorial Fund will reach \$194 million in 2003 and \$198 million in 2004.

**WHITE HOUSE COMMISSION ON THE NATIONAL MOMENT OF REMEMBRANCE**

**Federal Funds**

**General and special funds:**

*For the White House Commission on the National Moment of Remembrance, \$250,000.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 95-5484-0-2-705	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.01 Gifts and donations, White House commission on the national moment .....		1	1
<b>Appropriations:</b>			
05.01 White House commission on the national moment of remembrance .....		-1	-1
07.99 Balance, end of year .....			

Program and Financing (in millions of dollars)			
Identification code 95-5484-0-2-705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		1	1
10.00 Total new obligations (object class 25.2) .....		1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		1	1
23.95 Total new obligations .....		-1	-1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (special fund) .....		1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		1	1
73.20 Total outlays (gross) .....		-1	-1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		1	1
90.00 Outlays .....		1	1

Public Law 106-579 established and authorized appropriations for the White House Commission on the National Moment of Remembrance. The Commission also will accept gifts and generate product royalty revenue in order to revitalize the national understanding and commemoration of Memorial Day.

**Personnel Summary**

Identification code 95-5484-0-2-705	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....		3	3

**ARMED FORCES RETIREMENT HOME**

**Trust Funds**

**ARMED FORCES RETIREMENT HOME**

For expenses necessary for the Armed Forces Retirement Home to operate and maintain the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport, to be paid from funds available in the Armed Forces Retirement Home Trust Fund, \$65,279,000, of which \$1,983,000 shall remain available until expended for construction and renovation of the physical plants at the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 84-8522-0-7-602	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	55	47	39
Receipts:			
02.00 Deductions, fines and gifts, U.S. Naval Home .....	28	24	25
02.02 Deductions, fines and gifts, U.S. Soldiers' and Airmen's Home .....	24	17	18
02.20 Fees paid by residents, U.S. Naval Home .....	4	4	4
02.21 Fees paid by residents, U.S. Soldiers' and Airmen's Home .....	9	9	9
02.22 Land sales, Armed Forces Retirement Home .....			5
02.40 Interest on investments, Armed Forces Retirement Home .....	-2	5	5
02.99 Total receipts and collections .....	63	59	66
04.00 Total: Balances and collections .....	118	106	105
Appropriations:			
05.00 Armed Forces Retirement Home .....	-71	-67	-65

07.99 Balance, end of year .....	47	39	40
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**Program and Financing (in millions of dollars)**

Identification code 84-8522-0-7-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	65	67	67
10.00 Total new obligations .....	65	67	67
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	40	48	51
22.00 New budget authority (gross) .....	71	67	65
22.10 Resources available from recoveries of prior year obligations .....	2	3	3
23.90 Total budgetary resources available for obligation .....	113	118	119
23.95 Total new obligations .....	-65	-67	-67
24.40 Unobligated balance carried forward, end of year .....	48	51	52
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation (trust fund):			
40.26 Appropriation (OM) .....	61	61	63
40.26 Appropriation (Construction) .....	10	6	2
43.00 Appropriation (total discretionary) .....	71	67	65
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	7	5	1
73.10 Total new obligations .....	65	67	67
73.20 Total outlays (gross) .....	-63	-68	-66
73.45 Recoveries of prior year obligations .....	-2	-3	-3
74.40 Obligated balance, end of year .....	5	1	-3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	60	60	61
86.93 Outlays from discretionary balances .....	3	8	5
87.00 Total outlays (gross) .....	63	68	66
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	71	67	65
90.00 Outlays .....	64	68	66
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	99	86	99
92.02 Total investments, end of year: Federal securities:			
Par value .....	86	99	99
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

The 1991 Defense Authorization Act, Public Law 101-510, created an Armed Forces Retirement Home Trust Fund to finance the United States Soldiers' and Airmen's Home and the United States Naval Home. The homes, which are currently in operation, are financed by appropriations drawn from the trust fund.

The Armed Forces Retirement Home is cooperating with the Department of Defense on a Most Efficient Organization Study and an updated Federal Activities Inventory Reform Act (FAIR) inventory to consider additional outsourcing opportunities. Proceeds from the lease of excess land are projected to add to the revenue estimates.

The Armed Forces Retirement Home provides medical and domiciliary care and other authorized benefits for the relief and support of certain retired and former military personnel of the Armed Forces.

The average number of members receiving domiciliary and hospital care are shown below:

	2002 actual	2003 est.	2004 est.
Domiciliary care .....	1,258	1,433	1,529
Hospital care .....	276	285	285
Total members .....	1,534	1,718	1,814

ARMED FORCES RETIREMENT HOME—Continued

Object Classification (in millions of dollars)			
Identification code 84-8522-0-7-602	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	31	31	31
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	34	34	34
12.1 Civilian personnel benefits .....	8	8	8
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
25.2 Other services .....	9	9	9
26.0 Supplies and materials .....	7	7	7
32.0 Land and structures .....	4	6	6
99.9 Total new obligations .....	65	67	67

Personnel Summary

Identification code 84-8522-0-7-602	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	714	752	752

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase of one passenger motor vehicle for replacement only, and not to exceed \$1,000 for official reception and representation expenses, \$25,961,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 21-1805-0-1-705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operation and maintenance .....	13	13	15
00.02 Administration .....	1	1	1
00.03 Construction .....	10	10	10
10.00 Total new obligations .....	24	24	26
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	.....
22.00 New budget authority (gross) .....	23	24	26
22.10 Resources available from recoveries of prior year obligations .....	1	.....	.....
23.90 Total budgetary resources available for obligation .....	25	25	26
23.95 Total new obligations .....	-24	-24	-26
24.40 Unobligated balance carried forward, end of year .....	1	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	23	24	26
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	14	14
73.10 Total new obligations .....	24	24	26
73.20 Total outlays (gross) .....	-16	-24	-25
73.45 Recoveries of prior year obligations .....	-1	.....	.....
74.40 Obligated balance, end of year .....	14	14	15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	10	18	20
86.93 Outlays from discretionary balances .....	6	6	6
87.00 Total outlays (gross) .....	16	24	25
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	24	24	26

90.00 Outlays .....	16	24	25
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Operation and maintenance.—Funds requested will provide for contractual services, necessary operating supplies and equipment, and personnel.

Administration.—Provision is made for determining eligibility for burial; management of Arlington and Soldiers' and Airmen's Home National Cemeteries; and administrative support.

Construction.—Arlington National Cemetery has developed a capital investment plan for all construction projects including using contiguous land sites that will be vacated by the Services, such as portions of the Navy Annex and Ft. Myer. The request will continue the development of gravesites.

Object Classification (in millions of dollars)

Identification code 21-1805-0-1-705	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	4	4	5
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	8	8	15
32.0 Land and structures .....	9	9	3
99.0 Direct obligations .....	22	22	24
99.5 Below reporting threshold .....	2	2	2
99.9 Total new obligations .....	24	24	26

Personnel Summary

Identification code 21-1805-0-1-705	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	101	101	101

FOREST AND WILDLIFE CONSERVATION,  
MILITARY RESERVATIONS

Federal Funds

General and special funds:

WILDLIFE CONSERVATION

Unavailable Collections (in millions of dollars)

Identification code 97-5095-0-2-303	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	.....	.....	.....
Receipts:			
02.20 Offsetting receipts (proprietary) .....	1	3	3
Appropriations:			
05.00 Appropriations .....	-1	-3	-3
07.99 Balance, end of year .....	.....	.....	.....

Program and Financing (in millions of dollars)

Identification code 97-5095-0-2-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Wildlife conservation .....	2	3	3
10.00 Total new obligations .....	2	3	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	4	4
22.00 New budget authority (gross) .....	1	3	3
23.90 Total budgetary resources available for obligation .....	6	7	7
23.95 Total new obligations .....	-2	-3	-3
24.40 Unobligated balance carried forward, end of year .....	4	4	4
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	1	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	1

73.10	Total new obligations .....	2	3	3
73.20	Total outlays (gross) .....	-2	-3	-3
74.40	Obligated balance, end of year .....	2	1	1
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	1	3	3
86.98	Outlays from mandatory balances .....	1		
87.00	Total outlays (gross) .....	2	3	3
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	1	3	3
90.00	Outlays .....	2	3	3

These appropriations provide for development and conservation of fish and wildlife and recreational facilities on military installations. Proceeds from the sale of fishing and hunting permits are used for these programs at Army, Navy, Marine Corps, and Air Force installations charging such user fees. These programs are carried out through cooperative plans agreed upon by the local representatives of the Secretary of Defense, the Secretary of the Interior, and the appropriate agency of the State in which the installation is located.

**Object Classification** (in millions of dollars)

Identification code 97-5095-0-2-303	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.2 Other services .....	1	1	1
26.0 Supplies and materials .....	1	1	1
99.0 Direct obligations .....	2	2	2
99.5 Below reporting threshold .....		1	1
99.9 Total new obligations .....	2	3	3

**Personnel Summary**

Identification code 97-5095-0-2-303	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1		

**SELECTIVE SERVICE SYSTEM**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by 5 U.S.C. 4101-4118 for civilian employees; and not to exceed \$750 for official reception and representation expenses; \$28,290,000: Provided, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: Provided further, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 90-0400-0-1-054	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	25	26	28

10.00	Total new obligations .....	25	26	28
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	25	26	28
23.95	Total new obligations .....	-25	-26	-28
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	25	26	28
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	8	7	6
73.10	Total new obligations .....	25	26	28
73.20	Total outlays (gross) .....	-25	-27	-28
73.40	Adjustments in expired accounts (net) .....	-1		
74.40	Obligated balance, end of year .....	7	6	6

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	18	19	20
86.93	Outlays from discretionary balances .....	7	8	8
87.00	Total outlays (gross) .....	25	27	28
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	25	26	28
90.00	Outlays .....	25	27	28

The Selective Service System (SSS) continues to register men as they reach age 18, as required by law, and maintain an active data base of registrant records. Should the Nation return to conscription for a national emergency, the agency would have the first draftees at military processing centers 193 days after a mobilization. In cooperation with the Department of Defense, Active Duty and Reserve Officers are being reduced to reflect the reduced readiness requirements.

The SSS will continue to strengthen its partnership with the Armed Services. The agency will continue its national initiative to offer every young man that receives an acknowledgment, almost two million annually, the opportunity to volunteer for the military services.

In addition to improving its business processes and national registration compliance statistics, while helping to sustain military recruiting efforts, the Agency is incorporating advanced information technology architectures to ensure faster, more accurate registration processing and better customer services via the Internet.

**Object Classification** (in millions of dollars)

Identification code 90-0400-0-1-054	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	9	10	11
11.8 Special personal services payments .....	6	6	6
11.9 Total personnel compensation .....	15	16	17
12.1 Civilian personnel benefits .....	2	2	2
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	4	4	5
99.9 Total new obligations .....	25	26	28

**Personnel Summary**

Identification code 90-0400-0-1-054	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	159	166	168



# ENVIRONMENTAL PROTECTION AGENCY

## Federal Funds

### General and special funds:

#### OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project, \$36,807,700, to remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 68-0112-0-1-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.10 Effective Management .....	34	48	37
09.01 Reimbursements from Superfund Trust Fund .....	12	13	13
10.00 Total new obligations .....	46	61	50
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	13	13	.....
22.00 New budget authority (gross) .....	46	48	50
23.90 Total budgetary resources available for obligation .....	59	61	50
23.95 Total new obligations .....	-46	-61	-50
24.40 Unobligated balance carried forward, end of year .....	13	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	34	35	37
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	11	13	13
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	12	13	13
70.00 Total new budget authority (gross) .....	46	48	50
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	.....	1	13
73.10 Total new obligations .....	46	61	50
73.20 Total outlays (gross) .....	-46	-49	-49
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1	.....	.....
74.40 Obligated balance, end of year .....	1	13	14
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	36	38	39
86.93 Outlays from discretionary balances .....	10	11	10
87.00 Total outlays (gross) .....	46	49	49
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-11	-13	-13
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	34	35	37
90.00 Outlays .....	33	36	36
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

This appropriation supports EPA's core programs, and the Agency's effective management goal to establish a management infrastructure that will set and implement the highest quality standards for effective internal management and fiscal responsibility. To assist the Agency in accomplishing this goal, the Office of Inspector General (OIG) will provide audit, evaluation, and investigative products and advisory services to improve the performance and integrity of EPA programs and operations. These products and services will contribute substantially to improved environmental quality and human health. Specifically, the OIG performs contract audits and investigations which focus on costs claimed by contractors, and on the award and management of contracts. Assistance agreement audits and investigations evaluate the award, administration, and costs of assistance agreements. Program audits, evaluations and investigations determine the extent to which the desired results or benefits envisioned by the Administration and Congress are being achieved, and identify activities that contribute to or undermine the integrity, efficiency, and effectiveness of Agency programs. Financial statement audits review financial systems and statements to ensure that adequate controls are in place and the Agency's accounting information is accurate, reliable and useful, and complies with applicable laws and regulations. Systems audits review the economy, efficiency, and effectiveness of operations by examining the Agency's management structures, its strategic planning, human resources development, customer focus, and process management. Additional funds for audit, evaluation and investigative activities associated with the Superfund Trust Fund are appropriated under that account and transferred to the Inspector General account to allow for proper accounting, including the costs of the ombudsman function. This appropriation also supports activities under the Working Capital Fund.

#### Object Classification (in millions of dollars)

Identification code 68-0112-0-1-304	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	20	21	23
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	21	22	24
12.1 Civilian personnel benefits .....	5	7	5
21.0 Travel and transportation of persons .....	.....	1	2
25.2 Other services .....	5	15	4
25.3 Other purchases of goods and services from Government accounts .....	2	2	2
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	34	48	38
99.0 Reimbursable obligations .....	12	13	12
99.9 Total new obligations .....	46	61	50

#### Personnel Summary

Identification code 68-0112-0-1-304	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	352	272	272
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	92	94	92

General and special funds—Continued

SCIENCE AND TECHNOLOGY

For science and technology, including research and development activities, which shall include research and development activities under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project, \$731,482,600, which shall remain available until September 30, 2005, of which \$19,000,000 shall be derived from the Environmental Services Fund.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 68–0107–0–1–304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Clean Air .....	161	196	177
00.02 Clean Water .....	168	124	135
00.03 Safe Food .....	13	23	16
00.04 Preventing Pollution .....	23	27	28
00.05 Waste Management .....	21	21	20
00.06 Global and Cross-Border .....	43	66	39
00.07 Right to Know .....	12	12	15
00.08 Sound Science .....	63	370	278
00.09 Credible Deterrent .....	233	12	13
00.10 Effective Management .....	22	22	10
09.01 Reimbursements from Superfund Trust Fund .....	35	111	45
09.02 Other Reimbursements .....	7	12	12
09.99 Total reimbursable program .....	42	123	57
10.00 Total new obligations .....	801	996	788
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	175	203	.....
22.00 New budget authority (gross) .....	830	793	788
23.90 Total budgetary resources available for obligation .....	1,005	996	788
23.95 Total new obligations .....	–801	–996	–788
23.98 Unobligated balance expiring or withdrawn .....	–2	.....	.....
24.40 Unobligated balance carried forward, end of year .....	203	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	788	659	712
40.00 Appropriation .....	.....	.....	.....
40.20 Appropriation (special fund, definite—Environmental Services Fund) .....	.....	11	19
43.00 Appropriation (total discretionary) .....	788	670	731
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	31	123	57
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	11	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	42	123	57
70.00 Total new budget authority (gross) .....	830	793	788
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	493	563	647
73.10 Total new obligations .....	801	996	788
73.20 Total outlays (gross) .....	–732	–912	–898
73.40 Adjustments in expired accounts (net) .....	–3	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	–11	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired) .....	15	.....	.....
74.40 Obligated balance, end of year .....	563	647	537

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	355	501	475
86.93 Outlays from discretionary balances .....	377	411	423
87.00 Total outlays (gross) .....	732	912	898
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	–45	–123	–57
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	–11	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	14	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	788	670	731
90.00 Outlays .....	687	789	841
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	15	15	15
99.01 Outlays .....	15	15	15

This appropriation finances salary, travel, science, technology, research and development activities including laboratory and center supplies, certain operating expenses (including activities under the Working Capital Fund), contracts, grants, intergovernmental agreements, and purchases of scientific equipment. These activities provide the scientific and technology basis for EPA’s regulatory actions.

Superfund research costs are appropriated in the Hazardous Substance Superfund appropriation and transferred to this account to allow for proper accounting. A portion of funding provided through this account to support the mobile sources program is to be derived from fees charged for motor vehicle engine certifications that are deposited in the Environmental Services special fund.

This appropriation supports core Agency programs and a number of the Agency’s ten goals. Specifically in 2004, our emphasis will be placed on the following:

**Clean Air.**—To ensure that every American community has safe and healthy air to breathe, EPA will conduct a range of science and technology activities. These include research on the effects to human health of toxic air pollutants, and research on criteria air pollutants (ozone, carbon monoxide, sulfur dioxide, nitrogen dioxide, lead, and particulate matter) to develop the scientific basis for EPA’s national ambient air quality standards. EPA will also develop control measures for mobile sources, including the development of cleaner engine technologies, and cleaner burning fuels and tools for States to develop clean air plans and achieve the air quality standards.

**Clean and Safe Water.**—To support the goal of the American public having water that is clean and safe to drink, EPA will conduct research to support development of water quality and safe drinking water standards. A concerted effort will be made to help small communities meet the new drinking water standards for arsenic, microbial contaminants, and disinfection byproducts. EPA will work with states, tribes, drinking water and wastewater utilities, and other partners to enhance the security of water utilities. EPA will also conduct the research to strengthen the scientific basis for development of effective beach evaluation tools, and to enhance understanding of the structure and function of aquatic systems through the development of improved aquatic ecocriteria.

**Safe Food.**—To ensure that the food the American public consumes will be free from unsafe pesticide residues, EPA research laboratories and centers provide analytical and environmental chemistry services in support of EPA’s registration, reregistration and tolerance/reassessment programs for food-use pesticides. Also, EPA laboratories will provide analytical chemistry capabilities to validate food tolerance enforcement methods.

*Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces and Ecosystems.*—EPA will enhance its assessments of potential risks to human health and ecological systems from commercial chemicals, microorganisms and genetically modified organisms. Pollution Prevention and risk management strategies will be aimed at cost-effectively eliminating, reducing, or minimizing potential risks due to emissions and contamination. The Agency aims to improve indoor environments through technical support, analysis and producing necessary information to understand indoor air effects, and identifying potential health risks so that risk managers can make informed decisions.

*Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response.*—To ensure that America's waste will be stored, treated, and disposed of in ways that prevent harm to people and the environment, EPA will research ways to reduce uncertainties associated with ground-water/soil/sediment sampling and analysis, to develop methods and models of contaminant transport, and to reduce the time and cost associated with site characterization and the site remediation activities that it guides. Field analytical methods for characterizing soils are also intended to provide cheaper and more timely analyses and to reduce the uncertainty of site characterization.

*Reduction of Global and Cross-Border Environmental Risks.*—EPA global change research is dedicated to enhancing our capability to assess the vulnerability of human health and ecosystems to climate-induced stressors at the regional scale, and to assess mitigation and adaptation strategies. The Agency will continue to work with the U.S. automobile industry in a cooperative research effort to develop advanced automotive powertrain and engine technology that is both clean and highly fuel efficient. This effort will focus on developing cost-effective, near-term technologies for cleaner and more efficient cars and trucks that can run on both conventional and renewable fuels. Through its Transportation Efficiency Program, EPA will support ongoing efforts to provide public information about transportation choices and consumers' impact on air quality, traffic congestion and climate changes.

*Quality Environmental Information.*—To provide the public with information about the environment, EPA will continue to focus on improving data collection and data quality and on deploying new technologies for real time and automated measurement, monitoring and information delivery. EPA intends to develop policies and procedures for planning, documenting, implementing and assessing data collection for use in making Agency decisions.

*Sound Science, Improved Understanding of Environmental Risk, and Greater Innovation to Address Environmental Problems.*—EPA will develop and apply the best available science for addressing current and future environmental hazards, as well as new approaches toward improving environmental protection. The Agency will continue to improve its understanding of risks to the health of the American public and the Nation's ecosystems. EPA will address emerging environmental issues while seeking to develop innovative, cost-effective solutions to pollution prevention and risk reduction. EPA will seek to reduce uncertainties in risk assessment and help to prevent and manage risk by using cost-effective approaches.

*A Credible Deterrent to Pollution and Greater Compliance with the Law.*—The National Enforcement Investigations Center is the primary source of forensics expertise in EPA. It provides technical services not available elsewhere to support the needs of EPA Headquarters and Regional offices, other Federal Agencies, and state and local environmental enforcement organizations.

*Effective Management.*—EPA will improve the quality of its internal management, contract administration, and fiscal responsibility efforts. The Agency will invest in its employees

through training, education and implementation of automated and streamlined human resource processes. The Agency will focus its contracting efforts on performance-based service contracts instead of the traditional cost-plus, level-of-effort contracting, relying on guidance developed by the Office of Federal Procurement Policy. EPA will concentrate on resolution of material weaknesses previously identified in the area of grant closeouts, and on implementation of the best practices identified government-wide by the General Account Office (GAO) for information resources management and integration of information technology investments. EPA will also provide support for electronic reporting to reduce the burden to the Agency's highest-volume submitters.

**Object Classification (in millions of dollars)**

Identification code 68-0107-0-1-304	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	171	179	194
11.3 Other than full-time permanent .....	8	8	8
11.5 Other personnel compensation .....	3	3	3
11.7 Military personnel .....	2	2	2
11.9 Total personnel compensation .....	184	192	207
12.1 Civilian personnel benefits .....	41	40	40
21.0 Travel and transportation of persons .....	7	7	7
22.0 Transportation of things .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	6	4	4
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	5	6	6
25.2 Other services .....	211	265	108
25.3 Other purchases of goods and services from Government accounts .....	24	38	38
25.4 Operation and maintenance of facilities .....	12	9	9
25.5 Research and development contracts .....	44	65	65
25.7 Operation and maintenance of equipment .....	25	20	20
26.0 Supplies and materials .....	10	11	11
31.0 Equipment .....	14	21	21
41.0 Grants, subsidies, and contributions .....	174	193	193
99.0 Direct obligations .....	759	873	731
99.0 Reimbursable obligations .....	42	123	57
99.9 Total new obligations .....	801	996	788

**Personnel Summary**

Identification code 68-0107-0-1-304	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2,573	2,426	2,461
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	2	3	133

**ENVIRONMENTAL PROGRAMS AND MANAGEMENT**

*For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project; and not to exceed \$9,000 for official reception and representation expenses, \$2,219,659,000, which shall remain available until September 30, 2005, including administrative costs of the brownfields program under the Small Business Liability Relief and Brownfields Revitalization Act of 2002.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

**General and special funds—Continued**

**ENVIRONMENTAL PROGRAMS AND MANAGEMENT—Continued**

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 68-0108-0-1-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Clean Air .....	194	208	198
00.02 Clean Water .....	481	525	437
00.03 Safe Food .....	99	106	103
00.04 Preventing Pollution .....	200	213	210
00.05 Waste Management .....	164	216	196
00.06 Global and Cross-Border .....	160	181	179
00.07 Right to Know .....	155	168	178
00.08 Sound Science .....	68	71	74
00.09 Credible Deterrent .....	300	308	324
00.10 Effective Management .....	288	316	321
09.01 Reimbursable program .....	66	45	60
10.00 Total new obligations .....	2,173	2,357	2,280
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	197	228	.....
22.00 New budget authority (gross) .....	2,228	2,108	2,280
22.10 Resources available from recoveries of prior year obligations .....	.....	21	.....
22.22 Unobligated balance transferred from other accounts	1	.....	.....
23.90 Total budgetary resources available for obligation	2,426	2,357	2,280
23.95 Total new obligations .....	-2,173	-2,357	-2,280
23.98 Unobligated balance expiring or withdrawn .....	-23	.....	.....
24.40 Unobligated balance carried forward, end of year .....	228	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2,094	2,048	2,220
40.73 Reduction pursuant to P.L. 107-206 .....	-1	.....	.....
42.00 Transferred from other accounts .....	4	.....	.....
43.00 Appropriation (total discretionary) .....	2,097	2,048	2,220
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	56	60	60
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	75	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	131	60	60
70.00 Total new budget authority (gross) .....	2,228	2,108	2,280
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	784	701	805
73.10 Total new obligations .....	2,173	2,357	2,280
73.20 Total outlays (gross) .....	-2,173	-2,232	-2,252
73.40 Adjustments in expired accounts (net) .....	-18	.....	.....
73.45 Recoveries of prior year obligations .....	.....	-21	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-75	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired) .....	9	.....	.....
74.40 Obligated balance, end of year .....	701	805	832
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,470	1,476	1,591
86.93 Outlays from discretionary balances .....	703	756	661
87.00 Total outlays (gross) .....	2,173	2,232	2,252
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-67	-60	-60
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-75	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	11	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2,097	2,048	2,220
90.00 Outlays .....	2,105	2,172	2,192
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	65	67	67

99.01 Outlays .....	65	67	67
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This appropriation includes funds for salaries, travel, contracts, grants, and cooperative agreements for pollution abatement, control, and compliance activities and administrative activities of the operating programs, including activities under the Working Capital Fund.

This appropriation supports core Agency programs and each of the Agency's ten goals. Specifically in 2004, EPA will emphasize the following:

*Clean Air.*—To ensure that every American community has safe and healthy air to breathe, EPA will develop and implement new strategies to attain ambient air quality standards for ozone and particulate matter, and reduce regional haze through geographic initiatives in areas where significant transport of pollutants occurs. EPA will continue to develop and issue national technology-based and risk-based standards to reduce the quantity of toxic air pollutants emitted from industrial and manufacturing processes, as well as urban sources. EPA will also develop control measures for mobile, stationary and other sources that are regulated at the Federal level. The Acid Rain program will continue its market-based approach to achieving reduced emissions of sulfur dioxide and nitrogen oxides primarily from electric utilities.

*Clean and Safe Water.*—To provide all Americans with water that is clean and safe to drink, EPA will work with States and Tribes in developing and implementing new drinking water standards for microbiological contaminants, disinfectant and disinfection byproducts, and chemicals identified as posing high risks. EPA will also work with its State and Tribal partners to address protection of drinking water sources and will take a leadership role to enhance security at drinking water and wastewater facilities. EPA will provide the tools and guidance for its partners to better protect the Nation's waters, and protect and restore wetlands. EPA and its partners will make progress toward completing Total Maximum Daily Loads (TMDLs) for impaired U.S. waters and improving implementation of TMDL programs. EPA will work with its partners to assure effective implementation of the National Pollutant Discharge Elimination System and pretreatment program. EPA will also work with its partners to address sources of polluted runoff.

*Safe Food.*—To ensure that the foods Americans eat will be free from unsafe levels of pesticide residues, EPA plans to apply strict health-based standards to the registration of pesticides for use on food or animal feed, ensure that older pesticides meet current health standards, decrease the use of pesticides with the highest potential to cause adverse effects, and expedite and increase the registration of safer pesticides.

*Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces and Ecosystems.*—Pollution prevention and risk management strategies will be aimed at cost-effectively eliminating, reducing, or minimizing toxic chemical emissions and contamination. EPA intends to reduce potential human and environmental risks as a result of pesticides from commercial and residential exposure, as well as programs targeting farmworker protection, endangered species protection, environmental stewardship, and integrated pest management. Through voluntary actions, EPA seeks to ensure healthier indoor air for American homes, schools and office buildings. EPA plans to encourage the development of safer chemicals by minimizing or reducing the regulatory burdens on new chemicals that replace more hazardous chemicals already in the marketplace. The toxicity of wastes will be reduced by focusing on reductions in persistent, bioaccumulative and toxic (PBTs) chemicals. The quantity of wastes will also be reduced through source reduction and recycling.

*Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response.*—To ensure that Amer-

ica's waste will be stored, treated, and disposed of in ways that prevent harm to people and to the natural environment, EPA will continue its Hazardous Waste Minimization and Combustion Strategy, including setting new standards for hazardous waste incinerators and cement kilns that burn hazardous waste. In addition, the Agency will focus on controlling human exposures and groundwater releases at Resource Conservation and Recovery Act (RCRA) facilities designated as high priority for corrective action. EPA will develop and promulgate standards, regulations, and guidelines to reduce exposure from radiation sources. The Agency will also provide for the federal administrative expenses of brownfields cleanup activities. Funds reimbursed to EPA under the Exxon Valdez settlement are available to carry out authorized environmental restoration activities.

**Reduction of Global and Cross-Border Environmental Risks.**—The United States will lead other nations in successful, multilateral efforts to reduce significant risks to human health and ecosystems from climate change, stratospheric ozone depletion, and other environmental hazards of international concern. EPA will implement formal bilateral and multilateral environmental agreements with key countries, execute environmental components of key foreign policy initiatives, and engage in regional and global negotiations aimed at reducing environmental risks via formal and informal agreements. EPA will cooperate with other countries to ensure that domestic and international environmental laws, policies, and priorities are recognized and implemented and, where appropriate, promoted within the multilateral development assistance and trading system. EPA will also emphasize domestic and international efforts to limit the production and use of ozone-depleting substances and develop safe alternative compounds, and demonstrate and promote public/private partnership programs that reduce greenhouse gas emissions. In accordance with the Great Lakes Legacy Act, EPA will work with states and tribal partners to remediate contaminated sediment sites. Contaminated sediments can adversely affect human health and aquatic life and contribute to fish consumption advisories. Remediation will help remove toxic pollutants from the Great Lakes, resulting in water quality improvements and fish that are less contaminated and safer to eat.

**Quality Environmental Information.**—The unprecedented changes in information technology over the past few years, combined with an increasing public demand for information, are altering the way the Agency and States collect, manage, analyze, use, secure, and provide access to quality environmental information. EPA is working with the States and Tribes to strengthen our information quality, leverage information maintained by other government organizations, and develop new tools that provide the public with simultaneous access to multiple data sets, allowing users to understand local, state, regional, and national environmental conditions. Key to achieving information quality will be the further development of the National Environmental Information Exchange Network, which is primarily an affiliation between EPA and the States and Tribes. EPA will continue to develop and define a fundamentally new approach to integrating, managing, and providing access to environmental information. EPA will continue to reduce reporting burden, improve data quality, and speed data publications by increasing the amount of electronic reporting under the Toxic Release Inventory (TRI). EPA intends to expand the use of the Internet for delivering this information.

**Sound Science, Improved Understanding of Environmental Risk, and Greater Innovation to Address Environmental Problems.**—EPA will maximize the potential to reduce uncertainties in risk assessment, and help to prevent and manage risk, by using cost-effective approaches such as the place-

and facility-based strategies (e.g., the Community-Based Environmental Protection strategy).

**A Credible Deterrent to Pollution and Greater Compliance With the Law.**—EPA will ensure full compliance with laws intended to protect human health and the environment. The Agency will use new and innovative approaches of compliance assistance and compliance incentives as well as traditional enforcement activities to promote compliance by the regulated community, set risk-based compliance and enforcement priorities, and strategically plan and target activities to address environmental problems associated with industry sectors and communities.

**Effective Management.**—EPA will improve the quality of its internal management, contract administration, and fiscal responsibility efforts. The Agency will invest in its employees through training, education and implementation of automated and streamlined human resources processes. The Agency will focus its contracting efforts on performance-based service contracts instead of the traditional cost-plus, level-of-effort contracting, relying on guidance developed by the Office of Federal Procurement Policy. EPA will concentrate on implementation of the best practices identified government-wide by the General Accounting Office (GAO) for information resources management and integration of information technology investments. EPA will also provide support for electronic reporting to reduce the burden to the Agency's highest-volume submitters.

**Object Classification (in millions of dollars)**

Identification code 68-0108-0-1-304	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	776	862	1,128
11.3 Other than full-time permanent .....	36	33	33
11.5 Other personnel compensation .....	14	14	14
11.7 Military personnel .....	5	7	7
11.8 Special personal services payments .....	1	2	2
11.9 Total personnel compensation .....	832	918	1,184
12.1 Civilian personnel benefits .....	188	260	193
12.2 Military personnel benefits .....		1	1
21.0 Travel and transportation of persons .....	27	30	30
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	165	162	168
23.2 Rental payments to others .....	12	13	13
23.3 Communications, utilities, and miscellaneous charges .....	14	15	15
24.0 Printing and reproduction .....	6	8	8
25.1 Advisory and assistance services .....	21	26	26
25.2 Other services .....	518	455	158
25.3 Other purchases of goods and services from Government accounts .....	56	69	69
25.4 Operation and maintenance of facilities .....	20	23	23
25.5 Research and development contracts .....		2	2
25.7 Operation and maintenance of equipment .....	13	15	15
26.0 Supplies and materials .....	10	13	13
31.0 Equipment .....	18	29	29
41.0 Grants, subsidies, and contributions .....	206	272	272
99.0 Direct obligations .....	2,107	2,312	2,220
99.0 Reimbursable obligations .....	66	45	60
99.9 Total new obligations .....	2,173	2,357	2,280

**Personnel Summary**

Identification code 68-0108-0-1-304	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	10,807	11,143	11,216
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	36	2	2

**General and special funds—Continued**

**BUILDINGS AND FACILITIES**

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or for use by, the Environmental Protection Agency, \$42,918,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 68-0110-0-1-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Effective Management .....	30	43	43
10.00 Total new obligations .....	30	43	43
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	2	
22.00 New budget authority (gross) .....	25	43	43
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	33	45	43
23.95 Total new obligations .....	-30	-43	-43
24.40 Unobligated balance carried forward, end of year .....	2		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	25	43	43
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	56	36	50
73.10 Total new obligations .....	30	43	43
73.20 Total outlays (gross) .....	-49	-31	-39
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	36	50	54
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	9	8	8
86.93 Outlays from discretionary balances .....	40	23	31
87.00 Total outlays (gross) .....	49	31	39
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	25	43	43
90.00 Outlays .....	49	31	39

This appropriation provides for the construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities that are owned or used by the Environmental Protection Agency. This appropriation supports the Agency-wide goal of effective management. EPA's management infrastructure will set and implement the highest quality standards for effective internal management and fiscal responsibility. The facilities funded by this account will provide quality work environments and state-of-the-art laboratories that consider employee safety and security and pollution prevention.

**Object Classification (in millions of dollars)**

Identification code 68-0110-0-1-304	2002 actual	2003 est.	2004 est.
25.2 Other services .....		2	
25.3 Other purchases of goods and services from Government accounts .....	2	3	3
25.4 Operation and maintenance of facilities .....	7	10	10
32.0 Land and structures .....	19	25	27
41.0 Grants, subsidies, and contributions .....	2	3	3
99.9 Total new obligations .....	30	43	43

**STATE AND TRIBAL ASSISTANCE GRANTS**

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance

partnership grants, \$3,121,200,000, to remain available until expended, of which \$850,000,000 shall be for making capitalization grants for the Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended (the "Act"); \$850,000,000 shall be for capitalization grants for the Drinking Water State Revolving Funds under section 1452 of the Safe Drinking Water Act, as amended; \$50,000,000 shall be for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission; \$40,000,000 shall be for grants to the State of Alaska to address drinking water and wastewater infrastructure needs of rural and Alaska Native Villages; \$120,500,000 shall be to carry out section 104(k) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including grants, interagency agreements, and associated program support costs; \$8,000,000 shall be for a grant to Puerto Rico for drinking water infrastructure improvements to the Metropolitan community water system in San Juan; and \$1,202,700,000 shall be for grants, including associated program support costs, to States, federally recognized tribes, interstate agencies, tribal consortia, and air pollution control agencies for multi-media or single media pollution prevention, control and abatement and related activities, including activities pursuant to the provisions set forth under this heading in Public Law 104-134, and for making grants under section 103 of the Clean Air Act for particulate matter monitoring and data collection activities, of which and subject to terms and conditions specified by the Administrator, \$60,000,000 shall be for carrying out section 128 of CERCLA, as amended, and \$25,000,000 shall be for National Environmental Information Exchange Network grants, including associated program support costs: Provided, That for fiscal year 2004, State authority under section 302(a) of Public Law 104-182 shall remain in effect: Provided further, That for fiscal year 2004, and notwithstanding section 518(f) of the Act, the Administrator is authorized to use the amounts appropriated for any fiscal year under section 319 of that Act to make grants to Indian tribes pursuant to sections 319(h) and 518(e) of that Act: Provided further, That for fiscal year 2004, notwithstanding the limitation on amounts in section 518(c) of the Act, up to a total of 1½ percent of the funds appropriated for State Revolving Funds under title VI of that Act may be reserved by the Administrator for grants under section 518(c) of such Act: Provided further, That no funds provided by this legislation to address the water, wastewater and other critical infrastructure needs of the colonias in the United States along the United States-Mexico border shall be made available to a county or municipal government unless that government has established an enforceable local ordinance, or other zoning rule, which prevents in that jurisdiction the development or construction of any additional colonia areas, or the development within an existing colonia the construction of any new home, business, or other structure which lacks water, wastewater, or other necessary infrastructure.

Note.—A regular 2003 appropriations for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 68-0103-0-1-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Clean Air .....	233	307	239
00.02 Clean Water .....	3,241	3,918	2,378
00.04 Preventing Pollution .....	99	134	107
00.05 Waste Management .....	74	199	252
00.06 Global and Cross-Border .....	10	105	50
00.07 Right to Know .....	25	35	25
00.09 Credible Deterrent .....	70	132	70
10.00 Total new obligations .....	3,752	4,830	3,121
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1,299	1,366	
22.00 New budget authority (gross) .....	3,755	3,464	3,121
22.10 Resources available from recoveries of prior year obligations .....	63		
23.90 Total budgetary resources available for obligation .....	5,117	4,830	3,121
23.95 Total new obligations .....	-3,752	-4,830	-3,121
24.40 Unobligated balance carried forward, end of year .....	1,366		

<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	3,738	3,464	3,121
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	17		
70.00	Total new budget authority (gross) .....	3,755	3,464	3,121
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	7,917	8,236	9,308
73.10	Total new obligations .....	3,752	4,830	3,121
73.20	Total outlays (gross) .....	-3,370	-3,758	-3,843
73.45	Recoveries of prior year obligations .....	-63		
74.40	Obligated balance, end of year .....	8,236	9,308	8,586
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	286	712	717
86.93	Outlays from discretionary balances .....	3,084	3,046	3,126
87.00	Total outlays (gross) .....	3,370	3,758	3,843
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-17		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	3,738	3,464	3,121
90.00	Outlays .....	3,353	3,758	3,843

This appropriation supports core Agency programs and a number of the Agency's ten goals.

**Clean and Safe Water.**—This Agency goal is to ensure people are provided clean and safe water to drink, and to protect and restore America's water bodies to improve public health, enhance water quality, reduce flooding, and provide wildlife habitat. In support of this goal, EPA will provide funds for capitalization grants to States for Clean Water State Revolving Funds (SRFs), the purpose of which are to make low interest loans to communities and grants to Indian Tribes and Alaska Native Villages to construct wastewater treatment infrastructure, and fund other projects to enhance water quality. Since 1988, the Federal Government has invested approximately \$19.5 billion in grants to help capitalize the 51 SRFs. With required State match, additional State contribution, and funds from program leveraging, funds made available for such loans total approximately \$42.4 billion. EPA's goal is for the Clean Water SRFs to attain a long-term revolving level of \$2.8 billion annually.

Capitalization grants are also provided for the Drinking Water SRFs, which make low interest loans to public water systems and grants to Indian Tribes and Alaska Native Villages to upgrade drinking water infrastructure to help them provide safe drinking water. EPA's goal is for the Drinking Water SRFs to attain a long-term revolving level of \$1.2 billion annually.

Direct grants are also provided to help address the significant water and wastewater infrastructure needs of Alaska Native Villages and for a direct grant to Puerto Rico for the design of drinking water infrastructure improvements to the Metropolitan community water system in San Juan, Puerto Rico. Upon eventual completion of these infrastructure improvements in San Juan, another 1.4 million people will receive drinking water that meets public health standards for high risk contaminants.

EPA will support its partnerships with States and Tribes through media-specific and multi-media, and/or Performance Partnership grants to: (1) increase the number of community drinking water systems that meet all existing health-based standards, (2) protect watersheds by reducing point and nonpoint source pollution, (3) decrease the net loss of wetlands, and (4) address agricultural and urban runoff and storm water.

**Clean Air.**—To ensure that every American community has safe and healthy air to breathe, EPA will provide funds to States to upgrade and improve air monitoring networks to

obtain better data on emissions of particulate matter, ozone, and for regional haze programs. The Budget includes an additional \$7 million to expand and improve air toxics monitoring to assess EPA air toxics programs. EPA will offer media-specific and multi-media, and/or Performance Partnership grants to States and Tribes, and technical assistance to aid in the development of State and Tribal Implementation Plans to support solutions that address local air needs.

**Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces and Ecosystems.**—EPA plans to offer media-specific and multi-media, and/or Performance Partnership grants to States and Tribes, focusing on pollution prevention, lead, endangered species, worker protection, pesticide applicator certification and training, source reduction and recycling. Best approaches for encouraging recycling of non-hazardous industrial wastes will also be identified through work with the State and Tribal partners. The agency intends to provide assistance to States for the development and implementation of State programs to assess and mitigate radon.

**Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response.**—To ensure that America's waste will be stored, treated, and disposed of in ways that prevent harm to people and to the natural environment, EPA will work with States, Tribes and local governments to put environmental protection and decision making in the hands of those closest to the problems, while maintaining a Federal leadership role. In addition, EPA will fund brownfields projects resulting in 1,000 assessments, paving the way for productive reuse of these properties and bringing the cumulative number of sites assessed to over 5,000. There will be direct assistance through media-specific, and multi-media and/or Performance Partnership grants to enable Tribes to implement hazardous waste programs.

**A Credible Deterrent to Pollution and Greater Compliance With the Law.**—To promote compliance with laws intended to protect human health and the environment, EPA will offer media specific and multi-media funding to States and Tribes for compliance assurance activities including compliance assistance and incentives, inspections and enforcement activities.

**Reduction of Global and Cross-Border Environmental Risks.**—The Agency will provide direct grant assistance to address the serious environmental and human health problems associated with untreated and industrial and municipal sewage on the U.S.-Mexico border. In 2004, a cumulative 990 thousand residents of the U.S.-Mexico border area will be protected from health risks because of the construction of adequate water and wastewater sanitation systems since 1994. These funds also support attainment for the Clean and Safe Water goal. EPA has met its NAFTA commitment to provide a total of \$700 million for drinking water and wastewater infrastructure needs in the area. However, in recognition of the continuing environmental and public health needs in the area, the Budget continues funding for these activities.

**Quality Environmental Information.**—EPA plans to provide \$25 million to States to better enable them to integrate their environmental information systems. The purpose of this support is two-fold: to assist the Agency in managing for results and to allow States to maintain the necessary presence in this area.

Object Classification (in millions of dollars)		2002 actual	2003 est.	2004 est.
Identification code 68-0103-0-1-304				
25.2	Other services .....	29	1,388	12
25.3	Other purchases of goods and services from Government accounts .....	55	86	86
41.0	Grants, subsidies, and contributions .....	3,668	3,356	3,023
99.9	Total new obligations .....	3,752	4,830	3,121

## General and special funds—Continued

## PAYMENT TO THE HAZARDOUS SUBSTANCE SUPERFUND

## Program and Financing (in millions of dollars)

Identification code 68-0250-0-1-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	676	700	1,100
10.00 Total new obligations (object class 41.0) .....	676	700	1,100
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	676	700	1,100
23.95 Total new obligations .....	-676	-700	-1,100
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	676	700	1,100
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	676	700	1,100
73.20 Total outlays (gross) .....	-676	-700	-1,100
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	676	700	1,100
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	676	700	1,100
90.00 Outlays .....	676	700	1,100

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, authorizes appropriations from the general fund to finance activities conducted through the Hazardous Substance Superfund. The authorization for general fund payments to the Superfund expired in 1995, but the Administration proposes to continue the payment from the general fund at \$1,100,000,000 million in 2004.

## ENVIRONMENTAL SERVICES

Beginning in fiscal year 2004 and thereafter, the Administrator is authorized to assess fees from any person required to submit data under section 4 or 5 of the Toxic Substances Control Act without regard to the dollar limitations established in section 26(b)(1) of the Act. Such fees shall be calculated based on costs associated with administering those sections of the Act, and shall be paid at the time of data submission, unless otherwise specified by the Administrator. The Administrator may take into account the ability to pay of the person required to submit the data. The Administrator shall promulgate rules to implement this provision. Such rules may provide for allocating the fee in any case in which the expenses of data submission under section 4 or 5 are shared. Fees collected under this provision shall be deposited in a special fund in the U.S. Treasury, which thereafter will be available, subject to appropriation, to carry out the Agency's activities for which such fees are collected.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Unavailable Collections (in millions of dollars)

Identification code 68-5295-0-2-304	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	88	99	103
Receipts:			
Offsetting governmental receipts:			
02.60 Environmental Services .....	11	11	19
02.60 Environmental Services, proposed legislation .....		4	4
02.99 Total receipts and collections .....	11	15	23
04.00 Total: Balances and collections .....	99	114	126
Appropriations:			
05.00 Science and technology .....		-11	-19
07.99 Balance, end of year .....	99	103	107

A special fund was established for the deposit of fee receipts associated with environmental programs, including motor vehicle engine certifications. Receipts in this special fund will be appropriated to the Science and Technology account in 2004 to finance the expenses of the programs that generate the receipts. Contingent appropriations language is being proposed to modify the cap on the allowable fee that can be charged to recover the costs of EPA's Premanufacture Notification program, for which EPA will issue a rulemaking. Enactment of this appropriations language and needed authorizing legislation would generate \$4 million in receipts in 2004 that would be discretionary under the Budget Enforcement Act.

## REREGISTRATION AND EXPEDITED PROCESSING REVOLVING FUND

## Program and Financing (in millions of dollars)

Identification code 68-4310-0-3-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	19	58	36
10.00 Total new obligations .....	19	58	36
<b>Budgetary resources available for obligation:</b>			
21.00 Unobligated balance carried forward, start of year .....	2		
22.00 New budget authority (gross) .....	18	58	36
23.90 Total budgetary resources available for obligation .....	20	58	36
23.95 Total new obligations .....	-19	-58	-36
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....			8
Mandatory:			
69.00 Offsetting collections (cash) .....	18	58	28
70.00 Total new budget authority (gross) .....	18	58	36
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	3	47
73.10 Total new obligations .....	19	58	36
73.20 Total outlays (gross) .....	-18	-14	-36
74.40 Obligated balance, end of year .....	3	47	47
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			8
86.97 Outlays from new mandatory authority .....	18	14	28
87.00 Total outlays (gross) .....	18	14	36
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.45 Offsetting collections (cash) from: Offsetting governmental collections (from non-Federal sources) .....	-18	-58	-36
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		-44	
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....			39
92.02 Total investments, end of year: Federal securities: Par value .....		39	39
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

Fees are paid by industry to offset costs of accelerated reregistration, expedited processing of pesticides, and establishing tolerances for pesticide chemicals in or on food and animal feed. Tolerance reassessment activities will in large part be financed by the tolerance fee, which is authorized by the Food Quality Protection Act of 1996. The President's Budget includes a proposal to extend through fiscal year 2006

at a reduced level, the pesticide maintenance fee which is scheduled to expire before 2004. This fee, which was originally authorized in the Federal Insecticide, Fungicide, and Rodenticide Act of 1988, will be used for reregistration activities and expedited processing of similar applications, as required by law.

Object Classification (in millions of dollars)				
Identification code 68-4310-0-3-304		2002 actual	2003 est.	2004 est.
11.1	Personnel compensation: Full-time permanent .....	8	8	19
12.1	Civilian personnel benefits .....	2	3	4
23.1	Rental payments to GSA .....	1	2	1
25.2	Other services .....	7	44	11
31.0	Equipment .....	1	1	1
99.0	Reimbursable obligations .....	19	58	36
99.9	Total new obligations .....	19	58	36

**Personnel Summary**

Identification code 68-4310-0-3-304		2002 actual	2003 est.	2004 est.
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	174	117	187

**Intragovernmental fund:**

**WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 68-4565-0-4-304		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
09.01	ETSD Operations .....	124	157	115
09.02	Postage .....	4	4	3
09.99	Total reimbursable program .....	128	161	118
10.00	Total new obligations .....	128	161	118
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	23	27	.....
22.00	New budget authority (gross) .....	132	134	118
22.10	Resources available from recoveries of prior year obligations .....	2	.....	.....
23.90	Total budgetary resources available for obligation .....	157	161	118
23.95	Total new obligations .....	-128	-161	-118
24.40	Unobligated balance carried forward, end of year .....	27	.....	.....
<b>New budget authority (gross), detail:</b>				
Discretionary:				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	132	134	118
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	28	30	47
73.10	Total new obligations .....	128	161	118
73.20	Total outlays (gross) .....	-126	-144	-128
73.45	Recoveries of prior year obligations .....	-2	.....	.....
74.40	Obligated balance, end of year .....	30	47	37
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	126	134	118
86.93	Outlays from discretionary balances .....	.....	10	10
87.00	Total outlays (gross) .....	126	144	128
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-132	-134	-118
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	.....	.....	.....
90.00	Outlays .....	-6	10	10

EPA received authority to establish a Working Capital Fund (WCF) and was designated a pilot franchise fund under

Public Law 103-356, the Government Management and Reform Act of 1994. EPA's WCF became operational in 1997 and includes two activities: Enterprise Technology Services Division's computer operations and Agency postage. The 2004 amount reflects only base resources and may change during the year as programmatic needs change. The Agency received permanent authority for the WCF in P.L. 105-65, which among other things is intended to increase competition for government administrative services resulting in lower costs and higher quality.

**Object Classification (in millions of dollars)**

Identification code 68-4565-0-4-304		2002 actual	2003 est.	2004 est.
11.1	Personnel compensation: Full-time permanent .....	8	8	7
12.1	Civilian personnel benefits .....	2	1	1
23.1	Rental payments to GSA .....	3	4	4
23.3	Communications, utilities, and miscellaneous charges .....	23	22	19
25.2	Other services .....	7	69	11
25.7	Operation and maintenance of equipment .....	75	45	62
31.0	Equipment .....	10	9	11
32.0	Land and structures .....	.....	3	3
99.9	Total new obligations .....	128	161	118

**Personnel Summary**

Identification code 68-4565-0-4-304		2002 actual	2003 est.	2004 est.
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	94	100	100

**ABATEMENT, CONTROL, AND COMPLIANCE LOAN PROGRAM ACCOUNT**

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 68-0118-0-1-304		2002 actual	2003 est.	2004 est.
0101	Negative subsidies/subsidy reestimates .....	1	.....	.....

**Program and Financing (in millions of dollars)**

Identification code 68-0118-0-1-304		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.05	Reestimates of direct loan subsidy .....	.....	1	.....
10.00	Total new obligations (object class 41.0) .....	.....	1	.....
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	.....	1	.....
23.95	Total new obligations .....	.....	-1	.....
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.00	Appropriation .....	.....	1	.....
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....	.....	1	.....
73.20	Total outlays (gross) .....	.....	-1	.....
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	.....	1	.....
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	.....	1	.....
90.00	Outlays .....	.....	1	.....

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 68-0118-0-1-304		2002 actual	2003 est.	2004 est.
Direct loan subsidy outlays:				
134001	Abatement, control, and compliance loan program .....	.....	.....	.....
134901	Total subsidy outlays .....	.....	.....	.....

**Intragovernmental fund—Continued****ABATEMENT, CONTROL, AND COMPLIANCE LOAN PROGRAM  
ACCOUNT—Continued****Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in  
millions of dollars)—Continued**

Identification code 68-0118-0-1-304	2002 actual	2003 est.	2004 est.
Direct loan upward reestimate subsidy budget authority:			
135001 Abatement, control, and compliance upward reestimates subsidy BA .....		1	
135901 Total upward reestimate budget authority .....		1	
Direct loan upward reestimate subsidy outlays:			
136001 Abatement, control, and compliance upward reestimates subsidy outlays .....		1	
136901 Total upward reestimate outlays .....		1	
Direct loan downward reestimate subsidy budget authority:			
137001 Abatement, control, and compliance downward reestimates subsidy BA .....	-1		
137901 Total downward reestimate budget authority .....	-1		
Direct loan downward reestimate subsidy outlays:			
138001 Abatement, control, and compliance downward reestimates subsidy outlays .....	-1		
138901 Total downward reestimate subsidy outlays .....	-1		
Administrative expense data:			
351001 Budget authority .....			
359001 Outlays from new authority .....			

**ABATEMENT, CONTROL, AND COMPLIANCE DIRECT LOAN FINANCING  
ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 68-4322-0-3-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Payment of interest to Treasury .....	2	1	1
08.02 Downward Reestimate .....	1		
10.00 Total new obligations .....	3	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6		
22.00 New financing authority (gross) .....	4	6	5
22.60 Portion applied to repay debt .....	-7	-4	-3
23.90 Total budgetary resources available for obligation .....	3	2	2
23.95 Total new obligations .....	-3	-1	-1
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	4	6	5
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	3	1	1
73.20 Total financing disbursements (gross) .....	-3		
87.00 Total financing disbursements (gross) .....	3		
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....		-1	
88.40 Non-Federal sources .....	-4	-5	-5
88.90 Total, offsetting collections (cash) .....	-4	-6	-5
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....	-1	-6	-5

**Status of Direct Loans (in millions of dollars)**

Identification code 68-4322-0-3-304	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....			
1150 Total direct loan obligations .....			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	42	38	33
1251 Repayments: Repayments and prepayments .....	-4	-5	-5
1290 Outstanding, end of year .....	38	33	28

**Balance Sheet (in millions of dollars)**

Identification code 68-4322-0-3-304	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Investments in US securities:				
1106 Federal assets: Receivables, net .....	2	2	2	
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	41	37	32	
1405 Allowance for subsidy cost (-) .....	-1	-1	-1	
1499 Net present value of assets related to direct loans .....	40	36	31	
1999 Total assets .....	42	38	33	
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt .....	40	36	31	
2999 Total liabilities .....	40	36	31	
<b>NET POSITION:</b>				
3100 Appropriated capital .....	2	2	2	
3999 Total net position .....	2	2	2	
4999 Total liabilities and net position .....	42	38	33	

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including credit sales of acquired property that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Trust Funds****HAZARDOUS SUBSTANCE SUPERFUND**

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including sections 111(c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project; \$1,389,716,000, to remain available until expended, consisting of \$289,716,000, as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended, and \$1,100,000,000 as a payment from general revenues to the Hazardous Substance Superfund for purposes as authorized by section 517(b) of SARA, as amended: Provided, That funds appropriated under this heading may be allocated to other Federal agencies in accordance with section 111(a) of CERCLA: Provided further, That of the funds appropriated under this heading, \$13,213,600 shall be transferred to the "Office of Inspector General" appropriation to remain available until September 30, 2005, and \$44,697,400 shall be transferred to the "Science and Technology" appropriation to remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 20-8145-0-7-304	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	860	564	159
Receipts:			
02.01 Corporation income taxes	7		
02.02 Fines and penalties	1	3	3
02.20 Recoveries	248	175	175
02.40 Interest and profits on investments	179	67	62
02.41 Interfund transactions	676	700	1,100
02.80 Hazardous substance superfund, offsetting collections	171	200	200
02.81 Agency for Toxic Substance and Disease Registry, offsetting collections	7	25	25
02.99 Total receipts and collections	1,289	1,170	1,565
04.00 Total: Balances and collections	2,149	1,734	1,724
Appropriations:			
05.00 Hazardous substance superfund	-1,501	-1,473	-1,590
05.01 Salaries and expenses, Agency for Toxic Substance and Disease Registry	-85	-102	-98
05.99 Total appropriations	-1,586	-1,575	-1,688
06.10 Unobligated balance returned to receipts	1		
07.99 Balance, end of year	564	159	36

**Program and Financing** (in millions of dollars)

Identification code 20-8145-0-7-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Waste Management	1,473	2,237	1,293
00.07 Right to Know	10	9	10
00.08 Sound Science	3		4
00.09 Credible Deterrent	18	20	19
00.10 Effective Management	52	68	65
01.00 Subtotal direct program	1,556	2,334	1,391
09.01 Reimbursable program	130	200	200
10.00 Total new obligations	1,686	2,534	1,591
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	707	761	
22.00 New budget authority (gross)	1,506	1,473	1,590
22.10 Resources available from recoveries of prior year obligations	232	300	
23.90 Total budgetary resources available for obligation	2,445	2,534	1,590
23.95 Total new obligations	-1,686	-2,534	-1,591
24.40 Unobligated balance carried forward, end of year	761		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation (trust fund):			
40.26 Appropriation (trust fund includes H.S.)	1,263	1,224	1,334
40.26 Appropriation (transfer to Inspector General)	12	13	13
40.26 Appropriation (transfer to S&T)	37	36	43
40.73 Reduction pursuant to P.L. 107-206	-2		
43.00 Appropriation (total discretionary)	1,310	1,273	1,390
Mandatory:			
60.26 Appropriation (trust fund) (indefinite)	20		
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	171	200	200
68.10 Change in uncollected customer payments from Federal sources (unexpired)	5		
68.90 Spending authority from offsetting collections (total discretionary)	176	200	200
70.00 Total new budget authority (gross)	1,506	1,473	1,590
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	2,158	2,036	2,777
73.10 Total new obligations	1,686	2,534	1,591
73.20 Total outlays (gross)	-1,568	-1,493	-1,605
73.40 Adjustments in expired accounts (net)	-1		
73.45 Recoveries of prior year obligations	-232	-300	
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-5		
74.40 Obligated balance, end of year	2,036	2,777	2,761
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	192	531	562

86.93 Outlays from discretionary balances	1,376	962	1,043
87.00 Total outlays (gross)	1,568	1,493	1,605
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	75	-200	-200
88.40 Non-Federal sources	-246		
88.90 Total, offsetting collections (cash)	-171	-200	-200
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-5		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	1,330	1,273	1,390
90.00 Outlays	1,398	1,293	1,405
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value	3,630	3,234	2,838
92.02 Total investments, end of year: Federal securities:			
Par value	3,234	2,838	2,625
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority	19	20	20
99.01 Outlays	19	20	20

This appropriation provides funds for the implementation of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA) including activities under the Working Capital Fund. This appropriation supports core Agency programs and four of the Agency's ten goals. Specifically in 2004, emphasis will be placed on the following:

*Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response.*—EPA expects to complete cleanups at 40 sites and conduct 350 removal actions. EPA will initiate remedial action at 8 to 15 additional sites with expanded resources to regions. Through 2002, cleanups had been completed at 846 sites, and 7,119 removal actions had been taken. EPA responds to terrorism by cleaning up contaminated buildings, monitoring ambient conditions around disaster areas, and removing hazardous materials. EPA will conduct research to provide improved methods, models and technologies to support the Agency's objective of reducing or controlling health risks at contaminated sites. EPA will also work to maximize responsible parties' participation in site cleanups while promoting fairness in the enforcement process, and pursue greater recovery of EPA's cleanup costs. EPA will allocate funds from its appropriation to other Federal agencies to carry out the Act.

*Quality Environmental Information.*—EPA will continue to inform decision makers and provide access to balanced environmental data. Environmental information will better enable the public to understand conditions and make knowledgeable choices about protecting the health and the environment of local communities. It will lead to creative and sustainable solutions to environmental problems and opportunities for pollution prevention. Quality environmental information is crucial to sound decision making and to establishing public trust and confidence in those decisions.

*A Credible Deterrent to Pollution and Greater Compliance With the Law.*—EPA will investigate and refer for prosecution criminal and civil violations of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA).

*Effective Management.*—EPA will work to ensure fiscal responsibility in support of site cleanups. EPA will continue to implement performance-based service contracts instead of the traditional cost-plus, level-of-effort contracts, and will improve the quality and availability of information on the status and use of resources.

**HAZARDOUS SUBSTANCE SUPERFUND—Continued**  
(INCLUDING TRANSFER OF FUNDS)—Continued

**Selected Annual Site Cleanup Targets**

	2002 actual	2003 est.	2004 est.
NPL Site Cleanups Completed .....	42	40	40
Removal Action Starts .....	426	350	350

**Status of Funds (in millions of dollars)**

Identification code 20-8145-0-7-304	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100 Uninvested balance .....	179	175	181
Federal securities:			
0101 Par value .....	3,630	3,234	2,838
0102 Unrealized discounts .....	-54	-4	-51
0199 Total balance, start of year .....	3,755	3,405	2,968
Cash income during the year:			
Current law:			
Receipts:			
1201 Corporate Income Tax, Hazardous substance superfund, EPA .....	7		
1202 Fines and penalties, Hazardous substance superfund, EPA .....	1	3	3
Offsetting receipts (proprietary):			
1220 Recoveries, Hazardous substance superfund, EPA .....	248	175	175
Offsetting receipts (intragovernmental):			
1240 Interest and profits on investments, Hazardous substance superfund, EPA .....	179	67	62
1241 Interfund transactions, Hazardous substance superfund, EPA .....	676	700	1,100
Offsetting collections:			
1280 Offsetting collections .....	171	200	200
1281 Offsetting collections, Agency for Toxic Sub- stance and Disease Registry .....	13	25	25
1299 Income under present law .....	1,295	1,170	1,565
Cash outgo during year:			
Current law:			
4500 Cash outgo during the year, legislative proposal (-) .....	-1,568	-1,493	-1,605
4501 Salaries and expenses, Agency for Toxic Substance and Disease Registry .....	-77	-114	-100
4599 Outgo under current law (-) .....	-1,645	-1,607	-1,705
Unexpended balance, end of year:			
8700 Uninvested balance .....	175	181	202
Federal securities:			
8701 Par value .....	3,234	2,838	2,625
8702 Unrealized discounts .....	-4	-51	
8799 Total balance, end of year .....	3,405	2,968	2,827

**Object Classification (in millions of dollars)**

Identification code 20-8145-0-7-304	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	223	224	252
11.3 Other than full-time permanent .....	11	11	11
11.5 Other personnel compensation .....	6	5	5
11.7 Military personnel .....	1	1	1
11.8 Special personal services payments .....	1	1	1
11.9 Total personnel compensation .....	242	242	270
12.1 Civilian personnel benefits .....	56	46	56
21.0 Travel and transportation of persons .....	14	11	11
23.1 Rental payments to GSA .....	40	39	41
23.2 Rental payments to others .....	3	2	3
23.3 Communications, utilities, and miscellaneous charges .....	4	3	4
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	2	2	2
25.2 Other services .....	508	1,432	315
25.3 Other purchases of goods and services from Gov- ernment accounts .....	401	319	401
25.4 Operation and maintenance of facilities .....	4	3	4
25.7 Operation and maintenance of equipment .....	5	4	5
26.0 Supplies and materials .....	6	5	6
31.0 Equipment .....	16	13	16
41.0 Grants, subsidies, and contributions .....	206	164	206
42.0 Insurance claims and indemnities .....	10	8	10
99.0 Direct obligations .....	1,518	2,294	1,351

99.0 Reimbursable obligations .....	130	202	202
Allocation Account:			
11.1 Personnel compensation: Full-time permanent .....	9	9	9
12.1 Civilian personnel benefits .....	6	6	6
25.2 Other services .....	23	23	23
99.0 Allocation account .....	38	38	38
99.9 Total new obligations .....	1,686	2,534	1,591

**Personnel Summary**

Identification code 20-8145-0-7-304	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equiv- alent employment .....	3,165	3,227	3,123
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equiv- alent employment .....	15	84	84

**LEAKING UNDERGROUND STORAGE TANK TRUST FUND**

*For necessary expenses to carry out leaking underground storage tank cleanup activities authorized by section 205 of the Superfund Amendments and Reauthorization Act of 1986, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$75,000 per project, \$72,545,400, to remain available until expended.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Unavailable Collections (in millions of dollars)**

Identification code 20-8153-0-7-304	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	1,624	1,822	2,018
Receipts:			
02.00 Transfers from the general fund, amounts equivalent to taxes .....	181	183	189
02.40 Interest .....	90	85	68
02.99 Total receipts and collections .....	271	268	257
04.00 Total: Balances and collections .....	1,895	2,090	2,275
Appropriations:			
05.00 LUST trust fund .....	-73	-72	-73
07.99 Balance, end of year .....	1,822	2,018	2,202

**Program and Financing (in millions of dollars)**

Identification code 20-8153-0-7-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Waste Management .....	75	70	70
00.10 Effective Management .....	2	8	3
10.00 Total new obligations .....	77	78	73
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	3	
22.00 New budget authority (gross) .....	73	72	73
22.10 Resources available from recoveries of prior year obli- gations .....	1	3	
23.90 Total budgetary resources available for obligation .....	80	78	73
23.95 Total new obligations .....	-77	-78	-73
24.40 Unobligated balance carried forward, end of year .....	3		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	73	72	73
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	83	82	74
73.10 Total new obligations .....	77	78	73
73.20 Total outlays (gross) .....	-75	-83	-81
73.45 Recoveries of prior year obligations .....	-1	-3	
74.40 Obligated balance, end of year .....	82	74	66

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	37	36	37
86.93	Outlays from discretionary balances .....	38	47	44
87.00	Total outlays (gross) .....	75	83	81
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	73	72	73
90.00	Outlays .....	77	83	81
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities: Par value .....	1,773	1,893	2,124
92.02	Total investments, end of year: Federal securities: Par value .....	1,893	2,124	2,327
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	1	1	1
99.01	Outlays .....	1	1	1

The Leaking Underground Storage Tank (LUST) Trust Fund, authorized by the Superfund Amendments and Reauthorization Act of 1986, as amended by the Omnibus Budget Reconciliation Act of 1990 and the Taxpayer Relief Act of 1997, provides funds for responding to releases from leaking underground petroleum tanks, including activities under the Working Capital Fund. The Trust Fund is financed by a 0.1 cent a gallon tax on motor fuels, that will expire after March 31, 2005.

Funds are allocated to the States through cooperative agreements to clean up those sites posing the greatest threat to human health and environment. Funds are also used for grants to non-state entities, including Indian Tribes, under section 8001 of the Resource Conservation and Recovery Act. EPA supports oversight, cleanup and enforcement programs which are implemented by the States. LUST Trust Fund dollars can be used for State-lead cleanups and for State oversight of responsible party cleanups.

This appropriation supports core Agency programs and two of the Agency's ten goals. Specifically in 2004, emphasis will be placed on the following:

*Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response.*—To ensure that America's waste will be stored, treated, and disposed of in ways that prevent harm to people and to the natural environment, EPA will support State and Tribal efforts to design and implement risk-based corrective action programs. These programs will help to reduce the backlog of Underground Storage Tank (UST) sites with confirmed releases waiting to be addressed, and to enforce the 1998 UST leak detection and upgrade standards.

*Effective Management.*—EPA will support the States' and EPA's efforts to regulate and oversee the cleanup of leaking underground storage tanks, through a management infrastructure that sets and implements the highest quality standards for effective internal management and fiscal responsibility.

**Status of Funds (in millions of dollars)**

Identification code 20-8153-0-7-304	2002 actual	2003 est.	2004 est.	
Unexpended balance, start of year:				
0100	Uninvested balance .....	18	16	
Federal securities:				
0101	Par value .....	1,704	1,893	2,124
0102	Unrealized discounts .....	-9	-2	-32
0199	Total balance, start of year .....	1,713	1,907	2,092
Cash income during the year:				
Current law:				
Receipts:				
1200	Transfer from the general fund amounts equivalent to taxes, Leaking Underground Storage Tank .....	181	183	189
Offsetting receipts (intragovernmental):				
1240	Earnings on investments, Leaking Underground Storage Tank Trust Fund, EPA .....	90	85	68

1299	Income under present law .....	271	268	257
Cash outgo during year:				
Current law:				
4500	Leaking underground storage tank trust fund .....	-75	-83	-81
Unexpended balance, end of year:				
8700	Uninvested balance .....	16		
Federal securities:				
8701	Par value .....	1,893	2,124	2,327
8702	Unrealized discounts .....	-2	-32	-59
8799	Total balance, end of year .....	1,907	2,092	2,268

**Object Classification (in millions of dollars)**

Identification code 20-8153-0-7-304	2002 actual	2003 est.	2004 est.	
11.1	Personnel compensation: Full-time permanent .....	6	5	7
12.1	Civilian personnel benefits .....	1	1	1
23.1	Rental payments to GSA .....	1	1	1
25.2	Other services .....	3	11	5
41.0	Grants, subsidies, and contributions .....	66	60	59
99.9	Total new obligations .....	77	78	73

**Personnel Summary**

Identification code 20-8153-0-7-304	2002 actual	2003 est.	2004 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	72	80	80

**OIL SPILL RESPONSE**

*For expenses necessary to carry out the Environmental Protection Agency's responsibilities under the Oil Pollution Act of 1990, \$16,208,800, to be derived from the Oil Spill Liability trust fund, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 68-8221-0-7-304	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.05	Waste Management .....	13	66	16
01.00	Direct Program .....	13	66	16
09.01	Reimbursable program .....	20	20	20
10.00	Total new obligations .....	33	86	36
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	44	50	
22.00	New budget authority (gross) .....	35	36	36
22.10	Resources available from recoveries of prior year obligations .....	4		
23.90	Total budgetary resources available for obligation .....	83	86	36
23.95	Total new obligations .....	-33	-86	-36
24.40	Unobligated balance carried forward, end of year .....	50		
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.26	Appropriation (trust fund) .....	15	16	16
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	17	20	20
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	3		
68.90	Spending authority from offsetting collections (total discretionary) .....	20	20	20
70.00	Total new budget authority (gross) .....	35	36	36
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	-41	-46	
73.10	Total new obligations .....	33	86	36
73.20	Total outlays (gross) .....	-31	-39	-41
73.45	Recoveries of prior year obligations .....	-4		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-3		

OIL SPILL RESPONSE—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 68-8221-0-7-304	2002 actual	2003 est.	2004 est.
74.40 Obligated balance, end of year .....	-46		-5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	15	28	28
86.93 Outlays from discretionary balances .....	16	11	13
87.00 Total outlays (gross) .....	31	39	41
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-17	-20	-20
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-3		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	15	16	16
90.00 Outlays .....	14	19	21
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

This appropriation provides for EPA's responsibilities for prevention, preparedness, and response activities authorized under the Federal Water Pollution Control Act, as amended by the Oil Pollution Act of 1990 (OPA), including activities under the Working Capital Fund. This appropriation supports core Agency programs and the Agency's waste management goal. Specifically in 2004, emphasis will be placed on the following:

*Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response.*—EPA will work to ensure that 600 additional facilities per year comply with the oil spill prevention, control and countermeasure provisions of the OPA. EPA will also direct response actions when appropriate. Funding of oil spill cleanup actions is provided through the Department of Transportation under the Oil Spill Liability Trust Fund.

Object Classification (in millions of dollars)

Identification code 68-8221-0-7-304	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	6	8	8
12.1 Civilian personnel benefits .....	2	2	2
23.1 Rental payments to GSA .....		1	1
25.2 Other services .....	5	55	5
99.0 Direct obligations .....	13	66	16
99.0 Reimbursable obligations .....	20	20	20

99.9	Total new obligations .....	33	86	36
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Personnel Summary

Identification code 68-8221-0-7-304	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	88	100	100
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	8		

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Governmental receipts:			
68-089500 Registration, PMN, other services .....	2	28	28
General Fund Governmental receipts .....	2	28	28
Offsetting receipts from the public:			
68-275330 Downward reestimates of subsidies, Abatement, control and compliance loans .....	1		
General Fund Offsetting receipts from the public .....	1		

ADMINISTRATIVE PROVISION

For fiscal year 2004, notwithstanding 31 U.S.C. 6303(1) and 6305(1), the Administrator of the Environmental Protection Agency, in carrying out the Agency's function to implement directly Federal environmental programs required or authorized by law in the absence of an acceptable tribal program, may award cooperative agreements to federally-recognized Indian Tribes or Intertribal consortia, if authorized by their member Tribes, to assist the Administrator in implementing Federal environmental programs for Indian Tribes required or authorized by law, except that no such cooperative agreements may be awarded from funds designated for State financial assistance agreements.

Section 136a-1 of title 7, U.S.C. is amended—

(1) in subsection (i)(5)(C)(i) by striking "\$17,000,000" and inserting "\$8,200,000"; and by striking "fiscal year 2002" and inserting "in each of the fiscal years 2004, 2005, and 2006";

(2) in subsection (i)(5)(H) by striking "2002" and inserting "2006".

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:  
Appalachian Regional Commission.  
General Services Administration.

# EXECUTIVE OFFICE OF THE PRESIDENT

## THE WHITE HOUSE

### Federal Funds

#### General and special funds:

##### SALARIES AND EXPENSES

For the Compensation of the President and White House Office (including the Office of Homeland Security), Executive Residence, White House Repair and Restoration, Office of Policy and Development, Office of Administration, Council of Economic Advisers and the National Security Council, (hereinafter, and solely for the purposes of title VI of this Act, "the White House"), \$183,770,000, of which \$24,803,000 shall remain available until expended, including compensation for the President, including an expense allowance of \$50,000 as authorized by 3 U.S.C. 102; for travel expenses of \$100,000 as authorized by 3 U.S.C. 103; for necessary expenses for the White House as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; for the necessary expenses of the Executive Residence at the White House as authorized by 3 U.S.C. 105, 109, 110, and 112-114; for the necessary expenses of the Offices and Councils in the White House account as authorized by 5 U.S.C. 3109, 15 U.S.C. 1021, and 3 U.S.C. 105 and 107 (including not to exceed \$19,000 for official reception and representation expenses); and for the hire of passenger motor vehicles: Provided, That none of the funds made available to the President for official expenses shall be expended for any other purpose and any unused portion of such funds shall revert to the Treasury pursuant to 31 U.S.C. 1552: Provided further, That no such funds shall be considered as taxable to the President: Provided further, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

##### REIMBURSABLE EXPENSES

For the reimbursable expenses of the Executive Residence at the White House, such sums as may be necessary: Provided, That all reimbursable operating expenses of the Executive Residence shall be made in accordance with the provisions of this paragraph: Provided further, That, notwithstanding any other provision of law, such amount for reimbursable operating expenses shall be the exclusive authority of the Executive Residence to incur obligations and to receive offsetting collections, for such expenses: Provided further, That the Executive Residence shall require each person sponsoring a reimbursable political event to pay in advance an amount equal to the estimated cost of the event, and all such advance payments shall be credited to this account and remain available until expended: Provided further, That the Executive Residence shall require the national committee of the political party of the President to maintain on deposit \$25,000, to be separately accounted for and available for expenses relating to reimbursable political events sponsored by such committee during such fiscal year: Provided further, That the Executive Residence shall ensure that a written notice of any amount owed for a reimbursable operating expense under this paragraph is submitted to the person owing such amount within 60 days after such expense is incurred, and that such amount is collected within 30 days after the submission of such notice: Provided further, That the Executive Residence shall charge interest and assess penalties and other charges on any such amount that is not reimbursed within such 30 days, in accordance with the interest and penalty provisions applicable to an outstanding debt on a United States Government claim under section 3717 of title 31, United States Code: Provided further, That each such amount that is reimbursed, and any accompanying interest and charges, shall be deposited in the Treasury as miscellaneous receipts: Provided further, That the Executive Residence shall prepare and submit to the Committees on Appropriations, by not later than 90 days after the end of the fiscal year covered by this Act, a report setting forth the reimbursable operating expenses of the Executive Residence during the preceding fiscal year, including the total amount of such expenses, the amount of such total that consists of reimbursable official and ceremonial events, the amount of such total that consists of reimbursable political events, and the portion of each such

amount that has been reimbursed as of the date of the report: Provided further, That the Executive Residence shall maintain a system for the tracking of expenses related to reimbursable events within the Executive Residence that includes a standard for the classification of any such expense as political or nonpolitical: Provided further, That no provision of this paragraph may be construed to exempt the Executive Residence from any other applicable requirement of subchapter I or II of chapter 37 of title 31, United States Code.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 11-0209-0-1-802	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	197	187	184
09.01 Reimbursable program .....	5	7	7
10.00 Total new obligations .....	202	194	191
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	11	42	42
22.00 New budget authority (gross) .....	202	196	191
22.22 Unobligated balance transferred from other accounts	31		
23.90 Total budgetary resources available for obligation	244	238	233
23.95 Total new obligations .....	-202	-194	-191
24.40 Unobligated balance carried forward, end of year .....	42	42	42
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	52	142	147
40.00 Appropriation .....	140	45	35
40.00 Appropriation .....		2	2
43.00 Appropriation (total discretionary) .....	192	189	184
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	6	7	7
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	4		
68.90 Spending authority from offsetting collections (total discretionary) .....	10	7	7
70.00 Total new budget authority (gross) .....	202	196	191
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	24	54	48
73.10 Total new obligations .....	202	194	191
73.20 Total outlays (gross) .....	-178	-200	-193
73.40 Adjustments in expired accounts (net) .....	8		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-4		
74.40 Obligated balance, end of year .....	54	48	46
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	163	167	164
86.93 Outlays from discretionary balances .....	15	33	29
87.00 Total outlays (gross) .....	178	200	193
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-6	-7	-7
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-4		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	192	189	184
90.00 Outlays .....	174	193	186
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	4	4

General and special funds—Continued

REIMBURSABLE EXPENSES—Continued

99.01	Outlays .....	3	4	4
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Object Classification (in millions of dollars)

Identification code 11-0209-0-1-802	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	59	72	68
12.1 Civilian personnel benefits .....	13	14	16
21.0 Travel and transportation of persons .....	3	5	4
22.0 Transportation of things .....	8		
23.1 Rental payments to GSA .....	17	17	17
23.3 Communications, utilities, and miscellaneous charges .....	12	7	13
24.0 Printing and reproduction .....	2	2	2
25.2 Other services .....	66	55	49
26.0 Supplies and materials .....	5	4	4
31.0 Equipment .....	12	11	11
99.0 Direct obligations .....	197	187	184
99.0 Reimbursable obligations .....	5	7	7
99.9 Total new obligations .....	202	194	191

As part of the 2004 Budget, the Administration is requesting a consolidation and financial realignment of the Executive Office of the President (EOP) accounts that directly support the President. The initiative would consolidate the annual appropriations of the Compensation of the President and White House Office (including resources for the Office of Homeland Security), Executive Residence, White House Repair and Restoration, the Office of Policy Development, the Council of Economic Advisers, the National Security Council, and the Office of Administration, into a single appropriation called "The White House."

Also included as part of the requested consolidation is a title VI general provision that would provide for a 10 percent transfer authority among the following accounts: The White House, Special Assistance to the President and Official Residence of the Vice President, Office of Management and Budget, United States Trade Representative, Office of National Drug Control Policy, Council on Environmental Quality, and the Office of Science and Technology Policy. Transfers from the Special Assistance to the President and the Official Residence of the Vice President account are subject to the approval of the Vice President.

This initiative provides enhanced flexibility in allocating resources and staff in support of the President and Vice President, and permits more rapid response to changing needs and priorities.

This White House account, with estimated 2004 costs, includes: Compensation of the President and the White House Office (\$70.7 million—including the Office of Homeland Security), the Executive Residence at the White House (\$12.5 million), White House Repair and Restoration (\$4.2 million), Council of Economic Advisors (\$4.5 million), Office of Policy Development (\$4.1 million), National Security Council (\$10.6 million), and the Office of Administration (\$77.2 million).

Personnel Summary

Identification code 11-0209-0-1-802	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	794	904	904

**SPECIAL ASSISTANCE TO THE PRESIDENT AND THE OFFICIAL RESIDENCE OF THE VICE PRESIDENT**

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President in connection with specially assigned functions; services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles, \$4,461,000.

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For the care, operation, refurbishing, improvement, and to the extent not otherwise provided for, heating and lighting, including electric power and fixtures, of the official residence of the Vice President; the hire of passenger vehicles; and not to exceed \$90,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate \$331,000: Provided, That advances and repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 11-1454-0-1-802	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Salaries and Expenses .....	3	4	4
10.00 Total new obligations .....	3	4	4
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	4	4	4
23.95 Total new obligations .....	-3	-4	-4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	4	4	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		
73.10 Total new obligations .....	3	4	4
73.20 Total outlays (gross) .....	-4	-4	-4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	3	3
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	4	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4	4	4
90.00 Outlays .....	4	4	4

These funds are to be used by the Vice President to carry out responsibilities assigned to the Vice President by the President and by various statutes. These funds also provide for the care and operation of the Vice President's official residence (\$318 thousand and 1 FTE in 2002, and requests of \$324 thousand and 1 FTE and \$331 thousand and 1 FTE in 2003 and 2004 respectively).

In order to provide for enhanced flexibility in allocating resources and staff in support of the President and Vice President, and permit a more rapid response to changing national needs and priorities, the budget contains a title VI general provision that provides for a 10 percent transfer authority between this account and other accounts in the Executive Office of the President. However, transfers from this account are subject to the approval of the Vice President.

**Object Classification** (in millions of dollars)

Identification code 11-1454-0-1-802	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	2	2
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
99.9 Total new obligations .....	3	4	4

**Personnel Summary**

Identification code 11-1454-0-1-802	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	19	25	25

**COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY**

**Federal Funds**

**General and special funds:**

*COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY*

For necessary expenses to continue functions assigned to the Council on Environmental Quality and Office of Environmental Quality pursuant to the National Environmental Policy Act of 1969, the Environmental Quality Improvement Act of 1970, and Reorganization Plan No. 1 of 1977, and not to exceed \$750 for official reception and representation expenses, \$3,238,000: Provided, That notwithstanding section 202 of the National Environmental Policy Act of 1970, the Council shall consist of one member, appointed by the President, by and with the advice and consent of the Senate, serving as chairman and exercising all powers, functions, and duties of the Council.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 11-1453-0-1-802	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Salaries and Expenses .....	3	3	3
10.00 Total new obligations .....	3	3	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	3	3	3
23.95 Total new obligations .....	-3	-3	-3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3	3	3
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	3	3	3
73.20 Total outlays (gross) .....	-3	-3	-3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	3	3
90.00 Outlays .....	3	3	3

This appropriation provides funds for the Council on Environmental Quality (CEQ) and the Office of Environmental Quality to serve as the focal point for environmental policy development within the Administration and conduct compliance oversight activities under the National Environmental Policy Act (NEPA).

In order to provide for enhanced flexibility in allocating resources and staff in support of the President and the Vice President, and permit a more rapid response to changing national needs and priorities, the budget contains a title VI

general provision that provides for a 10 percent transfer authority between this account and other accounts in the Executive Office of the President.

**Object Classification** (in millions of dollars)

Identification code 11-1453-0-1-802	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	2	2	2
12.1 Civilian personnel benefits .....	1	1	1
99.9 Total new obligations .....	3	3	3

**Personnel Summary**

Identification code 11-1453-0-1-802	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	19	24	24

**Intragovernmental funds:**

*MANAGEMENT FUND, OFFICE OF ENVIRONMENTAL QUALITY*

**Program and Financing** (in millions of dollars)

Identification code 11-3963-0-4-802	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1	1	1
10.00 Total new obligations (object class 25.2) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		1	1
23.95 Total new obligations .....	-1	-1	-1
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....		1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....		-1	-1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		1	1
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....		-1	-1

The CEQ Management Fund finances study contracts that are jointly sponsored by the Office of Environmental Quality and one or more other Federal agencies and Federal inter-agency environmental projects (including task forces) in which the Office participates pursuant to 42 U.S.C. 4375.

**OFFICE OF MANAGEMENT AND BUDGET**

**Federal Funds**

**General and special funds:**

*SALARIES AND EXPENSES*

For necessary expenses of the Office of Management and Budget, including the hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109 and to carry out the provisions of chapter 35 of title 44, United States Code, \$77,417,000, of which not to exceed \$3,000 shall be available for official representation expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General and special funds—Continued**

*SALARIES AND EXPENSES—Continued*

**Program and Financing (in millions of dollars)**

Identification code 11-0300-0-1-802	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 National Security Programs .....	9	9	10
00.02 General Government Programs .....	8	8	9
00.03 Natural Resource Programs .....	8	8	9
00.04 Human Resource Programs .....	10	10	10
00.05 Office of Federal Financial Management .....	3	3	3
00.06 Information and Regulatory Affairs .....	7	7	8
00.07 Office of Federal Procurement Policy .....	3	4	3
00.08 OMB-wide Offices .....	22	22	25
00.09 Transition Planning Office .....	1		
10.00 Total new obligations .....	71	71	77
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	71	71	77
23.95 Total new obligations .....	-71	-71	-77
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	70	71	77
42.00 Transferred from other accounts .....	1		
43.00 Appropriation (total discretionary) .....	71	71	77
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10	9	9
73.10 Total new obligations .....	71	71	77
73.20 Total outlays (gross) .....	-72	-71	-76
74.40 Obligated balance, end of year .....	9	9	10
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	66	65	70
86.93 Outlays from discretionary balances .....	6	6	6
87.00 Total outlays (gross) .....	72	71	76
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	71	71	77
90.00 Outlays .....	72	71	76
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

This Office assists the President in the discharge of budgetary, management, and other executive responsibilities.

**OMB-wide offices.**—Executive direction and coordination for all Office of Management and Budget activities is provided. This includes the Director's Office; the Deputy Director, the Deputy Director for Management, the Executive Associate Director (and associated support staff); Communications; General Counsel; Legislative Affairs; Economic Policy; Administration; the Legislative Reference Division; the Budget Review Division; and the Office of Information Technology and E-Government.

Overall leadership is provided for OMB's activities; instructions and procedures are developed for a wide range of management, legislative, legal, economic, budgetary, administrative, and IT-related issues; OMB review of agency activities is coordinated; and the budget document is prepared.

**National Security Programs; General Government Programs; Natural Resource Programs; and Human Resource Programs.**—Agency programs, budget requests, and management activities are examined, appropriations are apportioned, proposed changes in agency functions are studied, and special studies aimed at establishing goals and objectives that would result in long- and short-range improvements in the agencies' financial, administrative, and operational management are conducted.

**Financial Management.**—OMB prepares the Government-wide financial management status report and 5-year plan,

monitors execution of the plan; provides policy guidance on preparation and audit of financial statements, financial systems requirements, management controls, and cost accounting and audit requirements for the non-Federal grantee community. OMB also provides policy guidance on Federal grants management. To improve financial performance, OMB leverages its resources by working closely with the Chief Financial Officers Council and the Inspector General community.

**Information and Regulatory Affairs.**—Agency proposals to implement or revise Federal regulations and information collection requirements are reviewed and coordinated. Information resources management and statistical policies and practices are analyzed, developed, coordinated, and maintained.

**Procurement Policy.**—The OMB Office of Federal Procurement Policy provides overall direction of Government-wide procurement policies, regulations, and procedures for executive agencies.

In order to provide for enhanced flexibility in allocating resources and staff in support of the President and the Vice President, and permit a more rapid response to changing national needs and priorities, the budget contains a title VI general provision that provides for a 10 percent transfer authority between this account and other accounts in the Executive Office of the President.

**Object Classification (in millions of dollars)**

Identification code 11-0300-0-1-802	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	43	43	45
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	45	45	47
12.1 Civilian personnel benefits .....	10	10	11
23.1 Rental payments to GSA .....	6	6	7
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
24.0 Printing and reproduction .....	1	1	1
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
25.7 Operation and maintenance of equipment .....	5	5	7
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.9 Total new obligations .....	71	71	77

**Personnel Summary**

Identification code 11-0300-0-1-802	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	508	510	516

**OFFICE OF NATIONAL DRUG CONTROL POLICY**

**Federal Funds**

**General and special funds:**

*SALARIES AND EXPENSES*

*(INCLUDING TRANSFER OF FUNDS)*

*For necessary expenses of the Office of National Drug Control Policy; for research activities pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1701 et seq.); not to exceed \$10,000 for official reception and representation expenses; and for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations or agencies, with or without reimbursement, \$27,290,000; of which \$1,350,000 shall remain available until expended for policy research and evaluation: Provided, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Office.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 11-1457-0-1-802	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operations .....	23	24	26
00.02 Policy Research .....		1	1
00.03 Model State Drug Laws .....	1		
10.00 Total new obligations .....	24	25	27
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	25	25	27
23.95 Total new obligations .....	-24	-25	-27
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	25	25	27
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	6	6
73.10 Total new obligations .....	24	25	27
73.20 Total outlays (gross) .....	-25	-25	-27
74.40 Obligated balance, end of year .....	6	6	6
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	21	20	22
86.93 Outlays from discretionary balances .....	4	5	5
87.00 Total outlays (gross) .....	25	25	27
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	25	25	27
90.00 Outlays .....	25	25	27
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....			1
99.01 Outlays .....			1

The Office of National Drug Control Policy (ONDCP), established by the Anti-Drug Abuse Act of 1988, and reauthorized by P.L. 105-277, is charged with developing policies, objectives and priorities for the National Drug Control Program. In addition, ONDCP administers the Counterdrug Technology Assessment Center, the High Intensity Drug Trafficking Areas (HIDTA) program, the National Youth Anti-Drug Media Campaign, and the Drug Free Communities Program. (Descriptions of these programs are found in the Federal Drug Control Programs section of this Appendix.)

The account provides funding for personnel compensation, travel, and other basic operations of the Office, and for general policy research to support the formulation of the National Drug Control Strategy.

In order to provide for enhanced flexibility in allocating resources and staff in support of the President and the Vice President, and permit a more rapid response to changing national needs and priorities, the budget contains a title VI general provision that provides for a 10 percent transfer authority between this account and other accounts in the Executive Office of the President.

Object Classification (in millions of dollars)			
Identification code 11-1457-0-1-802	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	10	11	12
12.1 Civilian personnel benefits .....	2	2	3
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	3	3	3
25.2 Other services .....	5	6	6
99.0 Direct obligations .....	21	23	25
99.5 Below reporting threshold .....	3	2	2
99.9 Total new obligations .....	24	25	27

Personnel Summary

Identification code 11-1457-0-1-802	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	105	115	125
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1	1	1

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Federal Funds:

General and Special funds:

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, not to exceed \$2,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, \$7,027,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 11-2600-0-1-802	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Salaries and Expenses .....	5	5	7
10.00 Total new obligations .....	5	5	7
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	5	5	7
23.95 Total new obligations .....	-5	-5	-7
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	5	5	7
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	5	5	7
73.20 Total outlays (gross) .....	-4	-5	-7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	3	5
86.93 Outlays from discretionary balances .....	1	2	2
87.00 Total outlays (gross) .....	4	5	7
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	5	7
90.00 Outlays .....	4	5	7

The Office of Science and Technology Policy (OSTP) provides advice to the President concerning policies in science and technology and on the utilization of science and technology in addressing important national problems. The OSTP operations include support to other Executive Office of the President organizations on issues with science and technology considerations; review and analysis, with the Office of Management and Budget, of research and development budgets for all Federal agencies; coordination of research and development programs of the Federal Government; coordination of the implementation of a number of important international science and technology agreements; and other activities necessary to carry out the duties, functions, and activities described in Public Law 94-282, the National Science and Technology Policy, Organization, and Priorities Act of 1976.

In order to provide for enhanced flexibility in allocating resources and staff in support of the President and the Vice

**General and Special funds—Continued**

OFFICE OF SCIENCE AND TECHNOLOGY POLICY—Continued

President, and permit a more rapid response to changing national needs and priorities, the budget contains a title VI general provision that provides for a 10 percent transfer authority between this account and other accounts in the Executive Office of the President.

**Object Classification** (in millions of dollars)

Identification code 11-2600-0-1-802	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	3	3	4
12.1 Civilian personnel benefits .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....			1
99.9 Total new obligations .....	5	5	7

**Personnel Summary**

Identification code 11-2600-0-1-802	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	23	40	40

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Office of the United States Trade Representative, including the hire of passenger motor vehicles and the employment of experts and consultants as authorized by 5 U.S.C. 3109, \$36,994,000, of which \$1,000,000 shall remain available until expended: Provided, That not to exceed \$144,000 shall be available for official reception and representation expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 11-0400-0-1-802	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Trade coordination and negotiation .....	28	28	33
00.02 Geneva trade negotiations .....	3	4	4
10.00 Total new obligations .....	31	32	37

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	1	1	1
22.00 New budget authority (gross) .....	31	32	37
23.90 Total budgetary resources available for obligation .....	32	33	38
23.95 Total new obligations .....	-31	-32	-37
24.40 Unobligated balance carried forward, end of year .....	1	1	1

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	30	32	37
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1		
70.00 Total new budget authority (gross) .....	31	32	37

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	4	2	2
73.10 Total new obligations .....	31	32	37
73.20 Total outlays (gross) .....	-33	-32	-37
74.40 Obligated balance, end of year .....	2	2	2

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	31	30	34
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86.93 Outlays from discretionary balances .....	2	2	3
87.00 Total outlays (gross) .....	33	32	37

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1		

**Net budget authority and outlays:**

89.00 Budget authority .....	30	32	37
90.00 Outlays .....	33	32	37

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The United States Trade Representative is responsible for developing, coordinating, and advising the President on U.S. international trade policy. The Trade Representative is responsible for the conduct of international trade negotiations, including commodity and direct investment negotiations. The Trade Representative also conducts U.S. affairs relating to the World Trade Organization, in which the United States participates.

In order to provide for enhanced flexibility in allocating resources and staff in support of the President and the Vice President, and permit a more rapid response to changing national needs and priorities, the budget contains a title VI general provision that provides for a 10 percent transfer authority between this account and other accounts in the Executive Office of the President.

**Object Classification** (in millions of dollars)

Identification code 11-0400-0-1-802	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	18	19	20
12.1 Civilian personnel benefits .....	5	5	5
21.0 Travel and transportation of persons .....	3	3	4
23.1 Rental payments to GSA .....	2	2	3
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
24.0 Printing and reproduction .....			1
25.2 Other services .....	2	2	3
99.9 Total new obligations .....	31	32	37

**Personnel Summary**

Identification code 11-0400-0-1-802	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	201	209	217

**UNANTICIPATED NEEDS**

**Federal Funds**

**General and special funds:**

**UNANTICIPATED NEEDS**

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year, as authorized by 3 U.S.C. 108, \$1,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 11-0037-0-1-802	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	52	1	1
10.00 Total new obligations (object class 25.2) .....	52	1	1

<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	1	1
22.22	Unobligated balance transferred from other accounts	51	
23.90	Total budgetary resources available for obligation	51	1
23.95	Total new obligations .....	-52	-1

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	1	1
41.00	Transferred to other accounts .....	-1	
43.00	Appropriation (total discretionary) .....	1	1

<b>Change in obligated balances:</b>			
73.10	Total new obligations .....	52	1
73.20	Total outlays (gross) .....	-51	-1

<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	1	1
86.93	Outlays from discretionary balances .....	51	
87.00	Total outlays (gross) .....	51	1

<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	1	1
90.00	Outlays .....	51	1

These funds will enable the President to meet unanticipated needs in furtherance of the national interest, security, or defense.

**EMERGENCY RESPONSE FUND**  
(INCLUDING TRANSFER OF FUNDS)

**Program and Financing** (in millions of dollars)

Identification code 11-0034-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Direct program activity .....	88	
10.00	Total new obligations (object class 41.0) .....	88	
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	13,037	
22.21	Unobligated balance transferred to other accounts	-14,219	

22.22	Unobligated balance transferred from other accounts	1,268	
23.90	Total budgetary resources available for obligation	88	
23.95	Total new obligations .....	-88	

<b>Change in obligated balances:</b>			
73.10	Total new obligations .....	88	
73.20	Total outlays (gross) .....	-88	

<b>Outlays (gross), detail:</b>			
86.93	Outlays from discretionary balances .....	88	

<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....	88	

This account was established in the aftermath of the September 11, 2001 terrorist attacks. Funds appropriated to this account were distributed to Federal entities responding to the attacks at the direction of the President.

**UNANTICIPATED NEEDS FOR NATURAL DISASTERS**

**Program and Financing** (in millions of dollars)

Identification code 11-0033-0-1-453	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	12	12
24.40	Unobligated balance carried forward, end of year .....	12	12
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....		

This schedule includes funding provided in Public Laws 101-130 and 103-211 to respond to various natural disasters. All available funds from this account were allocated to various agencies. However, certain agencies subsequently returned excess funds to this account. In P.L. 106-31, \$10 million in unobligated balances were rescinded. A balance of \$12 million in emergency funding remains.



# GENERAL SERVICES ADMINISTRATION

## REAL PROPERTY ACTIVITIES

### Federal Funds

#### Intragovernmental funds:

FEDERAL BUILDINGS FUND  
LIMITATIONS ON AVAILABILITY OF REVENUE  
(INCLUDING TRANSFER OF FUNDS)

For an additional amount to be deposited in, and to be used for the purposes of, the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 592), \$217,000,000. The revenues and collections deposited into the Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; acquisition of options to purchase buildings and sites; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, and any other obligations for public buildings acquired by installment purchase and purchase contract; in the aggregate amount of \$6,579,937,000, of which: (1) \$400,568,000 shall remain available until expended for construction (including funds for sites and expenses and associated design and construction services) of additional projects at the following locations:

#### New Construction:

##### California:

San Diego, Border Station, \$34,211,000

##### Maine:

Jackman, Border Station, \$7,712,000

##### Maryland:

Suitland, United States Census Bureau, \$146,451,000

##### Michigan:

Detroit, Ambassador Bridge Border Station, \$25,387,000

##### New York:

Champlain, Border Station, \$35,031,000

##### Texas:

Del Rio, Border Station, \$23,966,000

Eagle Pass, Border Station, \$31,980,000

Houston, Federal Bureau of Investigation, \$58,080,000

McAllen, Border Station, \$17,938,000

##### Washington:

Blaine, Border Station, \$9,812,000

#### Nonprospectus Construction, \$10,000,000:

Provided, That each of the foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent, unless advance notice is transmitted to the Committees on Appropriations of a greater amount: Provided further, That all funds for direct construction projects shall expire on September 30, 2005 and remain in the Federal Buildings Fund except for funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (2) \$1,012,729,000 shall remain available until expended for repairs and alterations which includes associated design and construction services: Provided further, That funds in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount by project, as follows, except each project may be increased by an amount not to exceed 10 percent unless advance notice is transmitted to the Committees on Appropriations of a greater amount:

#### Repairs and Alterations:

##### Colorado:

Denver, Byron G. Rogers Federal Building—Courthouse, \$48,436,000

##### District of Columbia:

320 First Street, \$7,485,000

Eisenhower Executive Office Building, \$65,757,000

Federal Office Building 8, \$134,872,000

Main Interior Building, \$15,603,000

Fire & Life Safety, \$68,188,000

##### Georgia:

Atlanta, Richard B. Russell Federal Building, \$32,173,000

##### Illinois:

Chicago, Dirksen Courthouse & Kluczynski Federal Building, \$24,056,000

Springfield, Paul H. Findley Federal Building—Courthouse, \$6,183,000

##### Massachusetts:

Boston, John W. McCormack Post Office and Courthouse, \$73,037,000

##### New York:

Brooklyn, Emanuel Celler Courthouse, \$65,511,000

##### North Dakota:

Fargo, Federal Building—Post Office, \$5,801,000

##### Ohio:

Columbus, John W. Bricker Federal Building, \$10,707,000

##### Washington:

Auburn, Building 7, Auburn Federal Building, \$18,315,000

Seattle, Henry M. Jackson Federal Building, \$6,868,000

#### Special Emphasis Programs:

Chlorofluorocarbons Program, \$5,000,000

Energy Program, \$5,000,000

Glass Fragmentation Program, \$20,000,000

Design Program, \$34,737,000

Basic Repairs and Alterations, \$365,000,000:

Provided further, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance notice is transmitted to the Committees on Appropriations: Provided further, That the amounts provided in this or any prior Act for "Repairs and Alterations" may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: Provided further, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading "Repairs and Alterations", may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: Provided further, That all funds for repairs and alterations prospectus projects shall expire on September 30, 2005, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: Provided further, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations" or used to fund authorized increases in prospectus projects; (3) \$169,745,000 for installment acquisition payments including payments on purchase contracts which shall remain available until expended; (4) \$3,388,187,000 for rental of space which shall remain available until expended; and (5) \$1,608,708,000 for building operations which shall remain available until expended: Provided further, That funds available to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus: Provided further, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance notice is transmitted to the Committees on Appropriations: Provided further, That amounts necessary to provide reimbursable special services to other

**Intragovernmental funds—Continued**

**FEDERAL BUILDINGS FUND—Continued**  
(INCLUDING TRANSFER OF FUNDS)—Continued

agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 592(b)(2)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, shall be available from such revenues and collections: Provided further, That revenues and collections and any other sums accruing to this Fund during fiscal year 2004, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 592(b)(2)) in excess of \$6,579,937,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 47-4542-0-4-804	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	626	575	299
Receipts:			
02.80 Federal buildings fund, offsetting collections	7,407	7,360	7,482
04.00 Total: Balances and collections	8,033	7,935	7,781
Appropriations:			
05.00 Federal buildings fund	-7,458	-7,636	-7,526
05.99 Total appropriations	-7,458	-7,636	-7,526
07.99 Balance, end of year	575	299	255

**Program and Financing** (in millions of dollars)

Identification code 47-4542-0-4-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Capital investment program:			
09.01 Construction and acquisition of facilities	661	938	457
09.02 Repairs and alterations	843	820	1,166
09.03 Design and construction services	3	1	
09.04 Installment acquisition payments	182	179	170
09.05 Construction of lease purchase facilities	13	159	
09.07 Pennsylvania Avenue activities		9	8
09.08 Proceeds from Columbia Hospital for Women	6		
09.09 Total capital investment program	1,708	2,106	1,801
Operating programs:			
09.10 Rental of space	3,155	3,485	3,388
09.11 Building operations	1,509	1,543	1,633
09.19 Total operating programs	4,664	5,028	5,021
09.20 Special services and improvements	928	705	687
10.00 Total new obligations	7,300	7,839	7,509
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2,851	3,190	2,744
22.00 New budget authority (gross)	7,538	7,473	7,319
22.10 Resources available from recoveries of prior year obligations	169		
22.22 Unobligated balance transferred from other accounts	5		
22.60 Portion applied to repay debt	-72	-80	-54
23.90 Total budgetary resources available for obligation	10,491	10,583	10,009
23.95 Total new obligations	-7,300	-7,839	-7,509
24.40 Unobligated balance carried forward, end of year	3,190	2,744	2,500

**New budget authority (gross), detail:**

Discretionary:			
Appropriation:			
40.00 Appropriation	55	276	217
40.00 Appropriation	102		
41.00 Transferred to other accounts	-110		
43.00 Appropriation (total discretionary)	47	276	217
55.00 Advance appropriation	276		
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	7,401	7,360	7,482

68.10 Change in uncollected customer payments from Federal sources (unexpired)	63		
68.26 From offsetting collections (unavailable balances)	628	577	301
68.45 Portion precluded from obligation (limitation on obligations)	-577	-301	-257
68.61 Transferred to other accounts	-306	-439	-424
68.90 Spending authority from offsetting collections (total discretionary)	7,209	7,197	7,102
Mandatory:			
69.00 Offsetting collections (cash)	6		
70.00 Total new budget authority (gross)	7,538	7,473	7,319

**Change in obligated balances:**

72.40 Obligated balance, start of year	784	1,063	1,310
73.10 Total new obligations	7,300	7,839	7,509
73.20 Total outlays (gross)	-6,790	-7,592	-7,335
73.45 Recoveries of prior year obligations	-169		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-63		
74.40 Obligated balance, end of year	1,063	1,310	1,484

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	6,098	6,030	6,008
86.93 Outlays from discretionary balances	686	1,562	1,327
86.97 Outlays from new mandatory authority	6		
87.00 Total outlays (gross)	6,790	7,592	7,335

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-7,385	-7,342	-7,464
88.40 Non-Federal sources	-22	-18	-18
88.90 Total, offsetting collections (cash)	-7,407	-7,360	-7,482
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-63		

**Net budget authority and outlays:**

89.00 Budget authority	68	113	-163
90.00 Outlays	-616	232	-147

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority	33	35	39
99.01 Outlays	33	35	39

The Federal Buildings Fund finances the activities of the Public Buildings Service which provides space and services for Federal agencies in a relationship similar to that of landlord and tenant.

The Fund, established in 1975, replaces direct appropriations by using income derived from rent assessments which approximate commercial rates for comparable space and services. Rent and other income to the Fund is as follows:

	[In millions of dollars]		
	2002 actual	2003 est.	2004 est.
Rental charges	6,329	6,637	6,777
Collections for:			
(a) Special services and improvements	1,056	705	687
(b) Miscellaneous income	22	18	18
Total receipts and reimbursements	7,407	7,360	7,482

The following table details the financing for the Federal Buildings Fund in 2003 and 2004.

		[In millions of dollars]			
		Obligational authority			
2003 basic program:	Obligations	End-of-year unobligated balance	Total	New	From prior year
1. Construction and acquisition of facilities	938	126	1,064	557	507
2. Repairs and alterations	820	862	1,682	1,020	662
3. Design and construction services.	1	0	1	0	1
4. Installment acquisition payments.	179	11	190	179	11
5. Construction of lease purchase facilities	159	50	209	0	209

6. Rental of space .....	3,485	164	3,649	3,442	207
7. Building operations .....	1,543	24	1,567	1,526	41
8. Columbia Women's Hospital .....	0	0	0	0	0
9. Pennsylvania Avenue activities .....	9	34	43	0	43
Total basic program .....	7,134	1,271	8,405	6,724	1,681
Other programs:					
Special services and improvements ...	705	0	705	705	0
Total Federal Buildings Fund .....	7,839	1,271	9,110	7,429	1,681

(In millions of dollars)

	Obligational authority				
	Obligations	End-of-year unobligated balance	Total	New	From prior year
2004 basic program:					
1. Construction and acquisition of facilities .....	457	69	526	400	126
2. Repairs and alterations .....	1,166	709	1,875	1,013	862
3. Installment acquisition payments .....	170	11	181	170	11
4. Construction of lease purchase facilities .....	0	50	50	0	50
5. Rental of space .....	3,388	164	3,552	3,388	164
6. Building operations .....	1,633	0	1,633	1,609	24
7. Columbia Women's Hospital .....	0	0	0	0	0
8. Pennsylvania Avenue activities .....	8	26	34	0	34
Total basic program .....	6,822	1,029	7,851	6,580	1,271
Other programs:					
Special services and improvements ...	687	0	687	687	0
Total Federal Buildings Fund .....	7,509	1,029	8,538	7,267	1,271

The Federal Buildings Fund program consists of the following activities financed from rent charges:

**Construction and acquisition of facilities.**—Space is acquired through the construction or purchase of facilities and prospectus-level extensions to existing buildings. All costs directly attributable to site acquisition, construction, and the full range of design and construction services and management and inspection of construction projects are funded under this activity.

**Repairs and alterations.**—Repairs and alterations of public buildings as well as associated design and construction services are funded under this activity. Protection of the Government's investment, health and safety of building occupants, transfer of agencies from leased space, and cost effectiveness are the principal criteria used in establishing priorities. Primary consideration is given to repairs to prevent deterioration and damage to buildings, their support systems, and operating equipment. This activity also provides for conversion of existing facilities and non-prospectus extensions.

**Installment acquisition payments.**—Payments are made for liabilities incurred under purchase contract authority and lease purchase arrangements. The periodic payments cover principal, interest, and other requirements.

**Rental of space.**—Space is acquired through the leasing of buildings including space occupied by Federal agencies in U.S. Postal Service facilities, 159 million rentable square feet in 2003, and 162 million rentable square feet in 2004.

**Building operations.**—Services are provided for Government-owned and leased facilities, including cleaning, utilities and fuel, maintenance, miscellaneous services (such as moving, evaluation of new materials and equipment, and field supervision), and general management and administration of all real property related programs including salaries and benefits paid from the Federal Buildings Fund. The following list shows the 2003 and 2004 direct program (estimated square feet and expenses in millions):

(In millions)

	2003		2004	
	Square feet	Expenses	Square feet	Expenses
Cleaning .....	147	236	150	249
Utilities .....	153	326	156	342
Maintenance .....	141	256	144	286
Other building services .....	244	291	245	302
Other staff support .....	0	368	0	379

IT support .....	0	63	0	75
International Trade Center .....	0	3	0	0
Pennsylvania Avenue activities .....	0	1	0	1
Columbia Hospital for Women .....	0	0	0	0
Total .....		1,544		1,634

**Other programs.**—When requested by Federal agencies, the Public Buildings Service provides building services such as tenant alterations, cleaning and other operations, and protection services which are in excess of those services provided under the commercial rental charge. For presentation purposes, the balances of the Unconditional Gifts of Real, Personal, or Other Property trust fund have been combined with the Federal Buildings Fund.

**Agency debt.**—The following table reflects agency debt outstanding for the construction of federal buildings under authorities previously provided:

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
FFB Held Debt:			
Outstanding agency debt, SOY .....	2,268	2,206	2,196
New agency borrowings .....	10	70	64
Repayments and prepayments .....	-72	-80	-54
Outstanding agency debt, EOY .....	2,206	2,196	2,206

**Statement of Operations** (in millions of dollars)

Identification code 47-4542-0-4-804	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	7,009	7,635	7,687	7,817
0102 Expense .....	-6,555	-7,181	-7,431	-7,438
0105 Net income or loss (-) .....	454	454	256	379

**Object Classification** (in millions of dollars)

Identification code 47-4542-0-4-804	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	379	358	355
11.3 Other than full-time permanent .....	4	5	5
11.5 Other personnel compensation .....	7	11	11
11.9 Total personnel compensation .....	390	374	371
12.1 Civilian personnel benefits .....	92	79	84
Travel and transportation of persons:			
21.0 Travel and transportation of persons .....	15	11	11
21.0 Motor vehicle usage .....	2	2	2
22.0 Transportation of things .....	3	3	3
23.2 Rental payments to others .....	3,153	3,485	3,388
23.3 Communications, utilities, and miscellaneous charges .....	314	361	380
24.0 Printing and reproduction .....	2	2	2
25.2 Other services .....	2,468	2,590	2,303
25.4 Operation and maintenance of facilities .....	513	556	590
25.7 Operation and maintenance of equipment .....	33	46	47
26.0 Supplies and materials .....	61	66	64
31.0 Equipment .....	47	56	59
32.0 Land and structures .....	40	48	51
43.0 Interest and dividends .....	167	160	154
99.9 Total new obligations .....	7,300	7,839	7,509
Obligations are distributed as follows:			
General Services Administration .....	7,075	7,623	7,289
Allocation Accounts:			
Department of Commerce .....	78	78	80
Department of Defense .....	123	138	140
Environmental Protection Agency .....	24	0	0

**Personnel Summary**

Identification code 47-4542-0-4-804	2002 actual	2003 est.	2004 est.
2001 Total compensable workyears: Civilian full-time equivalent employment .....	5,803	5,628	5,574

**ALLOCATIONS RECEIVED FROM OTHER APPROPRIATION ACCOUNTS**

*Note.*—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:

Smithsonian Institution:  
"Construction."

**General and special funds:**

**REAL PROPERTY RELOCATION**

**Program and Financing (in millions of dollars)**

Identification code 47-0535-0-1-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	2	6	6
10.00 Total new obligations .....	2	6	6
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	10	12	12
22.00 New budget authority (gross) .....	2	6	6
23.90 Total budgetary resources available for obligation .....	12	18	18
23.95 Total new obligations .....	-2	-6	-6
24.40 Unobligated balance carried forward, end of year .....	12	12	12
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	2	6	6
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			1
73.10 Total new obligations .....	2	6	6
73.20 Total outlays (gross) .....		-6	-6
74.40 Obligated balance, end of year .....		1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		6	6
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-2	-6	-6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-2		

This appropriation covers relocation costs involved in moving agencies from valuable underutilized property, targeted for public sale, to facilities determined to be more economically suitable to their needs. Relocation and disposal is considered when the benefit/cost ratio is at least 2:1. The sale of these valuable underutilized properties would provide significant revenue to the Treasury and would far outweigh the relocation costs involved.

No appropriation is requested for this program in 2004. GSA will solicit relocation proposals from agencies.

**Object Classification (in millions of dollars)**

Identification code 47-0535-0-1-804	2002 actual	2003 est.	2004 est.
99.0 Reimbursable obligations: Reimbursable obligations ...	2	6	6
99.9 Total new obligations .....	2	6	6

**DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY**

**Unavailable Collections (in millions of dollars)**

Identification code 47-5254-0-2-804	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	105	109	120
Receipts:			
02.20 Sale of surplus property .....	1	3	3
02.21 Other receipts, surplus real and related personal property .....	9	22	12
02.22 Transfers to Land and water conservation fund .....	-2	-2	-2
02.99 Total receipts and collections .....	8	23	13
04.00 Total: Balances and collections .....	113	132	133
Appropriations:			
05.00 Disposal of surplus real and related personal property .....	-4	-12	-11
07.99 Balance, end of year .....	109	120	122

**Program and Financing (in millions of dollars)**

Identification code 47-5254-0-2-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Appraisers' fees, auctioneers and broker fees and surveying .....	3	3	3
00.02 Advertising .....	1	3	2
00.03 Environmental services .....		5	5
00.05 Outleasng government-owned space: Auctioneers, brokers fees and advertising... ..		1	1
10.00 Total new obligations (object class 25.2) .....	4	12	11
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	4	12	11
23.95 Total new obligations .....	-4	-12	-11
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	4	12	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	1
73.10 Total new obligations .....	4	12	11
73.20 Total outlays (gross) .....	-4	-12	-11
74.40 Obligated balance, end of year .....	2	1	1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	4	12	11
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4	12	11
90.00 Outlays .....	4	12	11

Auctioneers and brokers familiar with local markets may be used to accelerate the disposal of surplus real and related personal property, including the outleasng of Government-owned buildings and space. Fees of auctioneers, brokers, appraisers, and environmental consultants, surveying costs, costs of advertising and costs of environmental and historical preservation services are paid out of receipts from disposals within each year in accordance with 40 U.S.C. 572.

**Credit accounts:**

**COLUMBIA HOSPITAL FOR WOMEN DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 47-4029-0-3-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
08.02 Downward reestimate of subsidy .....	6		
10.00 Total new obligations .....	6		
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....	13		
22.60 Portion applied to repay debt .....	-7		
23.90 Total budgetary resources available for obligation .....	6		
23.95 Total new obligations .....	-6		
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	13		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	6		
73.20 Total financing disbursements (gross) .....	-6		
87.00 Total financing disbursements (gross) .....	6		
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Non-Federal sources: Principal Payment .....	-13		

**Net financing authority and financing disbursements:**

89.00	Financing authority			
90.00	Financing disbursements		-7	

**Status of Direct Loans (in millions of dollars)**

Identification code 47-4029-0-3-804	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans		
1150	Total direct loan obligations		
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	13	
1251	Repayments: Repayments and prepayments	-13	
1290	Outstanding, end of year		

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 47-4029-0-3-804	2002 actual	2003 est.	2004 est.
Direct loan downward reestimate subsidy budget authority:			
137001	Downward reestimates subsidy budget authority	-6	
137901	Total downward reestimate budget authority	-6	
Direct loan downward reestimate subsidy outlays:			
138001	Downward reestimates subsidy outlays	-6	
138901	Total downward reestimate subsidy outlays	-6	

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from the credit sale of Federal property to the Columbia Hospital for Women in the District of Columbia as directed by the Treasury and General Government Appropriations Act, 2000 (P.L. 106-58). The amounts in this account are a means of financing and are not included in the budget totals. Columbia Hospital for Women retired this loan in its entirety in 2002.

**Balance Sheet (in millions of dollars)**

Identification code 47-4029-0-3-804	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury	7		
1401	Net value of assets related to post-1991 direct loans receivable: Direct loans receivable, gross	7		
1499	Net present value of assets related to direct loans	7		
1999	Total assets	14		
<b>LIABILITIES:</b>				
2104	Federal liabilities: Resources payable to Treasury	14		
2999	Total liabilities	14		
4999	Total liabilities and net position	14		

**SUPPLY AND TECHNOLOGY ACTIVITIES**

**Federal Funds**

**General and special funds:**

**EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION**

**Unavailable Collections (in millions of dollars)**

Identification code 47-5250-0-2-804	2002 actual	2003 est.	2004 est.
01.99	Balance, start of year	30	27
			28

<b>Receipts:</b>			
02.20	Recoveries of transportation overcharges	8	14
04.00	Total: Balances and collections	38	41
<b>Appropriations:</b>			
05.00	Expenses of transportation audit contracts and contract administration	-13	-13
06.10	Unobligated balance returned to receipts	2	
07.99	Balance, end of year	27	28

**Program and Financing (in millions of dollars)**

Identification code 47-5250-0-2-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Audit contracts	3	3
00.02	Contract administration	8	10
10.00	Total new obligations	11	13

**Budgetary resources available for obligation:**

22.00	New budget authority (gross)	13	13
23.95	Total new obligations	-11	-13
23.98	Unobligated balance expiring or withdrawn	-2	

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.20	Appropriation (special fund)	13	13

**Change in obligated balances:**

72.40	Obligated balance, start of year	3	4
73.10	Total new obligations	11	13
73.20	Total outlays (gross)	-10	-13
74.40	Obligated balance, end of year	4	3

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority	8	8
86.98	Outlays from mandatory balances	2	5
87.00	Total outlays (gross)	10	13

**Net budget authority and outlays:**

89.00	Budget authority	13	13
90.00	Outlays	10	13

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority	1	1
99.01	Outlays	1	1

The expenses of Transportation Audit Contracts and Contract Administration activities are financed from overcharges collected from carriers on transportation bills paid by the Government as a result of post payment audits. In 1986, Public Law 99-627 granted GSA the authority to conduct prepayment audits and to delegate this authority to Federal agencies, upon their request; permanent authority to pay transportation audit contractors from carrier overcharges collected; and authority to transfer net overpayments collected to the Treasury. In 1998, with the passage of the Travel and Transportation Act, the prepayment audit of transportation bills became mandatory. The Act's changes were fully implemented in October 2000.

In 2002, \$13 million of carrier overpayments were collected, and \$5 million were returned to the U.S. Treasury, resulting in net receipts of \$8 million.

**Object Classification (in millions of dollars)**

Identification code 47-5250-0-2-804	2002 actual	2003 est.	2004 est.
11.1	Personnel compensation: Full-time permanent	4	4
12.1	Civilian personnel benefits	1	1
23.1	Rental payments to GSA	1	1
25.2	Other services	3	4
25.3	Other purchases of goods and services from Government accounts	2	3
99.9	Total new obligations	11	13

**General and special funds—Continued**

**EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION—Continued**

**Personnel Summary**

Identification code 47-5250-0-2-804	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	70	71	71

**Intragovernmental funds:**

**GENERAL SUPPLY FUND**

**Program and Financing (in millions of dollars)**

Identification code 47-4530-0-4-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Obligations by program activity:			
09.01 Supply .....	1,005	1,009	1,067
09.02 Commercial Acquisition .....	524	528	539
09.03 Personal property management .....	13	16	16
09.04 Travel and transportation .....	9	9	10
09.05 Vehicle acquisition and leasing .....	1,513	1,521	1,553
09.09 Subtotal, business lines .....	3,064	3,083	3,185
Capital investments:			
09.21 Stores: Purchases of equipment .....	19	20	20
09.22 Fleet: Purchases of equipment .....	684	698	713
09.23 E-Gov initiatives .....	3	45	7
09.29 Subtotal, Capital investments .....	706	763	740
10.00 Total new obligations .....	3,770	3,846	3,925
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	536	534	384
22.00 New budget authority (gross) .....	3,759	3,696	3,852
22.10 Resources available from recoveries of prior year obligations .....	9		
23.90 Total budgetary resources available for obligation	4,304	4,230	4,236
23.95 Total new obligations .....	-3,770	-3,846	-3,925
24.40 Unobligated balance carried forward, end of year .....	534	384	311
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	3,665	3,696	3,852
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	94		
69.90 Spending authority from offsetting collections (total mandatory) .....	3,759	3,696	3,852
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-175	-121	29
73.10 Total new obligations .....	3,770	3,846	3,925
73.20 Total outlays (gross) .....	-3,613	-3,696	-3,852
73.45 Recoveries of prior year obligations .....	-9		
74.00 Change in uncollected customer payments from Federal sources .....	-94		
74.40 Obligated balance, end of year .....	-121	29	102
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	3,251	3,334	3,541
86.98 Outlays from mandatory balances .....	362	362	311
87.00 Total outlays (gross) .....	3,613	3,696	3,852
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-3,481	-3,512	-3,665
88.40 Non-Federal sources .....	-184	-184	-187
88.90 Total, offsetting collections (cash) .....	-3,665	-3,696	-3,852
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-94		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			

90.00 Outlays .....	-52		
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	17	17	19
99.01 Outlays .....	17	17	19

The Federal Supply Service (FSS) General Supply Fund (GSF) finances activities which offer federal agencies an extensive range of commercial services and more than 4 million commercial products. To provide total solutions for customers, FSS acquisition and service delivery activities are organized around five business lines: Supply, Commercial Acquisition, Personal Property Management, Travel and Transportation, and Vehicle Acquisition and Leasing Services.

FSS employs world-class business practices to provide customers with economical, efficient, and effective service delivery with significant savings in time and administrative costs. Customers can make best-value choices with different levels of services, with almost all service and product delivery provided by commercial suppliers through more than 10,000 FSS contractors. In fiscal year 2002, FSS' business volume was \$27.3 billion, and is projected to be \$31.4 billion in fiscal year 2004. FSS operations are largely funded through the GSF with its operating expenses recovered in the prices paid by federal agencies.

FSS customers are able to choose the level of service and program support that is right for the acquisition of products and services at any given time. More importantly, the government benefits whenever federal agencies rely upon the procurement and logistics expertise of FSS to help fulfill their supply needs. Benefits accrue from volume purchasing, FSS contracting expertise, and programs that are compliant with federal procurement and socioeconomic policies. FSS promotes commercial buying practices, reduces acquisition time, and under non-mandatory programs, provides agencies opportunities to determine best value—helping them get what they need, when they need it, to do their jobs effectively and focus on core missions.

The Federal Supply Service also plays an important role in expanding electronic government (E-Gov), one of the five key elements of the President's Management Agenda. In supporting this goal the FSS will invest \$44.7 million and \$7 million in 2003 and 2004 respectively in information technology projects within the E-Gov initiative. GSA is the lead agency for three FSS mission-related projects; e-Acquisition, e-Property (Federal Asset Sales), and e-Travel.

**Supply.**—Quick fulfillment of recurring customer needs for basic business and mission supplies by leveraging best practices in supply chain management programs is the primary objective and focus of the Office of Supply. Fulfillment solutions for supplies include electronic and hard copy catalogs, multiple ordering channels, FSS management of billing and paying transactions, order administration, and customer service support. The Supply program is fully complementary to the services offered through the Commercial Acquisition Multiple Award Schedules program. More important than providing service solutions, is support of the Government's national defense and other strategic mission responsibilities, as well as its socioeconomic objectives. This business line is funded through prices paid by customer agencies.

To optimize operating costs, the Supply program completed consolidation of its distribution operations into two Distribution Centers at Stockton, California and Burlington, New Jersey, in January 2002. The consolidation decision was based on an independent analysis performed by the Logistics Management Institute showing FSS could save approximately \$176 million over a ten-year period. These savings include all costs to close six distribution centers. FSS is also relocating operations from Stockton, California to Sharpe Army Depot, California. The relocation will be accomplished by March 2003, allowing operating, transportation and space

costs to be reduced by over \$9 million annually. Payback of an approximate \$20 million relocation investment will be within 3 years.

**Commercial Acquisition.**—Commercial Acquisition offers federal agencies millions of commercial products and an extensive range of technology, financial, environmental, management, and administrative services through the Multiple Award Schedules program. Agencies can make best-value choices and purchase directly from commercial suppliers through over 10,000 FSS schedule contracts. In 2004, GSA will receive revenue for Schedules program contract administration in the amount of 0.75 percent of the Schedules business volume. This reduction from the one percent fee that was recovered in 2003 and prior fiscal years will save customer agencies over \$50 million in 2004. Customer agencies are able to purchase over 2.4 million items from the Schedules program through GSA Advantage, an on-line electronic catalog system. In fiscal year 2002, the business volume under the Schedules program was \$21.6 billion.

**Personal Property Management.**—FSS' personal property program specializes in government cost avoidance and property sales through comprehensive electronic solutions. Property no longer needed by one federal agency is entered into an electronic system for screening and use by other federal agencies, thereby avoiding new procurements. Property with no further federal use can be screened electronically by eligible recipients and is offered at no cost to state and local governments and eligible nonprofit groups. Property whose value cannot be extended by reuse or donation is sold to the public, primarily through on-line auctions.

**Travel and Transportation.**—The FSS Travel and Transportation business line helps control the government's direct and administrative costs for travel and transportation services. Travel services include negotiated airline contracts, travel agency, and travel charge card services. Airline City-Pairs contracts will continue to save Federal agencies about 70 percent off the commercial value of each fare, or \$3.0 billion. A change to capacity-based fares during fiscal year 2002 will be continued to allow the airline industry to better manage its seat inventory. This change provides Federal agencies the incentive to book airline travel early for the best fares. Transportation services include the shipment of parcels, freight and household goods. The business line also oversees the use of audit contractors to examine the government's air passenger, freight and household goods transportation billings to identify and seek recovery of incorrect billings and overpayments for the federal government. In recent years, federal travel and transportation budgets have totaled approximately \$24 billion each year. This business line is funded through prices and fees paid by Federal agencies.

**Vehicle Acquisition and Leasing Services.**—The Vehicle Acquisition and Leasing Services business line provides two distinct services. One service, GSA Automotive, manages the acquisition of vehicles for all federal agencies through consolidated acquisitions and the Multiple Award Schedules program. By consolidating all their customer requirements, they are able to leverage their buying power to achieve significant discounts. In fiscal year 2002, GSA Automotive contracted for over 60,000 sedans, trucks and other non-tactical vehicles worth more than \$1.2 billion. FSS continues to save customers about 20 percent off the invoice prices listed in the Black Book Lease Guide. This service is funded through prices and fees paid by Federal agencies.

The other service, GSA Fleet, manages a fleet of more than 188,000 vehicles. GSA Fleet provides non-tactical vehicles needed by civilian and military customer agencies with a comprehensive "cradle to grave" leasing program. GSA Fleet handles all aspects of the management of these assets, including vehicle acquisition, maintenance and repairs, accident management, fuel expenses, and resale of the used vehicles.

Revenue is generated through monthly and mileage charges. GSA Fleet continues to grow. From 1998 through 2002, 28,963 vehicles were added by consolidating other Federal fleets.

**Statement of Operations** (in millions of dollars)

Identification code 47-4530-0-4-804	2001 actual	2002 actual	2003 est.	2004 est.
<b>Supply:</b>				
0111 Revenue .....	855	890	893	916
0112 Expense .....	-910	-888	-897	-920
0115 Net income or loss (-) .....	-55	2	-4	-4
<b>Commercial Acquisition:</b>				
0121 Revenue .....	421	455	476	442
0122 Expense .....	-366	-392	-424	-432
0125 Net income or loss (-) .....	55	63	52	10
<b>Personal Property Management:</b>				
0131 Revenue .....	14	16	16	18
0132 Expense .....	-19	-18	-20	-21
0135 Net income or loss (-) .....	-5	-2	-4	-3
<b>Travel and Transportation:</b>				
0141 Revenue .....	8	13	12	13
0142 Expense .....	-9	-10	-9	-10
0145 Net income or loss (-) .....	-1	3	3	3
<b>Vehicle Acquisition and Leasing:</b>				
0151 Revenue .....	1,522	1,560	1,623	1,753
0152 Expense .....	-1,422	-1,467	-1,537	-1,668
0155 Net income or loss (-) .....	100	93	86	85
<b>E-Gov Initiatives:</b>				
0161 Revenue .....				
0162 Expense .....		-3	-45	-7
0165 Net income or loss (-) .....		-3	-45	-7
0191 Total revenues .....	2,820	2,934	3,020	3,142
0192 Total expenses .....	-2,726	-2,778	-2,932	-3,058
0195 Total income or loss (-) .....	94	156	88	84
0199 Total income .....	94	156	88	84

**Object Classification** (in millions of dollars)

Identification code 47-4530-0-4-804	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	165	170	175
11.3 Other than full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	7	8	8
11.9 Total personnel compensation .....	175	181	186
12.1 Civilian personnel benefits .....	39	40	42
13.0 Benefits for former personnel .....	4		
<b>Travel and transportation of persons:</b>			
21.0 Motor vehicle usage .....	6	6	6
21.0 Motor vehicle usage .....	1	1	1
22.0 Transportation of things .....	54	56	57
23.1 Rental payments to GSA .....	39	38	35
23.3 Communications, utilities, and miscellaneous charges	14	14	15
24.0 Printing and reproduction .....	5	5	5
25.2 Other services .....	131	134	137
25.3 Other purchases of goods and services from Government accounts .....	68	69	71
26.0 Supplies and materials .....	2,531	2,584	2,637
31.0 Equipment .....	703	718	733
99.9 Total new obligations .....	3,770	3,846	3,925

**Personnel Summary**

Identification code 47-4530-0-4-804	2002 actual	2003 est.	2004 est.
2001 Total compensable workyears: Civilian full-time equivalent employment .....	2,806	2,839	2,839

**Intragovernmental funds—Continued**

**INFORMATION TECHNOLOGY FUND**

**Program and Financing (in millions of dollars)**

Identification code 47-4548-0-4-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating programs:			
09.01 FTS 2001 long distance .....	611	515	575
09.02 Regional telecommunications services .....	758	480	475
09.03 Regional IT solutions .....	5,637	4,872	5,176
09.04 National IT solutions .....	1,850	1,635	1,816
09.09 Total, operating program .....	8,856	7,502	8,042
Capital investments:			
09.11 FTS 2001 long distance .....	2	2	2
09.12 Regional telecommunications services .....	25	17	20
09.13 Regional IT solutions .....	20	18	21
09.14 National IT solutions .....	11	8	4
09.19 Total, capital investments .....	58	45	47
10.00 Total new obligations .....	8,914	7,547	8,089
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1,619	829	750
22.00 New budget authority (gross) .....	7,731	7,468	7,971
22.10 Resources available from recoveries of prior year obligations .....	393		
23.90 Total budgetary resources available for obligation	9,743	8,297	8,721
23.95 Total new obligations .....	-8,914	-7,547	-8,089
24.40 Unobligated balance carried forward, end of year .....	829	750	632
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	7,265	7,468	7,971
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	466		
68.90 Spending authority from offsetting collections (total discretionary) .....	7,731	7,468	7,971
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-1,540	-601	-503
73.10 Total new obligations .....	8,914	7,547	8,089
73.20 Total outlays (gross) .....	-7,116	-7,449	-7,944
73.45 Recoveries of prior year obligations .....	-393		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-466		
74.40 Obligated balance, end of year .....	-601	-503	-358
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3,957	7,449	7,944
86.93 Outlays from discretionary balances .....	3,159		
87.00 Total outlays (gross) .....	7,116	7,449	7,944
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-7,254	-7,457	-7,960
88.40 Non-Federal sources .....	-11	-11	-11
88.90 Total, offsetting collections (cash) .....	-7,265	-7,468	-7,971
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-466		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-149	-19	-27
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	9	10	10
99.01 Outlays .....	9	10	10

The Fund finances the operations of the Federal Technology Service (FTS) in providing telecommunications and information technology solutions to Federal agencies on a reimbursable basis (fee for service) through four business units:

*Long Distance.*—FTS provides long-distance telecommunications service that offers the Federal Government low-cost, state-of-the-art, integrated voice, data, and video telecommunications. Services are provided through an eight-year multibillion dollar long-distance contract with business partners Sprint and MCI Worldcom. Complementing this business unit are specialized services which offer customers the benefits of satellite, wireless, paging, Internet and other services. FTS switched voice rates have decreased from a national average of 27 cents per minute in FY 1988 to 5.8 cents per minute under the predecessor contracts. Under the existing contracts prices began at about 4.5 cents per minute and will decrease to less than 1 cent per minute by the end of the contracts' period.

*Regional Telecommunications Services.*—FTS provides local voice and data telecommunications to Federal agencies nationwide. In the wake of reforms initiated by the Telecommunications Act of 1996, FTS is pursuing lower prices for local service in major markets through its Metropolitan Area Acquisitions (MAA) program, as well as continuing to provide local telecommunications service to areas not served by the MAA providers. The MAA program takes advantage of competition to achieve substantial price reductions for local telecommunication services in metropolitan areas. After a forbearance period of at least one year from the date of award of an MAA contract, the Government may execute an option to allow the FTS2001 long-distance vendors to offer optional local services and an option to allow winning MAA vendors in one city to offer local services in another city. To date, a total of 43 MAA contracts have been awarded to six industry partners in 26 cities nationwide, including the WITS2001 contract, that services the Washington, DC metropolitan area.

*Regional IT Solutions.*—Through its regional sales centers, FTS provides Federal agencies with systems definition and design, business and scientific software services, computer security studies and risk analyses, and access to all of FTS' products and services. A large part of the business unit is designed to enable Federal agencies to purchase commercial off-the-shelf information technology software, equipment and non-complex services. It offers Federal agencies products and services, plus the "value-added" contracting services support that focuses on shortest time, lowest cost, and highest quality as a composite procurement approach. The business unit relies on various contracting solutions: GSA's multiple-award schedules (MAS), government-wide acquisition contracts (GWACS) for specialized buys, and multiple award 8(a) contracts with small businesses.

*National IT Solutions.*—FTS assists Federal agencies on large, complex systems integration efforts, including hardware, software, maintenance, training and analyst support; delivers full service management of information technology acquisitions worth more than \$100 million; enables agencies to purchase information systems security services from various industry sources; and develops and deploys innovative new service areas that incorporate the most current technologies and approaches to solving Federal IT problems such as implementing financial and administrative systems, and providing a full range of smart card services, and outsourcing solutions for the IT needs of Federal agencies.

**Statement of Operations (in millions of dollars)**

Identification code 47-4548-0-4-804	2001 actual	2002 actual	2003 est.	2004 est.
FTS 2001 long distance:				
0111 Revenue .....	707	507	554	584
0112 Expense .....	-774	-468	-553	-582
0115 Net income or loss (-) .....	-67	39	1	2
Regional telecommunications services:				
0121 Revenue .....	352	447	446	442
0122 Expense .....	-354	-428	-444	-437
0125 Net income or loss (-) .....	-2	19	2	5

Regional IT solutions:					
0131	Revenue .....	3,816	4,695	4,822	5,166
0132	Expense .....	-3,810	-4,682	-4,813	-5,151
0135	Net income or loss (-) .....	6	13	9	15
National IT solutions:					
0141	Revenue .....	1,296	1,442	1,646	1,779
0142	Expense .....	-1,302	-1,491	-1,643	-1,776
0145	Net income or loss (-) .....	-6	-49	3	3
0191	Total revenues .....	6,171	7,091	7,468	7,971
0192	Total expenses .....	-6,240	-7,069	-7,453	-7,946
0195	Total income or loss (-) .....	-69	22	15	25
0199	Total income .....	-69	22	15	25

**Object Classification** (in millions of dollars)

Identification code 47-4548-0-4-804	2002 actual	2003 est.	2004 est.	
Personnel compensation:				
11.1	Full-time permanent .....	96	104	109
11.3	Other than full-time permanent .....	2	2	2
11.5	Other personnel compensation .....	16	24	25
11.9	Total personnel compensation .....	114	130	136
12.1	Civilian personnel benefits .....	25	27	28
21.0	Travel and transportation of persons .....	5	5	5
23.1	Rental payments to GSA .....	14	16	16
23.3	Communications, utilities, and miscellaneous charges .....	3	3	3
24.0	Printing and reproduction .....	1	1	1
25.2	Other services .....	8,609	7,224	7,753
25.3	Other purchases of goods and services from Government accounts .....	83	93	97
26.0	Supplies and materials .....	2	2	2
31.0	Equipment .....	58	46	48
99.9	Total new obligations .....	8,914	7,547	8,089

**Personnel Summary**

Identification code 47-4548-0-4-804	2002 actual	2003 est.	2004 est.	
2001	Total compensable workyears: Civilian full-time equivalent employment .....	1,509	1,567	1,612

**GENERAL ACTIVITIES**

*Federal Funds*

**General and special funds:**

GOVERNMENTWIDE POLICY

For expenses authorized by law, not otherwise provided for, for Government-wide policy and evaluation activities associated with the management of real and personal property assets and certain administrative services; Government-wide policy support responsibilities relating to acquisition, telecommunications, information technology management, and related technology activities; and services as authorized by 5 U.S.C. 3109, \$74,031,000.

Note.—A regular 2003 appropriation for this activity had not been enacted at the time the budget was prepared; therefore, this activity is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 47-0401-0-1-804	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Direct program:				
00.01	Office of Governmentwide Policy .....	60	52	74
09.01	Reimbursable program .....	20	22	5
10.00	Total new obligations .....	80	74	79
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	80	74	79
23.95	Total new obligations .....	-80	-74	-79
23.98	Unobligated balance expiring or withdrawn .....	-1		

**New budget authority (gross), detail:**

Discretionary:				
40.00	Appropriation .....	60	52	74
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	20	22	5
70.00	Total new budget authority (gross) .....	80	74	79

**Change in obligated balances:**

72.40	Obligated balance, start of year .....		20	19
73.10	Total new obligations .....	80	74	79
73.20	Total outlays (gross) .....	-60	-75	-75
74.40	Obligated balance, end of year .....	20	19	23

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	60	65	66
86.93	Outlays from discretionary balances .....		10	9
87.00	Total outlays (gross) .....	60	75	75

**Offsets:**

Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-20	-22	-5

**Net budget authority and outlays:**

89.00	Budget authority .....	60	52	74
90.00	Outlays .....	40	53	70

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	2	2	3
99.01	Outlays .....	2	2	3

Provides for Government-wide policy development, support, and evaluation functions associated with real and personal property, supplies, vehicles, aircraft, information technology, acquisition, transportation and travel management. This office also provides for the Federal Procurement Data Center, Workplace Initiatives, Regulatory Information Service Center, the Catalog of Federal Domestic Assistance, and the Committee Management Secretariat. The Office of Government-wide Policy, working cooperatively with other agencies, provides the leadership needed to develop and evaluate the implementation of policies designed to achieve the most cost-effective solutions for the delivery of administrative services and sound workplace practices, while reducing regulations and empowering employees.

**Object Classification** (in millions of dollars)

Identification code 47-0401-0-1-804	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent .....	20	17	18
11.5	Other personnel compensation .....	3	2	2
11.9	Total personnel compensation .....	23	19	20
12.1	Civilian personnel benefits .....	4	3	3
21.0	Travel and transportation of persons .....	1		1
23.1	Rental payments to GSA .....	2	2	2
24.0	Printing and reproduction .....	1	1	1
25.2	Other services .....	16	17	35
25.3	Other purchases of goods and services from Government accounts .....	11	10	11
26.0	Supplies and materials .....	1		
99.0	Direct obligations .....	59	52	73
99.0	Reimbursable obligations .....	20	21	5
99.5	Below reporting threshold .....	1	1	1
99.9	Total new obligations .....	80	74	79

**Personnel Summary**

Identification code 47-0401-0-1-804	2002 actual	2003 est.	2004 est.	
1001	Total compensable workyears: Civilian full-time equivalent employment .....	285	235	242

**General and special funds—Continued**

**OPERATING EXPENSES**

For expenses authorized by law, not otherwise provided for, for Government-wide activities associated with utilization and donation of surplus personal property; disposal of real property; telecommunications, information technology management, and related technology activities; providing citizens with Internet access to Federal information and services; agency-wide policy direction and management, and Board of Contract Appeals; accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Federal Claims; services as authorized by 5 U.S.C. 3109; and not to exceed \$7,500 for official reception and representation expenses, \$85,083,000.

Note.—A regular 2003 appropriation for these activities had not been enacted at the time the budget was prepared; therefore, these activities are operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 47-0110-0-1-804	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Sale of property, Lorton Correctional Complex	4		
Appropriations:			
05.01 Operating Expenses	-4		
07.99 Balance, end of year			

**Program and Financing (in millions of dollars)**

Identification code 47-0110-0-1-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program	70	89	85
09.01 Reimbursable program	5	17	17
10.00 Total new obligations	75	106	102
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	8	8
22.00 New budget authority (gross)	82	106	102
23.90 Total budgetary resources available for obligation	83	114	110
23.95 Total new obligations	-75	-106	-102
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	8	8	8
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	73	89	85
40.20 Appropriation (special fund)	4		
43.00 Appropriation (total discretionary)	77	89	85
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	2	17	17
68.10 Change in uncollected customer payments from Federal sources (unexpired)	3		
68.90 Spending authority from offsetting collections (total discretionary)	5	17	17
70.00 Total new budget authority (gross)	82	106	102
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	50	41	45
73.10 Total new obligations	75	106	102
73.20 Total outlays (gross)	-83	-102	-102
73.40 Adjustments in expired accounts (net)	-6		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-3		
74.10 Change in uncollected customer payments from Federal sources (expired)	7		
74.40 Obligated balance, end of year	41	45	44
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	59	91	88
86.93 Outlays from discretionary balances	24	11	14
87.00 Total outlays (gross)	83	102	102

**Offsets:**

88.00 Against gross budget authority and outlays:			
Offsetting collections (cash) from: Federal sources	-7	-17	-17
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-3		
88.96 Portion of offsetting collections (cash) credited to expired accounts	5		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	77	89	85
90.00 Outlays	76	85	85
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority	2	3	3
99.01 Outlays	2	3	3

Note.—Office of Citizen Services activities financed in the Policy and Citizen Services account in 2003 (\$13 million in budget authority) are presented in these schedules; and proposed to be financed in this account beginning in 2004.

Provides direct appropriations for a variety of activities, which are not feasible or appropriate for a user fee arrangement. The major programs include the Office of Citizen Services and Communications programs that promote increased access to Government; the personal property utilization and donation activities of the Federal Supply Service; the real property utilization and disposal activities of the Public Buildings Service; support for the Federal Public Key Infrastructure Steering Committee; and Management and Administration activities including Indian Trust Accounting, administrative support of Congressional District and Senate State offices, and top-level agency-wide management and administration.

**Object Classification (in millions of dollars)**

Identification code 47-0110-0-1-804	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent	21	27	29
11.5 Other personnel compensation	3	5	5
11.9 Total personnel compensation	24	32	34
12.1 Civilian personnel benefits	5	7	7
21.0 Travel and transportation of persons	2	2	2
23.1 Rental payments to GSA	3	4	4
23.3 Communications, utilities, and miscellaneous charges	1	1	1
24.0 Printing and reproduction		1	1
25.2 Other services	20	27	23
25.3 Other purchases of goods and services from Government accounts	14	14	12
31.0 Equipment	1	1	1
99.0 Direct obligations	70	89	85
99.0 Reimbursable obligations	5	17	17
99.9 Total new obligations	75	106	102

**Personnel Summary**

Identification code 47-0110-0-1-804	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment	342	410	410
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment	19	23	23

**OFFICE OF INSPECTOR GENERAL**

For necessary expenses of the Office of Inspector General and services authorized by 5 U.S.C. 3109, \$39,169,000: Provided, That not to exceed \$15,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property: Provided further, That not to exceed \$2,500 shall be available for awards to employees of other Federal agencies and private citizens in recognition of efforts and

initiatives resulting in enhanced Office of Inspector General effectiveness.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 47-0108-0-1-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	36	37	39
10.00 Total new obligations .....	36	37	39
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	36	37	39
23.95 Total new obligations .....	-36	-37	-39
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	36	37	39
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	3	3
73.10 Total new obligations .....	36	37	39
73.20 Total outlays (gross) .....	-36	-37	-39
74.40 Obligated balance, end of year .....	3	3	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	34	35	37
86.93 Outlays from discretionary balances .....	2	2	2
87.00 Total outlays (gross) .....	36	37	39
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	36	37	39
90.00 Outlays .....	36	37	39
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies within GSA, which create conditions for existing or potential instances of fraud, waste and mismanagement. The audit function provides internal audit and contract audit services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations and programs, test internal control systems, and develop information to improve operating efficiencies and enhance customer services. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations.

**Object Classification** (in millions of dollars)

Identification code 47-0108-0-1-804	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	19	19	19
11.5 Other personnel compensation .....	2	3	3
11.9 Total personnel compensation .....	21	22	22
12.1 Civilian personnel benefits .....	5	5	5
21.0 Travel and transportation of persons .....	1	2	2
23.1 Rental payments to GSA .....	3	3	4
25.2 Other services .....	1	1	2
25.3 Other purchases of goods and services from Government accounts .....	4	3	3
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	35	36	38
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	36	37	39

**Personnel Summary**

Identification code 47-0108-0-1-804	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	273	298	298

**ELECTRONIC GOVERNMENT (E-Gov) FUND**

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in support of interagency projects that enable the Federal Government to expand its ability to conduct activities electronically, through the development and implementation of innovative uses of the Internet and other electronic methods, including the payment of performance awards to Federal employees, \$45,000,000, to remain available until expended, authorized by the E-Government Act of 2002 (P.L. 107-347): Provided, That these funds may be transferred to Federal agencies to carry out the purposes of the Fund: Provided further, That this transfer authority shall be in addition to any other transfer authority provided in this Act: Provided further, That such transfers may not be made until 10 days after a proposed spending plan and justification for each project to be undertaken has been submitted to the Committees on Appropriations.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 47-0600-0-1-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Office staff .....	4	45	45
10.00 Total new obligations .....	4	45	45
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		1	1
22.00 New budget authority (gross) .....	5	45	45
23.90 Total budgetary resources available for obligation .....	5	46	46
23.95 Total new obligations .....	-4	-45	-45
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	5	45	45
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		2	6
73.10 Total new obligations .....	4	45	45
73.20 Total outlays (gross) .....	-1	-41	-44
74.40 Obligated balance, end of year .....	2	6	7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	41	41
86.93 Outlays from discretionary balances .....			3
87.00 Total outlays (gross) .....	1	41	44
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	45	45
90.00 Outlays .....	1	41	44

This program will support interagency "electronic government" or "e-gov" initiatives, i.e., projects that will use the Internet or other electronic methods to provide individuals, businesses, and other government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities. The program would also further the Administration's implementation of the Government Paperwork Elimination Act (GPEA) of 1998, which calls upon agencies to provide the public with optional use and acceptance of electronic information, services, and signatures, when practicable, by October 2003. Proposals for funding will be required to meet capital planning guidelines and include ade-

**General and special funds—Continued**

**ELECTRONIC GOVERNMENT (E-Gov) FUND—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

quate documentation to demonstrate a sound business case, attention to security and privacy, and a way to measure performance against planned results. In addition, a small portion of the money could be used for awards to those project management teams that delivered the best product to meet customer needs.

**Object Classification (in millions of dollars)**

Identification code 47-0600-0-1-804	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services .....	2	45	45
Allocation Account:			
25.1 Advisory and assistance services .....	1		
25.2 Other services .....	1		
99.0 Allocation account .....	2		
99.9 Total new obligations .....	4	45	45

**ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS**

(INCLUDING TRANSFER OF FUNDS)

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95-138, \$3,393,000: Provided, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 47-0105-0-1-802	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Allowances and pensions .....	1	1	1
00.02 Office staff .....	2	2	2
10.00 Total new obligations .....	3	3	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	3	3	3
23.95 Total new obligations .....	-3	-3	-3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3	3	3
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	3	3	3
73.20 Total outlays (gross) .....	-3	-3	-3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	3	3
90.00 Outlays .....	3	3	3

This appropriation provides support consisting of pensions, office staffs, and related expenses for former Presidents Gerald R. Ford, Jimmy Carter, Ronald Reagan, George Bush, and William Jefferson Clinton and for pension and postal franking privileges for the widow of former President Lyndon B. Johnson.

**Object Classification (in millions of dollars)**

Identification code 47-0105-0-1-802	2002 actual	2003 est.	2004 est.
11.8 Personnel compensation: Special personal services payments .....	1	1	1

13.0	Benefits for former personnel .....	1	1	1
23.1	Rental payments to GSA .....	1	1	1
99.9	Total new obligations .....	3	3	3

**EXPENSES, PRESIDENTIAL TRANSITION**

**Program and Financing (in millions of dollars)**

Identification code 47-0107-0-1-802	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	1	
73.20 Total outlays (gross) .....	-1	-1	
74.40 Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	1	1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1	1	

Funds are appropriated in accordance with the Presidential Transition Act of 1963, as amended, to provide for an orderly transfer of executive leadership. These expenses include costs related to briefing personnel associated with the incoming administration. New appropriations are generally requested in Presidential election years.

In the case where the President-elect is the incumbent President or in the case where the Vice President-elect is the incumbent Vice President, there shall be no expenditure of funds for the provision of services and facilities to such incumbent under this Act, and any funds appropriated for such purposes shall be returned to the general fund of the Treasury.

**Public enterprise funds:**

**FEDERAL CITIZEN INFORMATION CENTER FUND**

For necessary expenses of the Federal Citizen Information Center, including services authorized by 5 U.S.C. 3109, \$17,643,000, to be deposited into the Federal Citizen Information Center Fund: Provided, That the appropriations, revenues, and collections deposited into the Fund shall be available for necessary expenses of Federal Citizen Information Center activities in the aggregate amount of \$23,000,000. Appropriations, revenues, and collections accruing to this Fund during fiscal year 2004 in excess of \$23,000,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 47-4549-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Direct program .....	7	15	18
09.02 Reimbursable program .....	3	3	3
10.00 Total new obligations .....	10	18	21
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	2	2
22.00 New budget authority (gross) .....	10	18	21
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	12	20	23
23.95 Total new obligations .....	-10	-18	-21
24.40 Unobligated balance carried forward, end of year .....	2	2	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	7	15	18

68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	3	3	3
70.00	Total new budget authority (gross) .....	10	18	21
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	2	1	1
73.10	Total new obligations .....	10	18	21
73.20	Total outlays (gross) .....	-10	-18	-21
73.45	Recoveries of prior year obligations .....	-1		
74.40	Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	6	18	21
86.93	Outlays from discretionary balances .....	4		
87.00	Total outlays (gross) .....	10	18	21
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-2	-2	-2
88.40	Non-Federal sources .....	-1	-1	-1
88.90	Total, offsetting collections (cash) .....	-3	-3	-3
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	7	15	18
90.00	Outlays .....	6	15	18

The Federal Citizen Information Center (FCIC) Fund provides for the efficient operation of the FCIC's activities. Under the revolving fund, the FCIC's activities are financed from moneys deposited to the fund, consisting of annual appropriations from the general funds of the Treasury, reimbursements from agencies, fees collected from the public, gifts for undertaking consumer information activities, and other income incident to FCIC activities.

**Administrative expenses.**—The Federal Citizen Information Center (FCIC) maintains close working relationships with more than 40 Federal departments and agencies to identify, develop, promote, and make accessible to the public Federal consumer information. The FCIC helps these departments and agencies release consumer information collected as a by-product of their program activities. The FCIC promotes public awareness of this information through publication of the quarterly *Consumer Information Catalog*, through marketing and media promotions, and through Internet websites located at [www.pueblo.gsa.gov](http://www.pueblo.gsa.gov), [www.info.gov](http://www.info.gov), and [www.kids.gov](http://www.kids.gov). The FCIC also produces and distributes the *Consumer Action Handbook*, which provides information to citizens in resolving consumer problems, and it operates a toll-free National Contact Center for responding to citizen inquiries about the Federal Government. FCIC's websites and National Contact Center are part of GSA's evolution into the premier electronic portal through which citizens may access a wide variety of Federal Government information and services. This is a key element of the Administration's initiative to expand Electronic Government (E-Gov). During FY 2002, GSA created a new Office of Citizen Services and Communications of which FCIC is an important part. As part of this reorganization, FCIC acquired operational responsibility for the FirstGov.gov website. Administrative expenses are funded by the direct appropriation, by fees collected from the public when ordering publications listed in the Catalog, and by revenue received through FCIC's gift authority.

**Publications distribution.**—The FCIC bills agencies and in turn reimburses the Government Printing Office for the costs of distributing free publications to the public.

**Statement of Operations** (in millions of dollars)

Identification code 47-4549-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	3	3	3	3
0102 Expense .....	-3	-3	-3	-3

0105	Net income or loss (-) .....			
<b>Object Classification</b> (in millions of dollars)				
Identification code 47-4549-0-3-376		2002 actual	2003 est.	2004 est.
11.1	Personnel compensation: Full-time permanent .....	2	3	3
12.1	Civilian personnel benefits .....	1	1	1
25.2	Other services .....	7	14	17
99.0	Reimbursable obligations .....	10	18	21
99.9	Total new obligations .....	10	18	21

**Personnel Summary**

Identification code 47-4549-0-3-376	2002 actual	2003 est.	2004 est.	
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	23	34	36

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing** (in millions of dollars)

Identification code 47-4540-0-4-804	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
09.01	Reimbursable program .....	301	314	324
10.00	Total new obligations .....	301	314	324
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	39	43	43
22.00	New budget authority (gross) .....	303	314	324
22.10	Resources available from recoveries of prior year obligations .....	2		
23.90	Total budgetary resources available for obligation .....	344	357	367
23.95	Total new obligations .....	-301	-314	-324
24.40	Unobligated balance carried forward, end of year .....	43	43	43
<b>New budget authority (gross), detail:</b>				
Discretionary:				
50.00	Reappropriation .....	4		
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	298	314	324
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90	Spending authority from offsetting collections (total discretionary) .....	299	314	324
70.00	Total new budget authority (gross) .....	303	314	324
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	55	68	68
73.10	Total new obligations .....	301	314	324
73.20	Total outlays (gross) .....	-285	-314	-324
73.45	Recoveries of prior year obligations .....	-2		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40	Obligated balance, end of year .....	68	68	68
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	232	229	237
86.93	Outlays from discretionary balances .....	53	85	87
87.00	Total outlays (gross) .....	285	314	324
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-298	-314	-324
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	4		
90.00	Outlays .....	-13		

**Intragovernmental funds—Continued**

**WORKING CAPITAL FUND—Continued**

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	8	9	10
99.01	Outlays .....	8	9	10

This fund provides for management and administration, and centralized internal and external reimbursable administrative support functions.

*Centralized administration.*—Centralized administrative support services are funded through reimbursable funding from GSA’s benefiting accounts and from external sources including small agencies and commissions for services provided. Reimbursable services include administrative, information resources management, financial and management support, legal advice and services, and equal employment opportunity; budgetary policy and liaison activities with Congress and OMB; and management review and oversight of financial management systems. This funding provides liaison with the Small Business Administration on national minority business proposals and contracts to ensure that minority and small businesses receive a fair share of the agency’s business. This activity is also responsible for implementation and execution of the functions and duties under sections 8 and 15 of the Small Business Act (P.L. 95–507).

**Statement of Operations (in millions of dollars)**

Identification code 47–4540–0–4–804	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	253	303	314	324
0102 Expense .....	–246	–303	–314	–324
0105 Net income or loss (–) .....	7			

**Object Classification (in millions of dollars)**

Identification code 47–4540–0–4–804	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	75	78	78
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	11	12	12
11.9 Total personnel compensation .....	88	92	92
12.1 Civilian personnel benefits .....	35	37	37
21.0 Travel and transportation of persons .....	1	2	2
22.0 Transportation of things .....		1	1
23.1 Rental payments to GSA .....	11	13	13
23.3 Communications, utilities, and miscellaneous charges	27	29	29
24.0 Printing and reproduction .....	1	2	2
25.2 Other services .....	85	83	90
25.3 Other purchases of goods and services from Government accounts .....	38	39	40
26.0 Supplies and materials .....	1	2	2
31.0 Equipment .....	14	14	16
99.9 Total new obligations .....	301	314	324

**Personnel Summary**

Identification code 47–4540–0–4–804	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1,310	1,343	1,344

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:			
47–262300 Sale of transportation assets .....		10	
General Fund Offsetting receipts from the public .....		10	

**GENERAL SERVICES ADMINISTRATION—  
GENERAL PROVISIONS**

*SEC. 401.* The appropriate appropriation or fund available to the General Services Administration shall be credited with the cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U.S.C. 129).

*SEC. 402.* Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

*SEC. 403.* Funds in the Federal Buildings Fund made available for fiscal year 2004 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary to meet program requirements: Provided, That notice of any proposed transfers shall be transmitted to the Committees on Appropriations.

*SEC. 404.* No funds made available by this Act shall be used to transmit a fiscal year 2005 request for United States Courthouse construction that: (1) does not meet the design guide standards for construction as established and approved by the General Services Administration, the Judicial Conference of the United States, and the Office of Management and Budget; and (2) does not reflect the priorities of the Judicial Conference of the United States as set out in its approved 5-year construction plan: Provided, That the fiscal year 2005 request must be accompanied by a standardized courtroom utilization study of each facility to be constructed, replaced, or expanded.

*SEC. 405.* None of the funds provided in this Act may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided through the Federal Buildings Fund, to any agency that does not pay the rate per square foot assessment for space and services as determined by the General Services Administration in compliance with the Public Buildings Amendments Act of 1972 (Public Law 92–313).

*SEC. 406.* Funds provided to other Government agencies by the Information Technology Fund, General Services Administration, under section 110 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757) and sections 5124(b) and 5128 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1424(b) and 1428), for performance of pilot information technology projects which have potential for Government-wide benefits and savings, may be repaid to this Fund from any savings actually incurred by these projects or other funding, to the extent feasible.

*SEC. 407.* From funds made available under the heading “Federal Buildings Fund, Limitations on Availability of Revenue”, claims against the Government of less than \$2,000,000 arising from direct construction projects and acquisition of buildings may be liquidated from savings effected in other construction projects with prior notification to the Committees on Appropriations.

## INTERNATIONAL ASSISTANCE PROGRAMS

### MILLENNIUM CHALLENGE CORPORATION

#### Federal Funds

#### General and special funds:

##### MILLENNIUM CHALLENGE ACCOUNT

(Legislative proposal, not subject to PAYGO)

*For necessary expenses for the "Millennium Challenge Account", \$1,300,000,000, to remain available until expended: Provided, That the availability of such amounts is contingent upon enactment of authorization.*

#### Program and Financing (in millions of dollars)

Identification code 95-2750-2-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Country Programs .....			775
00.02 Administrative Expenses .....			25
10.00 Total new obligations .....			800
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			1,300
23.95 Total new obligations .....			- 800
24.40 Unobligated balance carried forward, end of year .....			500
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			1,300
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			800
73.20 Total outlays (gross) .....			- 650
74.40 Obligated balance, end of year .....			150
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			650
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			1,300
90.00 Outlays .....			650

At the Inter-American Development Bank on March 14, 2002, President Bush called for "A new compact for global development, defined by new accountability for both rich and poor nations alike. Greater contributions from developed nations must be linked to greater responsibility from developed nations." The President pledged that the United States would lead by example and increase its core development assistance by 50 percent over the next three years. These increased funds will go into a new Millennium Challenge Account (MCA). Because sound policies are an essential condition of development, the President announced that the MCA will be "devoted to projects in nations that govern justly, invest in their people and encourage economic freedom."

The MCA will be administered by a new government corporation designed to support innovative strategies and to ensure accountability for measurable results. This small independent agency will be supervised by a Board of Directors composed of Cabinet level officials and chaired by the Secretary of State. The CEO of the Millennium Challenge Corporation will be nominated by the President and confirmed by the Senate. Personnel will be drawn from a variety of government and non-government agencies and will serve limited-term appointments. The Corporation will be designed to make maximum use of flexible authorities to optimize efficiency in contracting, program implementation, and personnel.

Selection of specific countries will be based on a set of criteria that will, as stated by President Bush, "reward nations that root out corruption, respect human rights, and adhere to the rule of law . . . invest in better health care, better schools and broader immunization . . . [and] have more open markets and sustainable budget policies . . ." Given the link between financial accountability and success, countries failing to achieve a passing score on the corruption indicator will be ineligible, absent material change in their circumstances.

During 2004, the first year of MCA operation, it is anticipated that only countries eligible to borrow from the International Development Association and which have per capita incomes below \$1,435 will be considered for selection. By 2006, it is anticipated that country eligibility will be broadened to include all countries with per capita incomes up to \$2,975, the current World Bank cutoff for lower middle income countries.

#### Object Classification (in millions of dollars)

Identification code 95-2750-2-1-151	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....			5
12.1 Civilian personnel benefits .....			1
21.0 Travel and transportation of persons .....			2
23.2 Rental payments to others .....			2
23.3 Communications, utilities, and miscellaneous charges .....			1
25.2 Other services .....			12
26.0 Supplies and materials .....			2
41.0 Grants, subsidies, and contributions .....			775
99.9 Total new obligations .....			800

#### Personnel Summary

Identification code 95-2750-2-1-151	2002 actual	2003 est.	2004 est.
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....			50

## INTERNATIONAL SECURITY ASSISTANCE

#### Federal Funds

#### General and special funds:

##### ECONOMIC SUPPORT FUND

*For necessary expenses to carry out the provisions of chapter 4 of part II, \$2,535,000,000, to remain available until September 30, 2005: Provided, That funds appropriated under this heading that are made available for Israel, shall be available on a grant basis as a cash transfer and shall be disbursed within 30 days of the enactment of this Act or by October 31, 2003, whichever is later: Provided further, That funds under this heading may be used, notwithstanding any other provision of law, to establish and operate one or more enterprise funds in the Middle East region: Provided further, that provisions contained in section 201 of the Support for East European Democracy (SEED) Act of 1989 (excluding the authorizations of appropriations provided in subsection (b) of that section) shall apply with respect to such enterprise funds: Provided further, That funds appropriated under this heading may be used, notwithstanding any other provision of law, to provide assistance to the National Democratic Alliance of Sudan to strengthen its ability to protect civilians from attacks, slave raids, and aerial bombardment by the Sudanese Government forces and its militia allies, and the provision of such funds shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That in the previous proviso, the term "assistance" includes non-lethal, non-food aid such as blankets, medicine, fuel, mobile clinics, water drilling*

**General and special funds—Continued****ECONOMIC SUPPORT FUND—Continued**

equipment, communications equipment to notify civilians of aerial bombardment, non-military vehicles, tents, and shoes: Provided further, That the last proviso under this heading in P.L. 107-115 and any comparable provision in an appropriations Act for fiscal year 2003 are hereby repealed.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 72-1037-0-1-152	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3,442	3,191	2,535
09.01 Reimbursable program .....	159		
10.00 Total new obligations .....	3,601	3,191	2,535
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	891	701	
22.00 New budget authority (gross) .....	2,829	2,490	2,535
22.10 Resources available from recoveries of prior year obligations .....	11		
22.21 Unobligated balance transferred to other accounts	-35		
22.22 Unobligated balance transferred from other accounts	607		
23.90 Total budgetary resources available for obligation	4,303	3,191	2,535
23.95 Total new obligations .....	-3,601	-3,191	-2,535
23.98 Unobligated balance expiring or withdrawn .....	-3		
24.40 Unobligated balance carried forward, end of year .....	701		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2,689	2,490	2,535
40.36 Unobligated balance rescinded .....	-10		
41.00 Transferred to other accounts .....	-21		
42.00 Transferred from other accounts .....	12		
43.00 Appropriation (total discretionary) .....	2,670	2,490	2,535
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	159		
70.00 Total new budget authority (gross) .....	2,829	2,490	2,535
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,955	3,323	4,042
73.10 Total new obligations .....	3,601	3,191	2,535
73.20 Total outlays (gross) .....	-3,230	-2,472	-2,653
73.40 Adjustments in expired accounts (net) .....	6		
73.45 Recoveries of prior year obligations .....	-11		
74.40 Obligated balance, end of year .....	3,323	4,042	3,924
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	974	932	1,070
86.93 Outlays from discretionary balances .....	2,256	1,540	1,583
87.00 Total outlays (gross) .....	3,230	2,472	2,653
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-159		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2,670	2,490	2,535
90.00 Outlays .....	3,071	2,472	2,653

This account supports U.S. foreign policy objectives by providing economic assistance to allies and countries in transition to democracy, supporting Middle East peace negotiations, and financing economic stabilization programs, frequently in a multi-donor context. Key objectives include:

(1) Supporting strategically significant friends and allies through assistance designed to increase the role of the private sector in the economy, reduce government controls over markets, enhance job creation, and improve economic growth.

(2) Developing and strengthening institutions necessary for sustainable democracy. Typical areas of assistance include

technical assistance to administer and monitor elections, capacity-building for non-governmental organizations, judicial training, and women's participation in politics. Assistance is also provided to support the transformation of the public sector to encourage democratic development, including training to improve public administration, promote decentralization, strengthen local governments, parliaments, independent media and non-governmental organizations.

(3) Strengthening the capacity to manage the human dimension of the transition to democracy and a market economy and to help sustain the neediest sectors of the population during the transition period.

**Object Classification (in millions of dollars)**

Identification code 72-1037-0-1-152	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
25.2 Other services .....	70	65	50
41.0 Grants, subsidies, and contributions .....	3,272	3,126	2,485
99.0 Direct obligations .....	3,342	3,191	2,535
99.0 Reimbursable obligations .....	159		
41.0 Allocation Account: Grants, subsidies, and contributions .....	100		
99.9 Total new obligations .....	3,601	3,191	2,535

**ECONOMIC SUPPORT FUND TRANSFER ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 11-1044-0-1-151	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	1	
73.20 Total outlays (gross) .....	-1	-1	
74.40 Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	1	1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1	1	

**CENTRAL AMERICA AND THE CARIBBEAN EMERGENCY DISASTER RECOVERY FUND****Program and Financing (in millions of dollars)**

Identification code 72-1096-0-1-151	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	188	113	68
73.20 Total outlays (gross) .....	-75	-45	-27
74.40 Obligated balance, end of year .....	113	68	41
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	75	45	27
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	75	45	27

**FOREIGN MILITARY FINANCING PROGRAM**

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, \$4,414,000,000: Provided, That funds appropriated by this paragraph that are made available for Israel shall be disbursed within 30 days of the enactment of this Act or by October 31, 2003, whichever is later: Provided further, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: Provided further, That funds

made available under this paragraph shall be obligated upon appropriation in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a).

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: Provided, That funds made available under this heading may be used, notwithstanding any other provision of law, for demining, the clearance of unexploded ordnance, and related activities, and may include activities implemented through nongovernmental and international organizations: Provided further, That only those countries for which assistance was justified for the "Foreign Military Sales Financing Program" in the fiscal year 1989 congressional presentation under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: Provided further, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: Provided further, That not more than \$40,500,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: Provided further, That not more than \$361,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 2004 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations: Provided further, That foreign military financing program funds estimated to be outlayed for Egypt during fiscal year 2004 shall be transferred to an interest bearing account for Egypt in the Federal Reserve Bank of New York within 30 days of enactment of this Act or by October 31, 2003, whichever is later.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 11-1082-0-1-152	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Country grants .....	3,714	4,378	4,374
00.09 Administrative Expenses .....	35	37	40
01.92 Total Direct Obligations .....	3,749	4,415	4,414
10.00 Total new obligations .....	3,749	4,415	4,414
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		308	
22.00 New budget authority (gross) .....	4,007	4,107	4,414
22.10 Resources available from recoveries of prior year obligations .....	5		
22.22 Unobligated balance transferred from other accounts .....	45		
23.90 Total budgetary resources available for obligation .....	4,057	4,415	4,414
23.95 Total new obligations .....	-3,749	-4,415	-4,414
24.40 Unobligated balance carried forward, end of year .....	308		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	4,007	4,107	4,414
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,593	1,934	1,797
73.10 Total new obligations .....	3,749	4,415	4,414
73.20 Total outlays (gross) .....	-4,403	-4,552	-4,288
73.45 Recoveries of prior year obligations .....	-5		
74.40 Obligated balance, end of year .....	1,934	1,797	1,923
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2,112	2,450	2,847
86.93 Outlays from discretionary balances .....	2,291	2,102	1,441

87.00	Total outlays (gross) .....	4,403	4,552	4,288
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	4,007	4,107	4,414
90.00	Outlays .....	4,403	4,552	4,288

The foreign military financing (FMF) program enables selected friendly and allied countries to improve their ability to defend themselves by financing their acquisition of U.S. military articles, services, and training. This account provides the grant financing portion of the FMF program. Credit financing, in the form of direct loans, is provided in the FMF loan program account.

#### Object Classification (in millions of dollars)

Identification code 11-1082-0-1-152	2002 actual	2003 est.	2004 est.
25.2 Other services .....	35	37	40
41.0 Grants .....	3,714	4,378	4,374
99.9 Total new obligations .....	3,749	4,415	4,414

#### INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, \$91,700,000, of which up to \$3,000,000 may remain available until expended: Provided, That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 11-1081-0-1-152	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	73	81	92
10.00 Total new obligations .....	73	81	92
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	1	
22.00 New budget authority (gross) .....	70	80	92
23.90 Total budgetary resources available for obligation .....	73	81	92
23.95 Total new obligations .....	-73	-81	-92
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	70	80	92
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	46	55	60
73.10 Total new obligations .....	73	81	92
73.20 Total outlays (gross) .....	-59	-76	-88
73.40 Adjustments in expired accounts (net) .....	-5		
74.40 Obligated balance, end of year .....	55	60	64
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	33	41	47
86.93 Outlays from discretionary balances .....	26	35	41
87.00 Total outlays (gross) .....	59	76	88
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	70	80	92
90.00 Outlays .....	59	76	88

This assistance provides grants for military education and training to military and civilian students from foreign countries. In addition to helping these countries move toward self-sufficiency in defending themselves, this program also exposes

**General and special funds—Continued**

**INTERNATIONAL MILITARY EDUCATION AND TRAINING—Continued**

foreign students to American democratic values, particularly military respect for civilian rule and for internationally recognized standards of individual and human rights.

**Object Classification** (in millions of dollars)

Identification code 11-1081-0-1-152	2002 actual	2003 est.	2004 est.
26.0 Supplies and materials .....	7	8	9
41.0 Grants, subsidies, and contributions .....	66	73	83
99.9 Total new obligations .....	73	81	92

**PEACEKEEPING OPERATIONS**

*For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, \$94,900,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 72-1032-0-1-152	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	366	137	95
09.01 Reimbursable program .....	2		
10.00 Total new obligations .....	368	137	95
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		29	
22.00 New budget authority (gross) .....	167	108	95
22.10 Resources available from recoveries of prior year obligations .....	5		
22.22 Unobligated balance transferred from other accounts .....	225		
23.90 Total budgetary resources available for obligation .....	397	137	95
23.95 Total new obligations .....	-368	-137	-95
24.40 Unobligated balance carried forward, end of year .....	29		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	155	108	95
42.00 Transferred from other accounts .....	9		
43.00 Appropriation (total discretionary) .....	164	108	95
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	3		
70.00 Total new budget authority (gross) .....	167	108	95
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	79	93	74
73.10 Total new obligations .....	368	137	95
73.20 Total outlays (gross) .....	-339	-156	-105
73.40 Adjustments in expired accounts (net) .....	-17		
73.45 Recoveries of prior year obligations .....	-5		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	7		
74.40 Obligated balance, end of year .....	93	74	64
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	55	75	66
86.93 Outlays from discretionary balances .....	284	81	39
87.00 Total outlays (gross) .....	339	156	105
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-8		
88.40 Non-Federal sources .....	-3		
88.90 Total, offsetting collections (cash) .....	-11		
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	8		

**Net budget authority and outlays:**

89.00 Budget authority .....	164	108	95
90.00 Outlays .....	328	156	105

**Object Classification** (in millions of dollars)

Identification code 72-1032-0-1-152	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	366	137	95
99.0 Reimbursable obligations: Reimbursable obligations .....	2		
99.9 Total new obligations .....	368	137	95

This account funds U.S. assistance to international efforts to monitor and maintain the peace in areas of special concern to the United States, and provides funds to other related programs carried out in furtherance of the national security interests of the United States. In 2004, contributions are planned for programs in Africa, the Multinational Force and Observers in the Sinai, Organization for Security and Cooperation in Europe (OSCE) activities in Bosnia, Croatia, and Kosovo, and other activities.

**UNITED STATES EMERGENCY FUND FOR COMPLEX FOREIGN CRISES**

(Legislative proposal, not subject to PAYGO)

*For necessary expenses to enable the President to respond to or prevent unforeseen complex foreign crises, \$100,000,000, to remain available until expended: Provided, That funds appropriated under this heading may be made available only pursuant to a determination by the President that it is in the national interest to furnish assistance on such terms and conditions as he may determine for the purpose of preventing or responding to unforeseen complex foreign crises, including support for peace and humanitarian intervention operations to prevent or respond to foreign territorial disputes, armed ethnic and civil conflicts that pose threats to regional and international peace, and acts of ethnic cleansing, mass killing, or genocide: Provided further, That none of the funds appropriated under this heading shall be available to respond to natural disasters: Provided further, That for funds appropriated under this heading the President may make allocations to Federal agencies to carry out the authorities provided under this heading: Provided further, That the President may furnish assistance under this heading notwithstanding any other provision of law.*

**Program and Financing** (in millions of dollars)

Identification code 11-2300-2-1-152	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....			30
10.00 Total new obligations (object class 41.0) .....			30
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			100
23.95 Total new obligations .....			-30
24.40 Unobligated balance carried forward, end of year .....			70
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			100
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			30
73.20 Total outlays (gross) .....			-25
74.40 Obligated balance, end of year .....			5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			25
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			100
90.00 Outlays .....			25

This is a proposal for a new appropriation that is intended to assist the President to quickly and effectively respond to

or prevent unforeseen complex foreign crises by providing resources that can be drawn upon at the onset of a crisis. This appropriation will be used to fund a range of foreign assistance activities, including support for peace and humanitarian intervention operations to prevent or respond to foreign territorial disputes, armed ethnic and civil conflicts that pose threats to regional and international peace, and acts of ethnic cleansing, mass killing or genocide. Use of this appropriation will require a determination by the President that a complex emergency exists and that it is in the national interest to furnish assistance in response. This appropriation will not fund assistance activities in response to natural disasters because existing contingency funding is available for that purpose.

**NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS**

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, \$385,200,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, chapter 9 of part II of the Foreign Assistance Act of 1961, section 504 of the FREEDOM Support Act, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, the clearance of unexploded ordnance, the destruction of small arms, and related activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA), and for a United States contribution to the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: Provided, That of this amount not to exceed \$35,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: Provided further, That such funds may also be used for such countries other than the Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so following consultation with the appropriate committees of Congress: Provided further, That of the funds made available for demining and related activities, not to exceed \$690,000, in addition to funds otherwise available for such purposes, may be used for administrative expenses related to the operation and management of the demining program.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 11-1075-0-1-152	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Nonproliferation and Disarmament Fund .....	16	35	35
00.02 Export Control Assistance .....	17	36	40
00.03 International Science and Technology Centers/Biological Weapons Redirection .....	40	52	59
00.04 Anti-terrorism Assistance Supplemental .....	50	83	50
00.05 IAEA Voluntary Contribution .....	17	18	19
00.06 CTBT International Monitoring System .....	90	.....	.....
00.07 Korean Peninsula Energy Development Organization .....	41	64	106
00.08 Anti-terrorism Assistance .....	4	5	11
00.09 Terrorist Interdiction Program .....	.....	.....	3
00.10 Counter-terrorism Engagement with Allies .....	34	55	60
00.11 Humanitarian Demining Programs .....	3	75	.....
00.12 Other/Unallocated .....	3	2	2
00.13 Small Arms Destruction .....	23	2	.....
00.14 Emergency Response Fund: Export Control Assistance .....	47	2	.....
00.15 Emergency Response Fund: Anti-terrorism Assistance .....	.....	.....	4
00.16 Emergency Response Fund: Terrorist Interdiction Program .....	.....	.....	.....
00.17 Emergency Response Fund: Counter-terrorism Engagement with Allies .....	3	.....	.....
00.18 Emergency Response Fund: Afghanistan Demining .....	3	.....	.....
00.19 Emergency Response Fund: Counter-terrorism Equipment for Israel .....	28	.....	.....
00.20 Emergency Response Fund: Biological Weapons Redirection .....	30	.....	.....

09.01 Reimbursable program .....	30	.....	.....
10.00 Total new obligations .....	483	479	385
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	16	107	.....
22.00 New budget authority (gross) .....	428	372	385
22.10 Resources available from recoveries of prior year obligations .....	5	.....	.....
22.21 Unobligated balance transferred to other accounts .....	-16	.....	.....
22.22 Unobligated balance transferred from other accounts .....	156	.....	.....
23.90 Total budgetary resources available for obligation .....	589	479	385
23.95 Total new obligations .....	-483	-479	-385
24.40 Unobligated balance carried forward, end of year .....	107	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	397	372	385
42.00 Transferred from other accounts .....	1	.....	.....
43.00 Appropriation (total discretionary) .....	398	372	385
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	30	.....	.....
70.00 Total new budget authority (gross) .....	428	372	385
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	148	212	252
73.10 Total new obligations .....	483	479	385
73.20 Total outlays (gross) .....	-413	-439	-441
73.45 Recoveries of prior year obligations .....	-5	.....	.....
74.40 Obligated balance, end of year .....	212	252	196
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	234	242	250
86.93 Outlays from discretionary balances .....	179	197	191
87.00 Total outlays (gross) .....	413	439	441
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-30	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	398	372	385
90.00 Outlays .....	383	439	441

This account funds contributions to certain organizations supporting nonproliferation, and provides assistance for nonproliferation, demining, anti-terrorism, export control assistance, and other related activities.

**Object Classification (in millions of dollars)**

Identification code 11-1075-0-1-152	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons .....	2	2	2
25.2 Other services .....	186	272	178
25.5 Research and development contracts .....	30	20	20
31.0 Equipment .....	38	10	10
41.0 Grants, subsidies, and contributions .....	197	175	175
99.0 Direct obligations .....	453	479	385
99.0 Reimbursable obligations .....	30	.....	.....
99.9 Total new obligations .....	483	479	385

**NON-PROLIFERATION AND DISARMAMENT FUND**

**Program and Financing (in millions of dollars)**

Identification code 11-1071-0-1-152	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Nonproliferation and Disarmament Programs .....	5	.....	.....
10.00 Total new obligations (object class 25.2) .....	5	.....	.....
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	.....	.....

**General and special funds—Continued**

**NON-PROLIFERATION AND DISARMAMENT FUND—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 11-1071-0-1-152	2002 actual	2003 est.	2004 est.
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	5		
23.95 Total new obligations	-5		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	4	8	3
73.10 Total new obligations	5		
73.20 Total outlays (gross)		-5	-3
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	8	3	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances		5	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays		5	3

This account provided financial and technical assistance to support nonproliferation and disarmament efforts in foreign countries, including education and training, elimination of weapons of mass destruction, and development of export control capabilities. Starting in 1997, these activities have been funded from the Nonproliferation, Anti-Terrorism, Demining and Related Programs account. This schedule reflects the spend-out of prior-year obligations.

**Credit accounts:**

**FOREIGN MILITARY FINANCING LOAN PROGRAM ACCOUNT**

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 11-1085-0-1-152	2002 actual	2003 est.	2004 est.
0101 Foreign military financing, downward reestimates of subsidies	16	522	

**Program and Financing (in millions of dollars)**

Identification code 11-1085-0-1-152	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Upward reestimates of direct loan subsidy	130		
00.06 Interest on upward reestimates of direct loan subsidy	36		
10.00 Total new obligations (object class 41.0)	166		
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	166		
23.95 Total new obligations	-166		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation (indefinite)	166		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	70	7	
73.10 Total new obligations	166		
73.20 Total outlays (gross)	-211	-7	
73.40 Adjustments in expired accounts (net)	-18		
74.40 Obligated balance, end of year	7		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	45	7	
86.97 Outlays from new mandatory authority	166		
87.00 Total outlays (gross)	211	7	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	166		

90.00 Outlays	211	7	
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As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with the direct loans obligated for foreign military financing committed in 1992 and after, as well as the administrative expenses of this program. The foreign military financing credit program provides loans that finance sales of defense articles, defense services, and design and construction services to foreign countries and international organizations. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 11-1085-0-1-152	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct loan levels—DSCA Loan Program		3,800	
115901 Total direct loan levels		3,800	
Direct loan subsidy (in percent):			
132001 Direct loan levels—DSCA Loan Program	0.00	0.00	
132901 Weighted average subsidy rate	0.00	0.00	
Direct loan subsidy budget authority:			
133001 Direct loan levels—DSCA Loan Program			
133901 Total subsidy budget authority			
Direct loan subsidy outlays:			
134001 Direct loan levels—DSCA Loan Program	45	7	
134901 Total subsidy outlays	45	7	
Direct loan upward reestimate subsidy budget authority:			
135001 Direct loan levels—DSCA Loan Program	166		
135901 Total upward reestimate budget authority	166		
Direct loan upward reestimate subsidy outlays:			
136001 Direct loan levels—DSCA Loan Program	166		
136901 Total upward reestimate outlays	166		
Direct loan downward reestimate subsidy budget authority:			
137001 Direct loan levels—DSCA Loan Program	-16	-522	
137901 Total downward reestimate budget authority	-16	-522	
Direct loan downward reestimate subsidy outlays:			
138001 Direct loan levels—DSCA Loan Program	-16	-522	
138901 Total downward reestimate subsidy outlays	-16	-522	

**FOREIGN MILITARY FINANCING DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 11-4122-0-3-152	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Loans		3,800	
00.02 Interest on Debt to Treasury	117	87	74
00.91 Direct Program by Activities—Subtotal (1 level)	117	3,887	74
08.02 Downward reestimate paid to receipt accounts	11	397	
08.04 Interest due on downward subsidy re-estimate	5	125	
08.91 Direct Program by Activities—Subtotal (1 level)	16	522	
10.00 Total new obligations (object class 33.0)	133	4,409	74
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year		33	200
22.00 New financing authority (gross)	166	4,576	74
23.90 Total budgetary resources available for obligation	166	4,609	274
23.95 Total new obligations	-133	-4,409	-74
24.40 Unobligated balance carried forward, end of year	33	200	200
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow		3,800	

Mandatory:			
67.10 Authority to borrow .....	23	522	
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	645	812	560
68.10 Change in receivables from program account .....	-45	-7	
68.47 Portion applied to repay debt .....	-457	-551	-486
68.90 Spending authority from offsetting collections (total discretionary) .....	143	254	74
Mandatory:			
69.00 Offsetting collections (cash) .....	166		
69.47 Portion applied to repay debt .....	-166		
69.90 Spending authority from offsetting collections (total mandatory) .....			
70.00 Total new financing authority (gross) .....	166	4,576	74

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	342	49	3,800
73.10 Total new obligations .....	133	4,409	74
73.20 Total financing disbursements (gross) .....	-471	-666	-74
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	45	7	
74.40 Obligated balance, end of year .....	49	3,800	3,800
87.00 Total financing disbursements (gross) .....	471	666	74

<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Federal sources—subsidy for country direct loans .....	-45	-7	
88.00 Federal sources—upward subsidy reestimate .....	-166		
88.25 Interest on uninvested funds .....	-31		
Non-Federal sources:			
88.40 Non-Federal sources—principal .....	-433	-476	-463
88.40 Non-Federal sources—interest .....	-136	-129	-97
88.40 Non-Federal sources—fees .....		-200	
88.90 Total, offsetting collections (cash) .....	-811	-812	-560
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	45	7	
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	-600	3,771	-486
90.00 Financing disbursements .....	-341	-146	-486

**Status of Direct Loans (in millions of dollars)**

Identification code 11-4122-0-3-152	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....		3,800	
1150 Total direct loan obligations .....		3,800	
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1,943	1,847	1,428
1231 Disbursements: Direct loan disbursements .....	337	56	
1251 Repayments: Repayments and prepayments .....	-433	-475	-462
1290 Outstanding, end of year .....	1,847	1,428	966

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans for foreign military financing obligated in 1992 and after. The foreign military financing credit program provides loans that finance sales of defense articles, defense services, and design and construction services to foreign countries and international organizations. The amounts in this account are a means of financing and are not included in budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 11-4122-0-3-152	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	145	42	200	200

Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	1,943	1,847	1,428	966
1402 Interest receivable .....	26	14	11	7
1405 Allowance for subsidy cost (-) .....	-353	-511	-790	-810
1499 Net present value of assets related to direct loans .....	1,616	1,350	649	163
1999 Total assets .....	1,761	1,392	849	363
<b>LIABILITIES:</b>				
Federal liabilities:				
2103 Debt .....	1,691	1,316	849	363
2105 Other .....	70	76		
2999 Total liabilities .....	1,761	1,392	849	363
4999 Total liabilities and net position .....	1,761	1,392	849	363

**FOREIGN MILITARY LOAN LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 11-4121-0-3-152	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity—Defaulted Guaranteed Loans with Commercial Banks .....	19	25	54
00.02 Direct Program Activity—Defaulted Loans with the FFB .....	46	15	14
10.00 Total new obligations (object class 33.0) .....	65	40	68

<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	65	40	68
23.95 Total new obligations .....	-65	-40	-68

<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	27	26	40
69.00 Offsetting collections (cash) .....	597	460	355
69.27 Capital transfer to general fund .....	-325	-212	-104
69.47 Portion applied to repay debt .....	-234	-234	-223
69.90 Spending authority from offsetting collections (total mandatory) .....	38	14	28
70.00 Total new budget authority (gross) .....	65	40	68

<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	65	40	68
73.20 Total outlays (gross) .....	-65	-40	-68

<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	65	40	68

<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources (debt reduction) .....		-31	
Non-Federal sources:			
88.40 Non-Federal sources—loans other than FFB .....	-363	-195	-132
88.40 Non-Federal sources—FFB loan principal .....	-234	-234	-223
88.90 Total, offsetting collections (cash) .....	-597	-460	-355

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-532	-420	-287
90.00 Outlays .....	-532	-420	-287

**Status of Direct Loans (in millions of dollars)**

Identification code 11-4121-0-3-152	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	3,767	3,355	2,805
1231 Disbursements: Direct loan disbursements .....	21	7	7
Repayments:			
Repayments and prepayments:			
1251 Repayments and prepayments from country .....	-493	-349	-286
1251 Payments from the Military Debt Reduction account (4174) for purchase of loans .....		-31	
1261 Adjustments: Capitalized interest .....	60		

**Credit accounts—Continued****FOREIGN MILITARY LOAN LIQUIDATING ACCOUNT—Continued****Status of Direct Loans (in millions of dollars)—Continued**

Identification code 11-4121-0-3-152	2002 actual	2003 est.	2004 est.
1263 Write-offs for default: Direct loans .....		-177	
1290 Outstanding, end of year .....	3,355	2,805	2,526

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 11-4121-0-3-152	2002 actual	2003 est.	2004 est.
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	4,194	3,837	3,488
2251 Repayments and prepayments .....	-357	-346	-364
2261 Adjustments: Terminations for default that result in loans receivable .....		-3	-10
2290 Outstanding, end of year .....	3,837	3,488	3,114
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	3,453	3,140	2,803
<b>Addendum:</b>			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	39	10	18
2331 Disbursements for guaranteed loan claims .....	19	8	54
2364 Other adjustments, net .....	-48		
2390 Outstanding, end of year .....	10	18	72

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from direct loans obligated and loan guarantees for foreign military financing committed prior to 1992. This account is shown on a cash basis and reflects the transactions resulting from loans provided to finance sales of defense articles, defense services, and design and construction services to foreign countries and international organizations. All new foreign military financing credit activity in 1992 and after (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

**Statement of Operations (in millions of dollars)**

Identification code 11-4121-0-3-152	2001 actual	2002 actual	2003 est.	2004 est.
0111 Revenue .....	198	178	149	134
0112 Expense .....	-198	-178	-149	-134

**Balance Sheet (in millions of dollars)**

Identification code 11-4121-0-3-152	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	3,767	3,355	2,805	2,526
1602 Interest receivable .....	479	409	324	235
1604 Direct loans and interest receivable, net .....	4,246	3,764	3,129	2,761
1699 Value of assets related to direct loans .....	4,246	3,764	3,129	2,761
1701 Defaulted guaranteed loans, gross .....	39	10	18	72
1702 Interest receivable .....			1	3
1799 Value of assets related to loan guarantees .....	39	10	19	75
1999 Total assets .....	4,285	3,774	3,148	2,836

**LIABILITIES:**

Federal liabilities:				
2102 Accrued Interest Payable to FFB .....	33	32	28	25
2103 Debt—Principal owed to FFB .....	2,157	1,923	1,689	1,466
2104 Resources payable to Treasury .....	2,095	1,819	1,431	1,345
2999 Total liabilities .....	4,285	3,774	3,148	2,836
4999 Total liabilities and net position .....	4,285	3,774	3,148	2,836

**MILITARY DEBT REDUCTION FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 11-4174-0-3-152	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity—Direct Loans Purchased from Liquidating Account .....		31	
00.02 Direct Program Activity—Interest on Debt due to Treasury .....		1	1
00.03 Direct program activity—Payback of principal to creditor .....	1		
10.00 Total new obligations .....	1	32	1
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....	1	32	1
23.95 Total new obligations .....	-1	-32	-1
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	1	32	1
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (debt reduction) .....			33
68.47 Portion applied to repay debt .....			-33
68.90 Spending authority from offsetting collections (total discretionary) .....			
Mandatory:			
69.00 Offsetting collections (cash—subsidy reestimate) .....		2	
69.47 Portion applied to repay debt .....		-2	
69.90 Spending authority from offsetting collections (total mandatory) .....			
70.00 Total new financing authority (gross) .....	1	32	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1	32	1
73.20 Total financing disbursements (gross) .....	1	-32	-1
87.00 Total financing disbursements (gross) .....	-1	32	1
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources—subsidy reestimate for loans fully written-off .....		-2	-33
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	1	30	-32
90.00 Financing disbursements .....	1	30	-32

**Status of Direct Loans (in millions of dollars)**

Identification code 11-4174-0-3-152	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....		31	
1150 Total direct loan obligations .....		31	
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	19	2	31
1233 Disbursements: Purchase of loans assets from a liquidating account .....		31	
1263 Write-offs for default: Direct loans .....	-17	-2	-31
1290 Outstanding, end of year .....	2	31	

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from restructuring foreign military loans. The amounts in this account are a means of financing and are not included in budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 11-4174-0-3-152	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	19	2	31	
1405 Allowance for subsidy cost (-) .....	-17			
1499 Net present value of assets related to direct loans .....	2	2	31	
1999 Total assets .....	2	2	31	
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt .....	2	2	31	
2999 Total liabilities .....	2	2	31	
4999 Total liabilities and net position .....	2	2	31	

## INTERNATIONAL DEVELOPMENT ASSISTANCE MULTILATERAL ASSISTANCE

**Federal Funds****General and special funds:**

INTERNATIONAL FINANCIAL INSTITUTIONS  
GLOBAL ENVIRONMENT FACILITY

*For the United States contribution for the Global Environment Facility, \$184,996,904, to the International Bank for Reconstruction and Development as trustee for the Global Environment Facility, by the Secretary of the Treasury, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 11-0077-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	101	178	185
10.00 Total new obligations (object class 33.0) .....	101	178	185
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	7,663	7,663	7,663
22.00 New budget authority (gross) .....	101	178	185
23.90 Total budgetary resources available for obligation	7,764	7,841	7,848
23.95 Total new obligations .....	-101	-178	-185
24.40 Unobligated balance carried forward, end of year .....	7,663	7,663	7,663
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	101	178	185
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	264	268	295
73.10 Total new obligations .....	101	178	185
73.20 Total outlays (gross) .....	-97	-151	-147
74.40 Obligated balance, end of year .....	268	295	333
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	15	50	28
86.93 Outlays from discretionary balances .....	82	101	119
87.00 Total outlays (gross) .....	97	151	147
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	101	178	185
90.00 Outlays .....	97	151	147

The International Bank for Reconstruction and Development (IBRD or World Bank) provides financing and technical assistance to support infrastructure investment and policy reform. IBRD operations are designed to promote sustainable economic growth increase productivity growth, and raise living standards, including through targeted investments in basic human needs, private-sector development, and core policy reforms.

The IBRD made new commitments of \$11.5 billion during 2002, IBRD gross disbursements were \$11.3 billion. Since its establishment in 1945, the IBRD has made loans totaling \$371 billion. No request is being made for IBRD capital in 2004.

The IBRD acts as trustee for the Global Environment Facility (GEF) Trust Fund. The GEF provides technical assistance and partial funding for developing country investments designed to provide global environmental benefits by reducing international water pollution and ozone depletion, and by promoting biodiversity and energy conservation. The U.S. has activity supported the GEF's expanded focus to include a new international environmental agreement on persistent organic pollutants, which are of particular concern in the northern U.S. With its highly specific focus on global environmental issues—where both costs and benefits are shared across international borders—the GEF occupies an important niche in the system of international financial institutions. Its basic mission is to support innovative and cost-effective pilot investments whose design and environmental benefits can be duplicated (and financed) elsewhere. Under strong U.S. leadership, agreement was reached on policy reforms for the third replenishment (GEF-3) to further improve GEF's performance, including development of a performance-based allocation system, development of a private sector strategy, and the creation of an independent monitoring and evaluation unit. GEF has been making substantial progress in leveraging its limited resources. The World Bank, the UN Development Program, the UN Environment Program and, increasingly, private investors, provide substantial co-financing for GEF projects. Since its inception in 1994, total GEF commitments amount to about \$3.4 billion, with associated co-financing of about \$10.3 billion.

The initial U.S. commitment to the GEF in 1995 amounted to \$430 million, and the second replenishment (GEF-2) agreed to in 1998, also included a U.S. commitment of \$430 million in four installments over the 1999-2002 period. The third replenishment (GEF-3) agreed to in 2002 includes a U.S. commitment of \$500 million in four installments from 2003-2006. The fourth installment includes an additional \$70 million, which is tied to GEF meeting specific performance targets in the GEF-3 period. In 2004, the Administration is requesting \$77.5 million to clear a portion of arrears and \$107.5 million for the second installment of the U.S. pledge of \$500 million to GEF's third replenishment (GEF-3).

## CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

*For payment to the International Development Association by the Secretary of the Treasury, \$976,825,167, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 11-0073-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	792	874	977
10.00 Total new obligations (object class 33.0) .....	792	874	977

**General and special funds—Continued**

## INTERNATIONAL FINANCIAL INSTITUTIONS—Continued

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION—  
Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 11-0073-0-1-151	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	792	874	977
23.95 Total new obligations .....	-792	-874	-977
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	792	874	977
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,869	1,733	1,611
73.10 Total new obligations .....	792	874	977
73.20 Total outlays (gross) .....	-929	-996	-1,323
74.40 Obligated balance, end of year .....	1,733	1,611	1,264
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	57	68	70
86.93 Outlays from discretionary balances .....	872	928	1,253
87.00 Total outlays (gross) .....	929	996	1,323
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	792	874	977
90.00 Outlays .....	929	996	1,323

The International Development Association (IDA) is a member of the World Bank Group and provides development financing on highly concessional terms and great terms to the world's poorest nations. These countries are primarily in Sub-Saharan Africa and South Asia, but also in Latin America, Eastern Europe, and the former Soviet Union. IDA places special emphasis on achieving sustained productivity growth and poverty reduction, and particularly strives to meet the exceptional development challenges faced by Africa within its broad commitment to support all the world's poor countries. IDA is the single largest source of multilateral lending extended on concessional terms to developing countries. Projects have to meet the same economic, financial, and environmental standards as other World Bank projects. IDA resources for new lending are increasingly provided by earnings and repayments of existing loans and are augmented by new donor contributions through periodic "replenishments."

During 2002, IDA made new commitments of \$8.1 billion, and IDA's gross disbursements were \$6.6 billion. Since its establishment, IDA has made commitments totaling \$135 billion.

Under the thirteenth replenishment (IDA-13), IDA will provide total resources for prospective new loan commitments of \$22.8 billion over the 2003-2005 period. The U.S. pledge of \$2.85 billion over the three years (roughly 22 percent of total donor contributions), is subject in part to a set of performance indicators, tied to increased contributions in 2004 and 2005. Through the IDA-13 replenishment negotiations, U.S. leadership secured a number of commitments for reform of IDA, most crucially resulting in a bolder stance on the use of grants and focus on measurable results. IDA committed to the initiation of a performance measurement system, including outline of approach, baseline data, outcome indicators, and progress targets. The U.S. made \$300 million of its overall contribution conditional on IDA making sufficient progress towards performance targets for the second and third years of IDA-13. IDA will also allocate 18-21% of its total resources as grants. Priority for grants will be given to the poorest countries, those that are post-conflict and/or highly debt-vulnerable, and for HIV/AIDS or natural disaster reconstruction projects. The 2004 request consists of \$950 million for the

second year of our commitment under the replenishment and \$26.8 million to clear a portion of arrears to IDA.

## CONTRIBUTION TO MULTILATERAL INVESTMENT GUARANTEE AGENCY

*For payment to the Multilateral Investment Guarantee Agency by the Secretary of the Treasury, \$4,001,672, for the United States paid-in share of the increase in capital stock, to remain available until expended.*

## LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

*The United States Governor of the Multilateral Investment Guarantee Agency may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed \$16,339,982.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 11-0084-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	5	4	4
10.00 Total new obligations (object class 33.0) .....	5	4	4
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	5	4	4
23.95 Total new obligations .....	-5	-4	-4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	5	4	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	33	22	22
73.10 Total new obligations .....	5	4	4
73.20 Total outlays (gross) .....	-16	-4	-4
74.40 Obligated balance, end of year .....	22	22	22
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	4	4
86.93 Outlays from discretionary balances .....	11		
87.00 Total outlays (gross) .....	16	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	4	4
90.00 Outlays .....	16	4	4

The Multilateral Investment Guarantee Agency (MIGA) is a member of the World Bank Group. MIGA is designed to encourage the flow of foreign private investment to and among developing countries by issuing guarantees against noncommercial risks and carrying out investment promotion activities.

During World Bank fiscal year 2002, MIGA issued 58 guaranteed contracts, with a maximum aggregate contingent liability of \$1.2 billion. Since MIGA's inception, estimated foreign direct investment facilitated totals \$45.8 billion.

Negotiations of MIGA's first General Capital Increase (GCI) were completed in 1998. The United States committed to contribute a total of \$30 million in paid-in capital and nearly \$140 million in callable capital over three years. The agreement included commitments from MIGA on a range of policy issues of substantial importance to the U.S., including environment, information disclosure, labor, and creation of an inspection function for greater accountability and transparency. In 2000, the Administration sought and received congressional authorization for our full participation in the MIGA GCI.

The 2004 request is \$4 million to clear a portion of arrears to MIGA.

## CONTRIBUTION TO THE INTER-AMERICAN INVESTMENT CORPORATION

For payment to the Inter-American Investment Corporation, by the Secretary of the Treasury, \$30,898,488, for the United States share of the increase in subscriptions to capital stock, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 11-0072-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 International Investment Corp. ....	18	30	31
10.00 Total new obligations (object class 33.0) .....	18	30	31
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3,956	3,798	3,798
22.00 New budget authority (gross) .....	-141	30	31
23.90 Total budgetary resources available for obligation	3,815	3,828	3,829
23.95 Total new obligations .....	-18	-30	-31
24.40 Unobligated balance carried forward, end of year .....	3,798	3,798	3,798
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	18	30	31
40.36 Unobligated balance rescinded .....	-159		
43.00 Appropriation (total discretionary) .....	-141	30	31
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	59	48	50
73.10 Total new obligations .....	18	30	31
73.20 Total outlays (gross) .....	-29	-28	-30
74.40 Obligated balance, end of year .....	48	50	51
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	6	6
86.93 Outlays from discretionary balances .....	25	22	24
87.00 Total outlays (gross) .....	29	28	30
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-141	30	31
90.00 Outlays .....	29	28	30

The Inter-American Development Bank (IDB) promotes sustainable economic growth and productivity, poverty reduction, private sector development, and good governance in Latin America and the Caribbean through loans and technical assistance.

In 2002, the IDB made new lending commitments of \$4.5 billion; gross disbursements were \$5.4 billion. Since its inception in 1960, the Bank has lent over \$118 billion.

The Bank provides financing through: (1) the Ordinary Capital window that lends at market-based rates; and, (2) the Fund for Special Operations (FSO), which provides financing on concessional terms to the region's poorest nations.

No request is being made for the IDB or FSO in 2004.

The Inter-American Investment Corporation (IIC), established in 1984, is a member of the Inter-American Development Bank Group, whose purpose is to promote development of private small and medium sized enterprises (SMEs) in Latin America and the Caribbean. It is a legally autonomous entity whose resources and management are separate from those of the Inter-American Development Bank itself. Through direct loans and equity investments in SMEs as well as through lending to private financial intermediaries, the IIC helps SMEs in the region to access the medium/long-term capital necessary to start-up, expand, or modernize their operations.

During 2002, the IIC approved 20 projects totaling \$123 million. Since its inception, the IIC has approved 283 projects

for a total amount of \$1.5 billion. Of these, 113 projects, representing \$393 million, remain active.

The 2004 request includes budget authority of \$25 million for paid-in subscription for the fifth and final payment and \$5.9 million for a portion of arrears to the IIC.

## CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended, \$151,921,405, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 11-0076-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Asian development fund .....	98	147	152
10.00 Total new obligations (object class 33.0) .....	98	147	152
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	748	748	748
22.00 New budget authority (gross) .....	98	147	152
23.90 Total budgetary resources available for obligation	846	895	900
23.95 Total new obligations .....	-98	-147	-152
24.40 Unobligated balance carried forward, end of year .....	748	748	748
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	98	147	152
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	460	347	262
73.10 Total new obligations .....	98	147	152
73.20 Total outlays (gross) .....	-212	-232	-185
74.40 Obligated balance, end of year .....	347	262	229
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		71	26
86.93 Outlays from discretionary balances .....	212	161	159
87.00 Total outlays (gross) .....	212	232	185
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	98	147	152
90.00 Outlays .....	212	232	185

The Asian Development Bank (ADB) fosters broad-based sustainable economic growth and development, poverty alleviation, and cooperation in the Asia/Pacific region. The ADB has two main financing windows: (i) the ordinary capital window and (ii) the Asian Development Fund (ADF) which lends at concessional rates to the region's poorest nations.

ADF resources are derived in part from donor contributions through periodic "replenishments." In the most recent replenishment, ADF-8, the United States successfully negotiated a comprehensive package of policy reforms while maintaining our contribution at \$412 million over four years.

ADF-8 put in place, for the first time, a system to allocate ADF resources based on the performance of borrowing countries. This includes performance on fiscal measures and good governance, as well as performance in managing the portfolio. Agreement was also reached on internal changes, including establishment of a Board committee on development effectiveness and a commitment to strengthen the Bank's internal controls.

In 2002, the Bank lent \$3.9 billion of its ordinary capital resources and extended loans and grants of \$1.7 billion from ADF and TA resources for development projects. Since its founding in 1966, the ADB has committed over \$69 billion,

**General and special funds—Continued**

## CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND—Continued

and the ADF has committed \$27 billion. In addition, the ADB has made cumulative private sector loans and equity investments of over \$2 billion.

In 2000, the U.S. made the final payment to the ADB's fourth general capital increase. No request is being made for ADB in 2004.

The 2004 request for the ADF is for \$103 million in budget authority for our third scheduled contribution under ADF-8 and \$48.9 million to clear a portion of arrears.

## CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

*For payment to the African Development Bank by the Secretary of the Treasury, \$5,104,930, for the United States paid-in share of the increase in capital stock, to remain available until expended.*

## CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

*For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, \$118,080,826, to remain available until expended.*

## LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

*The United States Governor of the African Development Bank may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed \$79,609,817.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 11-0079-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Fund .....	100	118	118
00.02 Ordinary Capital .....	5	5	5
10.00 Total new obligations (object class 33.0) .....	105	123	123
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	105	123	123
23.95 Total new obligations .....	-105	-123	-123
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	105	123	123
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	416	411	409
73.10 Total new obligations .....	105	123	123
73.20 Total outlays (gross) .....	-110	-125	-130
74.40 Obligated balance, end of year .....	411	409	402
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	7	22	22
86.93 Outlays from discretionary balances .....	103	103	108
87.00 Total outlays (gross) .....	110	125	130
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	105	123	123
90.00 Outlays .....	110	125	130

The African Development Bank group is composed of (i) the African Development Bank (AFDB), which lends at prevailing rates, and (ii) the African Development Fund (AFDF), which provides grants and concessional loans to the poorest African countries. In 2002, the AFDB approved 31 new projects amounting to about \$1.5 billion. Since its inception in 1963, the AFDB has financed 906 projects amounting to about \$26.8 billion.

The African Development Fund approved \$1.3 billion for 85 projects in 2002. Since its inception in 1974, cumulative

AFDF lending totals an estimated \$17.8 billion for 1,770 development projects.

The 2004 request for the African Development Bank Group includes \$123.2 million in budget authority and \$79.6 million in program limitations on callable capital subscriptions. The budget authority request consists of \$5.1 million in paid-in capital for the fifth installment on the U.S. share of the AFDB's fifth capital increase; \$79.6 million in program limitations on callable capital; and \$118 million for the second of three equal installments on the U.S. share of the AFDF-9 replenishment covering the period 2003-2005. In September 2002, the U.S. and other donor countries reached agreement on the ninth replenishment of the AfDF (AfDF-9) that will cover CY 2002-2004. The U.S. exercised leadership under AfDF-9 in attaining a substantial increase in grant funding from the existing level of 7.5% to 18-21% of available resources. This replenishment lays out four broad policy objectives: (1) greater selectivity and focus in Fund operations; (2) enhanced development effectiveness and measurable results; (3) improved linkages between lending and performance; and (4) deepened coordination with other development entities. In addition, we seek budget authority of \$85,756 to clear a portion of U.S. arrears to the African Development Bank Group.

## CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

*For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, \$35,431,111, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.*

## LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

*The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$122,085,497.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 11-0088-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	36	36	35
10.00 Total new obligations (object class 33.0) .....	36	36	35
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	36	36	35
23.95 Total new obligations .....	-36	-36	-35
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	36	36	35
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	43	43	43
73.10 Total new obligations .....	36	36	35
73.20 Total outlays (gross) .....	-36	-36	-35
74.40 Obligated balance, end of year .....	43	43	43
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	19	19	18
86.93 Outlays from discretionary balances .....	17	17	17
87.00 Total outlays (gross) .....	36	36	35
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	36	36	35
90.00 Outlays .....	36	36	35

The European Bank for Reconstruction and Development (EBRD) supports market-oriented economic reform and democratic pluralism through predominately private sector lending and investments in the nations of Central and Eastern Europe and the former Soviet Union. Nearly eighty percent of projects approved in 2001 were in the private sector. The United States and other shareholders signed the articles of agreement of the EBRD on May 29, 1990, and the Bank officially began operating on April 15, 1991.

In April 1996, shareholders approved a doubling of EBRD's capital base from EUR 10 billion to EUR 20 billion (approximately \$24 billion) which went into effect in April 1997. The annual payment for the U.S.'s ten percent share is \$35.8 million payable over a period of 8 years. As of the end of third quarter 2002, the EBRD had a portfolio of over 800 projects with a total value of \$21 billion.

The 2004 request consists of \$35.4 million in budget authority for paid-in capital and \$122.1 million in program limitations for callable capital for the seventh of eight installments on the U.S. subscription to the general capital increase.

#### NORTH AMERICAN DEVELOPMENT BANK

##### Program and Financing (in millions of dollars)

Identification code 11-1008-0-1-151	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	51	51	40
73.20 Total outlays (gross) .....	-11	-11	-11
74.40 Obligated balance, end of year .....	51	40	29
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....		11	11
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		11	11

The North American Development Bank (NADBank) provides financing for environmental infrastructure projects in the U.S.-Mexico border region and, more broadly in the United States and Mexico for NAFTA-related community adjustments and investment. Under NADBank's charter, the U.S. and Mexico contributed equally to NADBank's capital—\$450 million in paid-in capital and \$2.55 billion in callable capital. The final U.S. installment was appropriated in 1998, and there is no paid-in request for 2004.

The NADBank finances environmental infrastructure projects that have been certified by the U.S.-Mexico Border Environmental Commission (BECC), an institution designed to assist states and local communities in coordinating border clean-up. As of December 2002, the NADBank had approved \$49.1 million in loans for 14 projects and \$15.5 million in grants for technical assistance and project construction. It has also administered \$423.6 million in EPA-funded grants to 45 projects in Mexico and the United States. The total investment value of all the projects to which it provides funding is approximately \$1.5 billion.

In March 2002, President Bush and President Fox agreed to a set of proposals to improve the performance of NADBank and BECC in fulfilling their missions. These include measures to improve the affordability of NADBank financing, expand the geographic area of operations in Mexico, create a single Board of Directors for both institutions, and conduct a review of the project cycle. The Administration is seeking congressional authorizations necessary to implement several of these reforms.

#### CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

*For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the fund, \$32,614,172, to remain available until expended. (22 U.S.C. 283z-9.)*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

##### Program and Financing (in millions of dollars)

Identification code 11-0089-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....		30	33
10.00 Total new obligations (object class 33.0) .....		30	33
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		30	33
23.95 Total new obligations .....		-30	-33
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		30	33
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	256	197	109
73.10 Total new obligations .....		30	33
73.20 Total outlays (gross) .....	-60	-118	-75
74.40 Obligated balance, end of year .....	197	109	67
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		8	8
86.93 Outlays from discretionary balances .....	60	110	67
87.00 Total outlays (gross) .....	60	118	75
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		30	33
90.00 Outlays .....	60	118	75

The Multilateral Investment Fund (MIF), administered by the Inter-American Development Bank, provides grants and loans to support private-sector development and finance and labor sector reforms in Latin America and the Caribbean. Special consideration is given to reforms that encourage private foreign direct investment and promote privatization. Grants and loans are used for technical assistance to identify and resolve investment constraints, for investment in human capital, and for business infrastructure and development. Since its inception in 1992, the MIF has approved 521 projects, of which the MIF contribution totaled \$800 million.

The U.S. made a commitment to the MIF in 1992 amounting to \$500 million. For 2004, \$32.6 million is requested to clear a portion of arrears.

#### CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

*For the United States contribution by the Secretary of the Treasury to increase the resources of the International Fund for Agricultural Development, \$15,004,042, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

##### Program and Financing (in millions of dollars)

Identification code 11-1039-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	20	15	15
10.00 Total new obligations (object class 33.0) .....	20	15	15

**General and special funds—Continued****CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 11-1039-0-1-151	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	20	15	15
23.95 Total new obligations .....	-20	-15	-15
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	20	15	15
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		15	19
73.10 Total new obligations .....	20	15	15
73.20 Total outlays (gross) .....	-5	-11	-12
74.40 Obligated balance, end of year .....	15	19	22
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	4	4
86.93 Outlays from discretionary balances .....		7	8
87.00 Total outlays (gross) .....	5	11	12
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	20	15	15
90.00 Outlays .....	5	11	12

The International Fund for Agricultural Development (IFAD) was established in 1977 as a multilateral financial institution focused on promoting rural agricultural development in poorer countries. IFAD's specific mandate is to assist small-scale producers and subsistence farmers to increase their productivity and incomes, improve their nutritional levels, and help integrate them into larger markets.

The 2004 request is for \$15,004,042, of which \$15 million is for our first scheduled contribution under IFAD's 6th replenishment (IFAD-VI) and \$4,042 is to clear a portion of U.S. arrears. We will seek congressional authorization to contribute a total of \$45 million under IFAD-VI which includes a number of key policy reforms advocated by the U.S.: creation of a performance-based allocation system; an increase in grants; improvements in measuring project results; and establishment of an independent evaluation function.

**INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE**

For necessary expenses to carry out the provisions of section 129 of the Foreign Assistance Act of 1961 (relating to international affairs technical assistance activities), \$14,000,000, to remain available until expended, which shall be available notwithstanding any other provision of law.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 11-1045-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 New Obligations .....	26	22	22
09.01 Reimbursable program .....	6		
10.00 Total new obligations .....	32	22	22
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	26	33	21
22.00 New budget authority (gross) .....	34	10	14
22.10 Resources available from recoveries of prior year obligations .....	3		
22.22 Unobligated balance transferred from other accounts .....	4		
23.90 Total budgetary resources available for obligation .....	67	43	35

23.95 Total new obligations .....	-32	-22	-22
24.40 Unobligated balance carried forward, end of year .....	33	21	13

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	7	10	14
42.00 Transferred from other accounts .....	21		
43.00 Appropriation (total discretionary) .....	28	10	14
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	6		
70.00 Total new budget authority (gross) .....	34	10	14

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	20	24	21
73.10 Total new obligations .....	32	22	22
73.20 Total outlays (gross) .....	-25	-23	-23
73.45 Recoveries of prior year obligations .....	-3		
74.40 Obligated balance, end of year .....	24	21	20

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	6		1
86.93 Outlays from discretionary balances .....	19	23	22
87.00 Total outlays (gross) .....	25	23	23

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-4		
88.40 Non-Federal sources .....	-2		
88.90 Total, offsetting collections (cash) .....	-6		

**Net budget authority and outlays:**

89.00 Budget authority .....	28	10	14
90.00 Outlays .....	19	23	23

This account will provide technical assistance to other countries in support of the responsibilities of the U.S. Treasury Department to formulate, conduct and coordinate the international financial policies of the United States. The Treasury Department frequently has the lead responsibility for implementing fiscal and financial policy aspects of U.S. foreign policy toward individual countries. Technical assistance provided through this account will facilitate key short- and medium-term reforms in the policy and management areas of budget, tax, government debt, financial institutions and financial crimes enforcement.

Using funding provided under the SEED and FREEDOM Support Acts, U.S. Treasury Department advisors have provided policy and management advice in the areas described above to countries in Eastern Europe and the former Soviet Union in their transition to market economies and democratic political structures. Since 1997, Treasury has also provided assistance, using funding from USAID Development Assistance and the Economic Support Fund, to more than 23 governments on a global basis. The flexibility provided by direct funding permits the Department to be responsive when governments make decisions to implement key fiscal and financial reforms, and allows it to act quickly to help select governments strengthen governmental fiscal and financial institutions during crucial transition periods toward market-oriented economies. In addition, Treasury technical assistance is increasingly being deployed in post-conflict situations.

The proposed \$14 million appropriation will fund resident advisors, including program related administrative costs and intermittent experts in support of the resident advisors. This appropriation will permit continuation of the program in countries outside Central and Eastern Europe and the Former Soviet Union, including implementation of programs in Asia, Africa, and Central and Latin America, as well as continued technical assistance in anti-terrorism. The Treasury Department will continue to coordinate activities with international financial institutions and with USAID, the Department of State and other relevant U.S. Government agencies when de-

termining where its technical assistance program can have the greatest positive impact.

**Object Classification** (in millions of dollars)

Identification code 11-1045-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons .....	5	2	2
25.1 Advisory and assistance services .....	21	20	20
99.0 Direct obligations .....	26	22	22
99.0 Reimbursable obligations .....	6		
99.9 Total new obligations .....	32	22	22

**GLOBAL FUND TO FIGHT HIV/AIDS, MALARIA, AND TUBERCULOSIS**

**Program and Financing** (in millions of dollars)

Identification code 72-1028-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	100		
10.00 Total new obligations (object class 41.0) .....	100		
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	100		
23.95 Total new obligations .....	-100		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
42.00 Transferred from other accounts .....	100		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	100		
73.20 Total outlays (gross) .....	-100		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	100		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	100		
90.00 Outlays .....	100		

The Global Fund to Fight HIV/AIDS, Malaria, and TB account exists to obligate and disburse U.S. contributions to the new Global Fund to fight AIDS, TB and Malaria (GFATM) that come from appropriations within the Department of Health and Human Services. The Fund's creation became a 2002 Presidential Initiative after being called for by the U.N. Secretary General in April 2001. Declarations and financial commitments were issued prior to, during and after the groundbreaking UN General Assembly Special Session on HIV/AIDS in June 2001 and at the G8 Summit in Genoa in July 2001.

The purpose of GFATM is to attract, manage, and disburse additional resources through a new public-private partnership that will make a sustainable and significant contribution to the reduction of infections, illness and death, thereby mitigating the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need. The Fund will pursue an integrated and balanced approach covering prevention, treatment, and care and support in dealing with these three diseases. The Fund will seek to establish a simplified, rapid, innovative process with efficient and effective disbursement mechanisms, minimizing transaction costs and operating in a transparent and accountable manner based on clearly defined responsibilities. The Fund will make use of existing international mechanisms and health plans.

Approximately \$2.2 billion has been committed to the Fund thus far from industrialized and developing country governments, corporations, foundations, and private individual contributions. The U.S. Government has appropriated a total of up to \$300 million in 2001 and 2002, proposed to contribute

an additional \$200 million in 2003, and proposes another \$200 million in 2004, \$100 million of which is proposed to be appropriated within the National Institutes of Allergy and Infectious Diseases (NIAID) Account and \$100 million within USAID's Child Survival and Health Account.

**CONTRIBUTION FOR THE EBRD SMALL AND MEDIUM ENTERPRISE SUPPORT FUND**

**Program and Financing** (in millions of dollars)

Identification code 11-0092-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	17	3	
10.00 Total new obligations (object class 33.0) .....	17	3	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	10	3	
22.00 New budget authority (gross) .....	10		
23.90 Total budgetary resources available for obligation	20	3	
23.95 Total new obligations .....	-17	-3	
24.40 Unobligated balance carried forward, end of year .....	3		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
42.00 Transferred from other accounts .....	10		
43.00 Appropriation (total discretionary) .....	10		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	17	3	
73.20 Total outlays (gross) .....	-17	-3	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	7		
86.93 Outlays from discretionary balances .....	10	3	
87.00 Total outlays (gross) .....	17	3	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	10		
90.00 Outlays .....	17	3	

In July 2000, the United States established a fund at the European Bank for Reconstruction and Development (EBRD) to support Small and Medium Enterprise (SME) financing through technical assistance to local financial institutions and credit lines for on-lending to SMEs. An allocation of \$10 million was provided to the EBRD from 2000 Support for Eastern European Democracies Act (SEED Act) funding, \$11 million (including \$1 million allocated specifically for Serbia) from 2001 SEED Act, and \$5 million from 2002 SEED Act funding to support countries in Southeast Europe. In 2002, the Administration expanded the program to Freedom Support Act countries and provided \$2 million from 2002 FSA funding to support SME programs in Kyrgyzstan and Georgia through this account. In addition, \$3.1 million in FSA Funding was provided by USAID directly to the SME Fund at the EBRD to support programs in Kazakhstan, Kyrgyzstan, and Ukraine. The Administration also provided \$3 million in 2002 FSA funds to support the Russian Small Business Fund at the EBRD.

Three main activities will be supported under this program: (1) providing debt finance to SMEs by on-lending through eligible banks; (2) providing technical assistance to promote sound business practices and good governance at participating banks; and (3) providing technical assistance to identify legal, regulatory, and policy impediments and improving the operating environment for SMEs.

**General and special funds—Continued**

**INTERNATIONAL ORGANIZATIONS AND PROGRAMS**

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, \$314,550,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 72-1005-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Direct Program Activities .....	300	310	315
10.00 Total new obligations (object class 41.0) .....	300	310	315
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	295	310	315
22.10 Resources available from recoveries of prior year obligations .....	5		
23.90 Total budgetary resources available for obligation .....	300	310	315
23.95 Total new obligations .....	-300	-310	-315
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	209	310	315
41.00 Transferred to other accounts .....	-34		
42.00 Transferred from other accounts .....	120		
43.00 Appropriation (total discretionary) .....	295	310	315
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	25	21	15
73.10 Total new obligations .....	300	310	315
73.20 Total outlays (gross) .....	-299	-316	-315
73.40 Adjustments in expired accounts (net) .....	-2		
73.45 Recoveries of prior year obligations .....	-5		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	2		
74.40 Obligated balance, end of year .....	21	15	15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	277	288	293
86.93 Outlays from discretionary balances .....	22	28	22
87.00 Total outlays (gross) .....	299	316	315
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	2		
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	-2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	295	310	315
90.00 Outlays .....	299	316	315

In addition to its assessed payments, the United States contributes to voluntary funds of many international organizations and programs involved in a wide range of sustainable development, humanitarian, and scientific activities. The 2004 request includes \$120 million for the UN Children's Fund.

**Credit accounts:**

**DEBT RESTRUCTURING**

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts owed to the United States as a result of concessional loans made to eligible countries, pursuant to parts IV and V of the Foreign

Assistance Act of 1961, and of modifying concessional credit agreements with least developed countries, as authorized under section 411 of the Agricultural Trade Development and Assistance Act of 1954, as amended, and concessional loans, guarantees and credit agreements, as authorized under section 572 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461), and of canceling amounts owed, as a result of loans or guarantees made pursuant to the Export-Import Bank Act of 1945, by countries that are eligible for debt reduction pursuant to title V of H.R. 3425 as enacted into law by section 1000(a)(5) of Public Law 106-113, \$395,000,000, to remain available until expended: Provided, That not less than \$20,000,000 of the funds appropriated under this heading shall be made available to carry out the provisions of part V of the Foreign Assistance Act of 1961: Provided further, \$75,000,000 of the funds appropriated under this heading may be used by the Secretary of the Treasury to pay to the Heavily Indebted Poor Countries (HIPC) Trust Fund administered by the International Bank for Reconstruction and Development amounts for the benefit of countries that are eligible for debt reduction pursuant to title V of H.R. 3425 as enacted into law by section 1000(a)(5) of Public Law 106113: Provided further, That amounts paid to the HIPC Trust Fund may be used only to fund debt reduction under the enhanced HIPC initiative by-

- (1) the Inter-American Development Bank;
- (2) the African Development Fund;
- (3) the African Development Bank; and
- (4) the Central American Bank for Economic Integration:

Provided further, That funds may not be paid to the HIPC Trust Fund for the benefit of any country if the Secretary of State has credible evidence that the government of such country is engaged in a consistent pattern of gross violations of internationally recognized human rights or in military or civil conflict that undermines its ability to develop and implement measures to alleviate poverty and to devote adequate human and financial resources to that end: Provided further, That on the basis of final appropriations, the Secretary of the Treasury shall consult with the Committees on Appropriations concerning which countries and international financial institutions are expected to benefit from a United States contribution to the HIPC Trust Fund during the fiscal year: Provided further, That the Secretary of the Treasury shall inform the Committees on Appropriations not less than 15 days in advance of the signature of an agreement by the United States to make payments to the HIPC Trust Fund of amounts for such countries and institutions: Provided further, That the Secretary of the Treasury may disburse funds designated for debt reduction through the HIPC Trust Fund only for the benefit of countries that—

(a) have committed, for a period of 24 months, not to accept new market rate loans from the international financial institution receiving debt repayment as a result of such disbursement, other than loans made by such institution to export-oriented commercial projects that generate foreign exchange which are generally referred to as 'enclave' loans; and

(b) have documented and demonstrated their commitment to redirect their budgetary resources from international debt repayments to programs to alleviate poverty and promote economic growth that are additional to or expand upon those previously available for such purposes:

Provided further, That any limitation of subsection (e) of section 411 of the Agricultural Trade Development and Assistance Act of 1954 shall not apply to funds appropriated under this heading: Provided further, That none of the funds made available under this heading in this or any other appropriations Acts shall be made available for Sudan or Burma unless the Secretary of Treasury determines and notifies the Committees on Appropriations that a democratically elected government has taken office.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 11-0091-0-1-151	2002 actual	2003 est.	2004 est.
0101 Debt restructuring, downward reestimates of subsidies .....			4

## Program and Financing (in millions of dollars)

Identification code 11-0091-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Upward reestimate (DSCA) .....		2	
01.01 Bilateral Debt Reduction .....	55	62	300
01.02 HIPC Trust Fund .....	402	75	75
01.03 Tropical Forest Conservation Initiative .....	11	6	20
01.05 Foreign Credit Reporting System .....	1	1	
01.91 Direct Program by Activities—Subtotal (1 level) .....	469	144	395
10.00 Total new obligations (object class 41.0) .....	469	146	395
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	347	144	
22.00 New budget authority (gross) .....	251	2	395
22.22 Unobligated balance transferred from other accounts .....	14		
23.90 Total budgetary resources available for obligation .....	612	146	395
23.95 Total new obligations .....	-469	-146	-395
24.40 Unobligated balance carried forward, end of year .....	144		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	229		395
42.00 Transferred from other accounts .....	22		
43.00 Appropriation (total discretionary) .....	251		395
Mandatory:			
60.00 Appropriation .....		2	
70.00 Total new budget authority (gross) .....	251	2	395
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	92	302	222
73.10 Total new obligations .....	469	146	395
73.20 Total outlays (gross) .....	-259	-226	-333
74.40 Obligated balance, end of year .....	302	222	284
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	22		138
86.93 Outlays from discretionary balances .....	237	224	195
86.97 Outlays from new mandatory authority .....		2	
87.00 Total outlays (gross) .....	259	226	333
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	251	2	395
90.00 Outlays .....	259	226	333

## Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 11-0091-0-1-151	2002 actual	2003 est.	2004 est.
Direct loan subsidy budget authority:			
133001 Subsidy budget authority—Export-Import Bank .....	47	20	165
133002 Subsidy budget authority—U.S. Agency for International Development .....	11	20	27
133003 Subsidy budget authority—U.S. Department of Agriculture .....	8	33	67
133004 Subsidy budget authority—Defense Security Cooperation Agency .....			33
133901 Total subsidy budget authority .....	66	73	292
Direct loan subsidy outlays:			
134001 Subsidy outlays to the Export-Import Bank .....	47	20	165
134002 Subsidy outlays to the U.S. Agency for International Development .....	11	20	27
134003 Subsidy outlays to the U.S. Department of Agriculture .....	8	33	67
134004 Subsidy outlays to the Defense Security Cooperation Agency .....			33
134901 Total subsidy outlays .....	66	73	292
Direct loan upward reestimate subsidy budget authority:			
135004 Upward reestimates subsidy budget authority DSCA .....		2	
135901 Total upward reestimate budget authority .....		2	
Direct loan upward reestimate subsidy outlays:			
136004 Upward reestimates subsidy outlays—DSCA .....		2	
136901 Total upward reestimate outlays .....		2	
Direct loan downward reestimate subsidy budget authority:			
137002 Downward reestimates subsidy budget authority USAID .....		-4	

137901 Total downward reestimate budget authority .....	-4
Direct loan downward reestimate subsidy outlays:	
138002 Downward reestimates subsidy outlays—USAID .....	-4
138901 Total downward reestimate subsidy outlays .....	-4

**Debt Reduction for the Poorest.**—For the poorest countries, debt reduction provides an incentive to implement macroeconomic and structural reforms necessary to improve economic performance and creditworthiness. Debt relief, economic reform and poverty reduction contribute to economic growth and social development, which can mean expanded opportunities for trade and investment for the United States. For the poorest and most heavily indebted countries, the United States will continue support for the Paris Club of official creditors and provide additional relief complementary to the enhanced Heavily Indebted Poor Country (HIPC) Initiative.

To support this initiative, the Administration requests \$75 million to fund a portion of the U.S. pledge of \$150 million to help meet the additional financing needs of the HIPC Trust Fund. The U.S. pledge supports the President's commitment at the 2002 G-8 Summit in Kananaskis, Canada to fund a share of the HIPC financing shortfall. In addition, the Administration requests \$300 million to fund bilateral HIPC debt reduction for the Democratic Republic of the Congo. The HIPC Trust Fund, administered by the World Bank, helps regional development banks and other multilateral institutions meet their costs of debt relief. The Administration expects that the U.S. contribution to the HIPC Trust Fund will continue to leverage contributions from other creditors.

**Tropical Forest Debt Relief.** The Tropical Forest Conservation Act (TFCA) received strong bipartisan support and was signed into law by the President in July 1998. Modeled after the very successful Enterprise for the Americas Initiative (EAI), P.L. 105-214 allows the Administration to reduce outstanding concessional USAID and PL-480 debt stocks to support conservation of the endangered tropical forests and promote economic reforms in eligible countries. Debt relief or buybacks in eligible countries will leverage payment of local currency resources into funds to support programs to conserve their tropical forests. TFCA debt reduction agreements have been concluded with five countries: Bangladesh, Belize, El Salvador, Peru and the Philippines. In total, these countries will save over \$62 million in hard currency payments as a result of these agreements to swap external debt for forest conservation. To support this program, the Administration requests \$20 million for the Treasury Debt Restructuring account.

AGENCY FOR INTERNATIONAL  
DEVELOPMENT

## Federal Funds

## General and special funds:

## FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 2004, unless otherwise specified herein, as follows:

## DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of sections 103, 105 and 106, and chapter 10 of part I of the Foreign Assistance Act of 1961, \$1,345,000,000, to remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General and special funds—Continued****DEVELOPMENT ASSISTANCE—Continued****Program and Financing (in millions of dollars)**

Identification code 72-1021-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Functional development assistance .....	1,176	1,500	1,324
09.00 Reimbursable program .....	9		
10.00 Total new obligations .....	1,185	1,500	1,324
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	143	149	
22.00 New budget authority (gross) .....	1,160	1,366	1,324
22.10 Resources available from recoveries of prior year obligations .....	33		
22.21 Unobligated balance transferred to other accounts	-1	-15	
23.90 Total budgetary resources available for obligation	1,335	1,500	1,324
23.95 Total new obligations .....	-1,185	-1,500	-1,324
23.98 Unobligated balance expiring or withdrawn .....	-3		
24.40 Unobligated balance carried forward, end of year .....	149		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,178	1,366	1,345
40.35 Appropriation rescinded .....	-17		
41.00 Transferred to other accounts .....	-11		-21
43.00 Appropriation (total discretionary) .....	1,150	1,366	1,324
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	9		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	10		
70.00 Total new budget authority (gross) .....	1,160	1,366	1,324
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,364	2,308	2,491
73.10 Total new obligations .....	1,185	1,500	1,324
73.20 Total outlays (gross) .....	-1,209	-1,317	-1,425
73.45 Recoveries of prior year obligations .....	-33		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	2,308	2,491	2,390
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	58	137	132
86.93 Outlays from discretionary balances .....	1,151	1,180	1,293
87.00 Total outlays (gross) .....	1,209	1,317	1,425
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-9		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,150	1,366	1,324
90.00 Outlays .....	1,200	1,317	1,425

**Development Assistance Programs.**—This account supports Agency efforts to address the manifestations and causes of poverty and underdevelopment overseas. This is accomplished through three strategic areas of emphasis or pillars: the Global Development Alliance, and two program pillars; Economic Growth, Agriculture and Trade; and Democracy, Conflict and Humanitarian Assistance.

• The Global Development Alliance (GDA) is USAID's emerging business model and the first pillar of its strategic approach. It uses public-private alliances to address global poverty, disease, hunger, economic growth, education, environment, and population issues. The approach is built on the 21st century realities of limited official development assistance resources from the public sector, and significant and

growing resources and involvement in international development activities by the private sector and civil society. All alliances are funded and managed by the USAID mission or technical or regional bureau where they operate. Increasingly, USAID is programming alliances through normal bilateral programs.

• Economic Growth, Agriculture and Trade subsumes efforts to increase agricultural production and food security, to foster human resource development including improved and expanded access to quality basic education especially for girls and women, to expand access to micro-credit, improve the business trade, and investment climate in developing countries through the expansion and strengthening of critical private markets, and to protect the environment.

• Democracy, Conflict and Humanitarian Assistance programs support the USG response to international disasters, help emerging countries cope with the transition from crisis to development, and support the growth of democracy through programs that strengthen the rule of law and respect for human rights, encourage credible and competitive political processes, promote the development of a politically active civil society, and encourage more transparent and accountable government institutions.

The Administration's request also includes funding designed to leverage the resources of non-governmental organizations, the private sector, and other donors to achieve a much greater level of impact in these areas than is possible with the limited USAID resources alone.

The request also assumes reduced restrictions on sub-account appropriations to reflect a more realistic set of activities and to more directly relate sectoral priorities to field programs.

This account includes programs to help cover extraordinary needs in Afghanistan and a major increase in basic education programs, including full funding of the President's Africa Education Initiative.

**Object Classification (in millions of dollars)**

Identification code 72-1021-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons .....	2	2	2
22.0 Transportation of things .....	3	4	3
25.1 Advisory and assistance services .....	20	25	22
25.2 Other services .....	80	100	85
26.0 Supplies and materials .....	8	9	8
41.0 Grants, subsidies, and contributions .....	1,063	1,360	1,204
99.0 Direct obligations .....	1,176	1,500	1,324
99.0 Reimbursable obligations .....	9		
99.9 Total new obligations .....	1,185	1,500	1,324

**CHILD SURVIVAL AND HEALTH PROGRAMS FUND**

*For necessary expenses to carry out chapters 1 and 10 of part I of the Foreign Assistance Act of 1961, for child survival, reproductive health/family planning, assistance to combat tropical and other infectious diseases, and related activities, in addition to funds otherwise available for such purposes, \$1,495,000,000, to remain available until expended: Provided, That this amounts shall be made available for such activities as: (1) immunization programs; (2) oral rehydration programs; (3) health, nutrition, water and sanitation programs, and related education programs, which directly address the needs of mothers and children; (4) assistance for displaced and orphaned children; (5) programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria) and other infectious diseases; and (6) family planning/reproductive health: Provided further, That none of the funds appropriated under this heading may be made available for nonproject assistance, except that funds may be made available for such assistance for ongoing health programs: Provided further, That of the funds appropriated under this heading, up to \$100,000,000 may be made available for a United States contribution to the Global Fund to Fight AIDS, Tuberculosis and Ma-*

laria, and shall be expended at the minimum rate necessary to make timely payments for projects and activities: Provided further, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: Provided further, That none of the funds made available under this Act may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions: Provided further, That none of the funds made available under this Act may be used to lobby for or against abortion: Provided further, That in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services, and that any such voluntary family planning project shall meet the following requirements: (1) service providers or referral agents in the project shall not implement or be subject to quotas, or other numerical targets, of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning (this provision shall not be construed to include the use of quantitative estimates or indicators for budgeting and planning purposes); (2) the project shall not include payment of incentives, bribes, gratuities, or financial reward to: (A) an individual in exchange for becoming a family planning acceptor; or (B) program personnel for achieving a numerical target or quota of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning; (3) the project shall not deny any right or benefit, including the right of access to participate in any program of general welfare or the right of access to health care, as a consequence of any individual's decision not to accept family planning services; (4) the project shall provide family planning acceptors comprehensible information on the health benefits and risks of the method chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method; and (5) the project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits; and, not less than 60 days after the date on which the Administrator of the United States Agency for International Development determines that there has been a violation of the requirements contained in paragraph (1), (2), (3), or (5) of this proviso, or a pattern or practice of violations of the requirements contained in paragraph (4) of this proviso, the Administrator shall submit to the Committees on Appropriations of the Senate and the House of Representatives, a report containing a description of such violation and the corrective action taken by the Agency: Provided further, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: Provided further, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: Provided further, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)				
Identification code 72-1095-0-1-151	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01 Direct program .....	1,422	1,546	1,495	
10.00 Total new obligations .....	1,422	1,546	1,495	
<b>Budgetary resources available for obligation:</b>				
21.40 Unobligated balance carried forward, start of year	150	72		
22.00 New budget authority (gross) .....	1,341	1,474	1,495	

22.10 Resources available from recoveries of prior year obligations .....	3		
23.90 Total budgetary resources available for obligation	1,494	1,546	1,495
23.95 Total new obligations .....	-1,422	-1,546	-1,495
24.40 Unobligated balance carried forward, end of year .....	72		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1,434	1,474	1,495
40.36 Unobligated balance rescinded .....	-10		
41.00 Transferred to other accounts .....	-120		
42.00 Transferred from other accounts .....	34		
43.00 Appropriation (total discretionary) .....	1,338	1,474	1,495
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	2		
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	3		
70.00 Total new budget authority (gross) .....	1,341	1,474	1,495
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,288	1,684	2,038
73.10 Total new obligations .....	1,422	1,546	1,495
73.20 Total outlays (gross) .....	-1,022	-1,192	-1,345
73.45 Recoveries of prior year obligations .....	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	1,684	2,038	2,188
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	240	147	150
86.93 Outlays from discretionary balances .....	782	1,045	1,195
87.00 Total outlays (gross) .....	1,022	1,192	1,345
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,338	1,474	1,495
90.00 Outlays .....	1,020	1,192	1,345

Child Survival and Health Programs include activities that promote family planning/reproductive health, child survival and maternal health, including the primary causes of morbidity and mortality, polio, micronutrients and iodine deficiency as well as activities directed at vulnerable children, reducing HIV transmission and the impact of the HIV/AIDS pandemic in developing countries. Funding is also requested to address the threat of other infectious diseases of major public health importance such as tuberculosis, malaria, and to increase antimicrobial resistance. Funding is also included for the Administration's new initiative in HIV/AIDS-Mother-to-Child Transmission.

**Object Classification (in millions of dollars)**

Identification code 72-1095-0-1-151	2002 actual	2003 est.	2004 est.
Direct obligations:			
21.0 Travel and transportation of persons .....	7	8	8
25.2 Other services .....	100	110	110
41.0 Grants, subsidies, and contributions .....	1,310	1,428	1,377
99.0 Direct obligations .....	1,417	1,546	1,495
99.0 Reimbursable obligations .....	2		
41.0 Allocation Account: Grants, subsidies, and contributions .....	3		
99.9 Total new obligations .....	1,422	1,546	1,495

**General and special funds—Continued**

**GLOBAL AIDS INITIATIVE**

*For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 for the prevention, treatment, and control of, and research on, HIV/AIDS, \$450,000,000, to remain available until expended: Provided, That funds appropriated under this heading may be used for a United States Contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria: Provided further, That funds made available under the heading, "Child Survival and Health Programs," in this Act and funds for international HIV/AIDS programs in other appropriations Act may be transferred to and merged with funds available under this heading.*

**Program and Financing (in millions of dollars)**

Identification code 72-1030-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....			450
10.00 Total new obligations (object class 41.0) .....			450
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			450
23.95 Total new obligations .....			-450
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			450
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			450
73.20 Total outlays (gross) .....			-68
74.40 Obligated balance, end of year .....			382
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			68
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			450
90.00 Outlays .....			68

In his State of the Union Address on January 29, 2003, President Bush called for a new initiative to enhance the commitment of the United States to preventing the global spread of AIDS and to developing and delivering more effective treatments to the tens of millions of people overseas already infected and threatened with infection. The increased funds over the next five years will go into a new account for global AIDS initiatives. When these funds are added to existing international HIV/AIDS programs—primarily in the Agency for International Development, the Department of Health and Human Services, and the Global Fund to fight AIDS, Tuberculosis and Malaria—the total United States commitment to this global effort will reach \$15 billion over five years.

The President's initiative will be administered by a new AIDS Coordinator in the Department of State. It will be used to fund existing HIV/AIDS programs, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, and new programs created by the public organizations and private non-governmental organizations, especially faith-based volunteer organizations that are providing local and global communities with strategies to confront the HIV/AIDS pandemic.

**DEVELOPMENT FUND FOR AFRICA**

**Program and Financing (in millions of dollars)**

Identification code 72-1014-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	5	11	
10.00 Total new obligations .....	5	11	

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	16	11	
22.00 New budget authority (gross) .....	-8		
22.10 Resources available from recoveries of prior year obligations .....		9	
23.90 Total budgetary resources available for obligation .....	17	11	
23.95 Total new obligations .....	-5	-11	
24.40 Unobligated balance carried forward, end of year .....	11		

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance rescinded .....	-8		

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	108	44	25
73.10 Total new obligations .....	5	11	
73.20 Total outlays (gross) .....	-60	-30	-15
73.45 Recoveries of prior year obligations .....	-9		
74.40 Obligated balance, end of year .....	44	25	10

<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	60	30	15

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-8		
90.00 Outlays .....	60	30	15

For 2004 development assistance to Africa will be requested in the Development Assistance account.

**Object Classification (in millions of dollars)**

Identification code 72-1014-0-1-151	2002 actual	2003 est.	2004 est.
25.2 Other services .....		1	
41.0 Grants, subsidies, and contributions .....	5	10	
99.9 Total new obligations .....	5	11	

**ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES**

(a) *For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, \$435,000,000, to remain available until September 30, 2005, which shall be available, notwithstanding any other provision of law, for assistance and for related programs for Eastern Europe and the Baltic States.*

(b) *Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.*

(c) *Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.*

(d) *Notwithstanding any provision of this or any other Act, local currencies generated by, or converted from, funds appropriated by this Act and by previous appropriations Acts and made available for the economic revitalization program in Bosnia may be used in Eastern Europe and the Baltic States to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 72-1010-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	496	615	435

10.00	Total new obligations .....	496	615	435
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	156	120	.....
22.00	New budget authority (gross) .....	462	495	435
22.10	Resources available from recoveries of prior year obligations .....	9	.....	.....
22.21	Unobligated balance transferred to other accounts .....	-11	.....	.....
23.90	Total budgetary resources available for obligation .....	616	615	435
23.95	Total new obligations .....	-496	-615	-435
23.98	Unobligated balance expiring or withdrawn .....	-1	.....	.....
24.40	Unobligated balance carried forward, end of year .....	120	.....	.....
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	621	495	435
40.36	Unobligated balance rescinded .....	-9	.....	.....
41.00	Transferred to other accounts .....	-151	.....	.....
43.00	Appropriation (total discretionary) .....	461	495	435
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	1	.....	.....
70.00	Total new budget authority (gross) .....	462	495	435
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	626	597	844
73.10	Total new obligations .....	496	615	435
73.20	Total outlays (gross) .....	-515	-368	-413
73.40	Adjustments in expired accounts (net) .....	-1	.....	.....
73.45	Recoveries of prior year obligations .....	-9	.....	.....
74.40	Obligated balance, end of year .....	597	844	866
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	51	53	50
86.93	Outlays from discretionary balances .....	464	315	363
87.00	Total outlays (gross) .....	515	368	413
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-1	.....	.....
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	461	495	435
90.00	Outlays .....	515	368	413

This account provides funds to promote country-specific strategies that build on common, region-wide strategic goals, including economic restructuring, democratic transition, and social stabilization. Authorized Support for Assistance for Eastern Europe and the Baltic States (AEEB) programs concentrate on (a) the development and strengthening of institutions and civic action necessary for sustainable democracy; (b) the development of market economies and a strong private sector; and (c) the improvement of the basic quality of life in selected areas. This interagency program is managed by the AEEB coordinator, who is located in the State Department's Bureau of European and Eurasian Affairs.

AEEB assistance is now focused primarily on Southeast Europe, with the single largest program designed for Serbia. The U.S. is contributing to international efforts toward recovery from the conflict with Milosevic through building effective governance and a functioning economy in the successor states of the former Yugoslavia. While implementation of the Dayton Accords still requires significant, albeit diminishing, support in Bosnia, two wars in the region in recent years have demonstrated the need for a special effort to provide for peaceful cooperation among neighbors. The Stability Pact of Southeast Europe builds on the country programs in the Balkans to help stabilize the region as a whole and prepare for integration into the European and international mainstream. It is anticipated that 2006 will be the last year of AEEB assistance for Bulgaria.

Beginning in 2004, funding for exchange programs in Eastern Europe and the Baltic States will be consolidated into and administered by the State Department bureau of Educational and Cultural Exchange programs.

## Object Classification (in millions of dollars)

Identification code 72-1010-0-1-151	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
21.0	Travel and transportation of persons .....	1	2	1
25.1	Advisory and assistance services .....	40	50	33
25.2	Other services .....	75	95	65
41.0	Grants, subsidies, and contributions .....	345	468	336
99.0	Direct obligations .....	461	615	435
41.0	Allocation Account: Grants, subsidies, and contributions .....	35	.....	.....
99.9	Total new obligations .....	496	615	435

## ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapters 11 and 12 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the Independent States of the former Soviet Union and for related programs, \$576,000,000, to remain available until September 30, 2005: Provided, That the provisions of such chapters shall apply to funds appropriated by this paragraph: Provided further, That funds made available for the Southern Caucasus region may be used, notwithstanding any other provision of law, for confidence-building measures and other activities in furtherance of the peaceful resolution of the regional conflicts, especially those in the vicinity of Abkhazia and Nagorno-Karabagh.

(b) Section 907 of the FREEDOM Support Act shall not apply to—

(1) activities to support democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104-201 or non-proliferation assistance;

(2) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(3) any activity carried out by a member of the United States and Foreign Commercial Service while acting within his or her official capacity;

(4) any insurance, reinsurance, guarantee or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(5) any financing provided under the Export-Import Bank Act of 1945; or

(6) humanitarian assistance.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 72-1093-0-1-151	2002 actual	2003 est.	2004 est.	
0101	Negative subsidies/subsidy reestimates .....	34	.....	.....

## Program and Financing (in millions of dollars)

Identification code 72-1093-0-1-151	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct Program Activity .....	665	1,017	576
10.00	Total new obligations .....	665	1,017	576
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	251	262	.....
22.00	New budget authority (gross) .....	624	755	576
22.10	Resources available from recoveries of prior year obligations .....	16	.....	.....
22.21	Unobligated balance transferred to other accounts .....	-24	.....	.....
22.22	Unobligated balance transferred from other accounts .....	63	.....	.....
23.90	Total budgetary resources available for obligation .....	930	1,017	576
23.95	Total new obligations .....	-665	-1,017	-576
23.98	Unobligated balance expiring or withdrawn .....	-4	.....	.....
24.40	Unobligated balance carried forward, end of year .....	262	.....	.....

**General and special funds—Continued****ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 72-1093-0-1-151	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	894	755	576
40.36	-16		
41.00	-254		
43.00	624	755	576
<b>Change in obligated balances:</b>			
72.40	645	687	1,154
73.10	665	1,017	576
73.20	-600	-550	-614
73.40	-6		
73.45	-16		
74.40	687	1,154	1,116
<b>Outlays (gross), detail:</b>			
86.90	95	68	56
86.93	505	482	558
87.00	600	550	614
<b>Net budget authority and outlays:</b>			
89.00	624	755	576
90.00	600	550	614

This account provides funds for a program of assistance to the independent states that emerged from the former Soviet Union. This request will fund continuing programs of USAID and other agencies in support of economic and democratic transitions.

Collectively, these programs for the Independent States are designed to consolidate the process of political and economic transition to market democracies, and to help address major socioeconomic dislocations where they occur during these transitions. Funds will support economic restructuring by helping to create conditions that encourage: trade and investment and private sector growth; improved government fiscal policy, revenue collection, and financial management; a market-oriented financial sector; and a more efficient energy sector and a cleaner environment. Funds will support democratic transitions by promoting citizen participation, promoting independent media establishing the rule of law, and strengthening local governments.

In 2004, funding for exchange programs in the former Soviet Union will be consolidated into and administered by the State Department bureau of Educational and Cultural Exchange programs. Program resources requested in 2004 will be aimed at: (1) enhancing local public and private institutional capacity as part of the comprehensive strategy to expand trade and investment, develop and strengthen small and medium enterprises, mobilize capital, reduce crime and corruption, and build viable civil societies; (2) mitigating the social impact of transitions in order to broaden public support for needed reforms; and (3) addressing health problems more deliberately. Assistance to central governments will be highly selective.

Funding is requested to encourage front line states of Central Asia, as well as Armenia, Azerbaijan, and Georgia to support the anti-terrorism campaign and address regional stability issues. At the same time, Russia and Ukraine will begin the process of graduation from economic assistance in 2004.

Funding is also requested for programs such as the Civilian Research and Development Foundation and export control and border security enhancements in Georgia. These efforts contribute to economic and infrastructure reforms as well as to reducing risks of proliferation of weapons of mass destruc-

tion, weapons delivery systems, materials, technology and scientific and technical expertise and reduce regional tensions.

**Object Classification (in millions of dollars)**

Identification code 72-1093-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0	2	3	2
25.1	20	30	20
25.2	60	94	60
41.0	522	890	494
99.0	604	1,017	576
41.0	61		
99.9	665	1,017	576

**SUB-SAHARAN AFRICA DISASTER ASSISTANCE****Program and Financing (in millions of dollars)**

Identification code 72-1040-0-1-151	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40	1	1	
24.40	1		
<b>Change in obligated balances:</b>			
72.40	4	3	2
73.20	-1	-1	-1
74.40	3	2	1
<b>Outlays (gross), detail:</b>			
86.93	1	1	1
<b>Net budget authority and outlays:</b>			
89.00			
90.00	1	1	1

In 1993, this account provided funding for timely relief, rehabilitation and reconstruction for disasters in Africa. Since 1994, these activities have been funded under the International Disaster Assistance Program.

**INTERNATIONAL DISASTER ASSISTANCE**

*For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, \$235,500,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 72-1035-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	392	340	236
10.00	392	340	236
<b>Budgetary resources available for obligation:</b>			
21.40	14	54	
22.00	326	286	236
22.10	11		
22.22	96		
23.90	447	340	236
23.95	-392	-340	-236
24.40	54		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	326	286	236

Change in obligated balances:				
72.40	Obligated balance, start of year .....	354	329	359
73.10	Total new obligations .....	392	340	236
73.20	Total outlays (gross) .....	-407	-309	-301
73.45	Recoveries of prior year obligations .....	-11		
74.40	Obligated balance, end of year .....	329	359	294
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority .....	59	71	59
86.93	Outlays from discretionary balances .....	348	238	242
87.00	Total outlays (gross) .....	407	309	301
Net budget authority and outlays:				
89.00	Budget authority .....	326	286	236
90.00	Outlays .....	407	309	301

The International Disaster Assistance (IDA) account provides funds for the Office of U.S. Foreign Disaster Assistance (OFDA). OFDA manages relief, rehabilitation, and reconstruction assistance to foreign countries struck by natural and man-made disasters and supports disaster prevention, mitigation and preparedness. OFDA's program has been placing increasing emphasis on complex emergencies, a product of ethnic and national tensions leading to civil strife and the displacement of large numbers of people. The \$235.5 million request for OFDA for 2004 will be used to provide relief services and commodities including temporary shelter, blankets, supplementary food, potable water, medical supplies and agricultural rehabilitation aid, including seeds and hand tools. The 2003 request level included \$50 million for extraordinary one-time relief requirements in the West Bank and Gaza.

#### Object Classification (in millions of dollars)

Identification code 72-1035-0-1-151	2002 actual	2003 est.	2004 est.	
21.0	Travel and transportation of persons .....	2	2	2
25.2	Other services .....	58	50	35
41.0	Grants, subsidies, and contributions .....	332	288	199
99.9	Total new obligations .....	392	340	236

#### FAMINE FUND

For necessary expenses for famine relief, mitigation, and prevention pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, \$200,000,000, to remain available until expended.

#### Program and Financing (in millions of dollars)

Identification code 72-1029-0-1-151	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Direct program activity .....			200
10.00	Total new obligations (object class 41.0) .....			200
Budgetary resources available for obligation:				
22.00	New budget authority (gross) .....			200
23.95	Total new obligations .....			-200
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation .....			200
Change in obligated balances:				
73.10	Total new obligations .....			200
73.20	Total outlays (gross) .....			-50
74.40	Obligated balance, end of year .....			150
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority .....			50
Net budget authority and outlays:				
89.00	Budget authority .....			200
90.00	Outlays .....			50

The Famine Fund is a new, flexible tool for the President to use in U.S.-led multilateral efforts to reduce the incidence of famine by addressing its root causes, and to respond more efficiently and effectively to famines that cannot be prevented, while more equitably sharing the burden of this response with other donors. The Fund, which will draw upon the broad disaster assistance authorities in the Foreign Assistance Act, will be managed by USAID under the foreign policy direction of the Secretary of State and subject to approval by the President.

#### OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, \$604,100,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 72-1000-0-1-151	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Direct program .....	591	603	598
00.02	Foreign national separation fund .....	4	2	4
09.00	Reimbursable program .....	8	6	6
09.01	Reimbursable program from Working Capital Fund (72-4513) .....			
		2	2	2
10.00	Total new obligations .....	605	613	610
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year .....	31	34	10
22.00	New budget authority (gross) .....	575	578	610
22.10	Resources available from recoveries of prior year obligations .....			
		18	11	10
22.22	Unobligated balance transferred from other accounts .....	15		
23.90	Total budgetary resources available for obligation .....	639	623	630
23.95	Total new obligations .....	-605	-613	-610
24.40	Unobligated balance carried forward, end of year .....	34	10	20
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation .....	556	572	604
42.00	Transferred from other accounts .....	11		
43.00	Appropriation (total discretionary) .....	567	572	604
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	8	6	6
70.00	Total new budget authority (gross) .....	575	578	610
Change in obligated balances:				
72.40	Obligated balance, start of year .....	189	168	212
73.10	Total new obligations .....	605	613	610
73.20	Total outlays (gross) .....	-608	-556	-591
73.45	Recoveries of prior year obligations .....	-18	-11	-10
74.40	Obligated balance, end of year .....	168	212	221
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority .....	442	429	453
86.93	Outlays from discretionary balances .....	166	127	138
87.00	Total outlays (gross) .....	608	556	591
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-8	-6	-6
Net budget authority and outlays:				
89.00	Budget authority .....	567	572	604
90.00	Outlays .....	600	550	585
Additional net budget authority and outlays to cover cost of fully accruing retirement:				
99.00	Budget authority .....	14	14	16
99.01	Outlays .....	14	14	16

These funds cover the appropriated dollar costs of managing U.S. Agency for International Development (USAID) pro-

**General and special funds—Continued**

**OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT—Continued**

grams, including salaries and other expenses of direct hire personnel as well as costs associated with physical security of Agency personnel. USAID currently maintains resident staff in more than 70 foreign countries as well as a headquarters in Washington, which supports field programs and manages regional and worldwide activities. Included in this account are funds from the Emergency Relief Fund in 2002—\$15 million; and the Further Recovery from and Response to Terrorist Act—\$7 million.

**Object Classification (in millions of dollars)**

Identification code 72-1000-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	167	173	179
11.3 Other than full-time permanent .....	2	2	3
11.5 Other personnel compensation .....	14	14	14
11.8 Special personal services payments .....	51	53	53
11.9 Total personnel compensation .....	234	242	249
12.1 Civilian personnel benefits .....	65	75	80
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	24	24	24
22.0 Transportation of things .....	9	9	9
23.1 Rental payments to GSA .....	31	31	34
23.2 Rental payments to others .....	28	29	29
23.3 Communications, utilities, and miscellaneous charges .....	8	8	9
24.0 Printing and reproduction .....	2	1	1
25.1 Advisory and assistance services .....	7	7	4
25.2 Other services .....	60	60	57
25.3 Other purchases of goods and services from Government accounts .....	33	33	34
25.4 Operation and maintenance of facilities .....	9	9	9
25.7 Operation and maintenance of equipment .....	29	29	29
26.0 Supplies and materials .....	9	7	5
31.0 Equipment .....	35	34	25
32.0 Land and structures .....	12	7	4
42.0 Insurance claims and indemnities .....	1	1	1
99.0 Direct obligations .....	597	607	604
99.0 Reimbursable obligations .....	8	6	6
99.9 Total new obligations .....	605	613	610

**Personnel Summary**

Identification code 72-1000-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2,193	2,210	2,245
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	6	6	6

**CAPITAL INVESTMENT FUND**

For necessary expenses for overseas construction and related costs, and for the procurement and enhancement of information technology and related capital investments, pursuant to section 667, \$146,300,000, to remain available until expended: Provided, That this amount is in addition to funds otherwise available for such purposes.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 72-0300-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Information Technology .....		13	20
00.02 New Construction from Terrorist Response .....		82	106

10.00 Total new obligations .....	95	126
<b>Budgetary resources available for obligation:</b>		
22.00 New budget authority (gross) .....	95	146
23.95 Total new obligations .....	-95	-126
24.40 Unobligated balance carried forward, end of year .....		20

**New budget authority (gross), detail:**

<b>Discretionary:</b>		
<b>Appropriation:</b>		
40.00 Appropriation .....	13	20
40.00 Appropriation .....	82	126
43.00 Appropriation (total discretionary) .....	95	146

**Change in obligated balances:**

72.40 Obligated balance, start of year .....		83
73.10 Total new obligations .....	95	126
73.20 Total outlays (gross) .....	-13	-35
74.40 Obligated balance, end of year .....		174

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	13	19
86.93 Outlays from discretionary balances .....		16
87.00 Total outlays (gross) .....	13	35

**Net budget authority and outlays:**

89.00 Budget authority .....	95	146
90.00 Outlays .....	13	35

This account will be established in 2003 for capital investments in information technology (IT)-related capital projects; \$20 million is being requested for this purpose in 2004. Funds from the CIF will only be made available after USAID has demonstrated a successful business case for its IT investments.

In this account, the Administration is also requesting funds for the construction of overseas facilities to be co-located with the Department of State. USAID has fallen behind the Department's construction schedule due to lack of funding, resulting in posts where despite the presence of a new, secure embassy, USAID personnel are still working in facilities that do not meet security standards. The \$126.3 million requested for construction is intended to bring USAID up to date with the Department's schedule by funding USAID facilities at posts where State will have begun construction by the end of 2003. For new projects to begin in 2004, adequate funds are requested in the Department's construction account to accommodate all agencies at post, including USAID.

**Object Classification (in millions of dollars)**

Identification code 72-0300-0-1-151	2002 actual	2003 est.	2004 est.
23.3 Communications, utilities, and miscellaneous charges .....		2	4
25.2 Other services .....		10	6
26.0 Supplies and materials .....		3	11
31.0 Equipment .....		12	20
32.0 Land and structures .....		68	85
99.9 Total new obligations .....		95	126

**TRANSITION INITIATIVES**

For necessary expenses for international disaster rehabilitation and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, \$55,000,000, to remain available until expended, to support transition to democracy and to long-term development of countries in crisis: Provided, That such support may include assistance to develop, strengthen, or preserve democratic institutions and processes, revitalize basic infrastructure, and foster the peaceful resolution of conflict.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 72-1027-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	51	60	55
10.00 Total new obligations .....	51	60	55
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5	5	.....
22.00 New budget authority (gross) .....	50	55	55
22.10 Resources available from recoveries of prior year obligations .....	1	.....	.....
23.90 Total budgetary resources available for obligation .....	56	60	55
23.95 Total new obligations .....	-51	-60	-55
24.40 Unobligated balance carried forward, end of year .....	5	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	50	55	55
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	31	35	53
73.10 Total new obligations .....	51	60	55
73.20 Total outlays (gross) .....	-46	-42	-43
73.45 Recoveries of prior year obligations .....	-1	.....	.....
74.40 Obligated balance, end of year .....	35	53	65
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	13	14	14
86.93 Outlays from discretionary balances .....	33	28	29
87.00 Total outlays (gross) .....	46	42	43
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	50	55	55
90.00 Outlays .....	46	42	43

The Office of Transition Initiatives (OTI) addresses the opportunities and challenges facing conflict-prone countries and those making the transition from the initial crisis stage of a complex emergency (frequently addressed by the Office of Foreign Disaster Assistance) to the path of sustainable development. OTI collaborates closely with the Department of State, the National Security Council, the Department of Defense, and USAID's regional bureaus in the selection of high foreign policy priority countries for OTI's transition assistance and in the design and monitoring of OTI programs. OTI's efforts to advance peace and stability include support for: demobilization and re-integration of ex-combatants; community self-help programs that reduce tensions and promote grass-roots democratic media; and conflict resolution measures.

## Object Classification (in millions of dollars)

Identification code 72-1027-0-1-151	2002 actual	2003 est.	2004 est.
25.2 Other services .....	5	5	5
41.0 Grants, subsidies, and contributions .....	46	55	50
99.9 Total new obligations .....	51	60	55

## PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, \$43,859,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 72-1036-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	45	45	44
10.00 Total new obligations (object class 13.0) .....	45	45	44
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	45	45	44
23.95 Total new obligations .....	-45	-45	-44
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	45	45	44
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	45	45	44
73.20 Total outlays (gross) .....	-45	-45	-44
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	45	45	44
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	45	45	44
90.00 Outlays .....	45	45	44

The 2004 request will finance the 2004 installment of the unfunded liability created by the addition of U.S. Agency for International Development (USAID) Foreign Service personnel to the foreign service retirement system and by subsequent salary increases and changes in legislation affecting benefits.

## OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, \$35,000,000, to remain available until September 30, 2005, which sum shall be available for the Office of the Inspector General of the United States Agency for International Development.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 72-1007-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	33	36	35
10.00 Total new obligations .....	33	36	35
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	3	.....
22.00 New budget authority (gross) .....	32	33	35
22.10 Resources available from recoveries of prior year obligations .....	3	.....	.....
23.90 Total budgetary resources available for obligation .....	38	36	35
23.95 Total new obligations .....	-33	-36	-35
24.40 Unobligated balance carried forward, end of year .....	3	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	32	33	35
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10	9	7
73.10 Total new obligations .....	33	36	35
73.20 Total outlays (gross) .....	-30	-38	-34
73.45 Recoveries of prior year obligations .....	-3	.....	.....
74.40 Obligated balance, end of year .....	9	7	8
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	22	25	26
86.93 Outlays from discretionary balances .....	8	12	8

**General and special funds—Continued**

**OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR  
INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL—  
Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 72-1007-0-1-151	2002 actual	2003 est.	2004 est.
87.00 Total outlays (gross) .....	30	38	34
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	32	33	35
90.00 Outlays .....	30	38	34
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The funds cover the costs of operations of the Office of the Inspector General, Agency for International Development, and include salaries, expenses, and support costs of the Inspector General's personnel.

**Object Classification (in millions of dollars)**

Identification code 72-1007-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	13	14	15
11.3 Other than full-time permanent .....	1	2	2
11.5 Other personnel compensation .....	1		
11.9 Total personnel compensation .....	15	16	17
12.1 Civilian personnel benefits .....	5	5	5
21.0 Travel and transportation of persons .....	1	2	1
23.1 Rental payments to GSA .....	2	2	2
23.2 Rental payments to others .....	2	2	2
25.2 Other services .....	1	1	1
25.3 Other purchases of goods and services from Government accounts .....	5	6	5
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	32	35	34
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	33	36	35

**Personnel Summary**

Identification code 72-1007-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	166	169	179

**Public enterprise funds:**

**PROPERTY MANAGEMENT FUND**

**Program and Financing (in millions of dollars)**

Identification code 72-4175-0-3-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....		1	2
10.00 Total new obligations (object class 32.0) .....		1	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	3	3
22.00 New budget authority (gross) .....		1	1
23.90 Total budgetary resources available for obligation .....	3	4	4
23.95 Total new obligations .....		-1	-2
24.40 Unobligated balance carried forward, end of year .....	3	3	2
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....		1	1

<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		1	2
73.20 Total outlays (gross) .....		-2	-2

<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		1	1
86.98 Outlays from mandatory balances .....		1	1
87.00 Total outlays (gross) .....		2	2

<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.40 Offsetting collections (cash) from: Non-Federal sources .....		-1	-1

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		1	1

This Fund, as authorized by Public Law 101-513, is maintained for the deposit of proceeds from the sale of overseas property acquired by the U.S. Agency for International Development (USAID). The proceeds are available to construct or otherwise acquire outside the United States: (1) essential living quarters, office space, and necessary supporting facilities for use of USAID personnel; and, (2) schools (including dormitories and boarding facilities) and hospitals for use of USAID personnel, U.S. Government personnel, and their dependents. In addition, the proceeds may be used to equip, staff, operate, and maintain such schools and hospitals.

**WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 72-4513-0-4-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	2	2	2
09.09 Reimbursable program—subtotal line .....	2	2	2
10.00 Total new obligations .....	2	2	2
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	2	2	2
23.95 Total new obligations .....	-2	-2	-2

<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	2	2	2

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	2	2	2
73.20 Total outlays (gross) .....	-2	-2	-2
74.40 Obligated balance, end of year .....	1	1	1

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	2	2
86.93 Outlays from discretionary balances .....	1		
87.00 Total outlays (gross) .....	2	2	2

<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-2	-2	-2

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The fund, authorized by section 635(m) of the Foreign Assistance Act of 1961, finances on a reimbursable basis the costs associated with providing administrative support to other agencies under the International Cooperative Administrative Support Services (ICASS) program overseas. Under

ICASS, each agency pays a proportional share of the cost of those services they have agreed to receive. Working through inter-agency councils at post, all agencies have a say in determining which services the USAID mission will provide, defining service standards, reviewing costs, and determining funding levels. The fund is also used for deposit of rebates from the use of Federal credit cards, the deposits then being made available for start-up costs at new ICASS service provider missions and for technical support to missions currently providing services.

**Object Classification** (in millions of dollars)

Identification code 72-4513-0-4-151	2002 actual	2003 est.	2004 est.
11.8 Direct obligations: Personnel compensation: Special personal services payments .....	1	1	1
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	2	2	2

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION: UKRAINE EXPORT CREDIT INSURANCE FINANCING ACCOUNT

**Program and Financing** (in millions of dollars)

Identification code 72-4345-0-3-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
08.02 Downward Re-estimate paid to receipt account .....	34		
10.00 Total new obligations .....	34		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	34		
23.95 Total new obligations .....	-34		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	34		
73.20 Total financing disbursements (gross) .....	-34		
87.00 Total financing disbursements (gross) .....	34		
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....	34		

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 72-4345-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	34			
1999 Total assets .....	34			
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	34			
2999 Total liabilities .....	34			
4999 Total liabilities and net position .....	34			

**DEBT REDUCTION, FINANCING ACCOUNT****Program and Financing** (in millions of dollars)

Identification code 72-4137-0-3-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Loan purchase from liquidating account 72-4103 .....	7	5	
00.02 Loan purchase from liquidating account 72-4340 .....		3	
00.03 Interest on Treasury borrowing—EAI debt .....	4	1	1
00.91 Direct Program by Activities—Subtotal (1 level) .....	11	9	1
08.02 Downward reestimate of subsidy .....		2	
08.04 Interest on Downward Reestimate .....		2	
08.91 Direct Program by Activities—Subtotal (1 level) .....		4	
10.00 Total new obligations .....	11	13	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	67	84	105
22.00 New financing authority (gross) .....	74	34	36
22.40 Capital transfer to general fund .....			-7
22.60 Portion applied to repay debt .....	-48		
23.90 Total budgetary resources available for obligation .....	93	118	134
23.95 Total new obligations .....	-11	-13	-1
24.40 Unobligated balance carried forward, end of year .....	84	105	133
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....		3	
Spending authority from offsetting collections:			
Discretionary:			
Offsetting collections (cash):			
68.00 Offsetting collections (cash) .....	63	19	16
68.00 Offsetting collections (debt reduction) .....	11	20	27
68.47 Portion applied to repay debt .....		-8	-7
68.90 Spending authority from offsetting collections (total discretionary) .....	74	31	36
70.00 Total new financing authority (gross) .....	74	34	36
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	11	13	1
73.20 Total financing disbursements (gross) .....	-11	-13	-1
87.00 Total financing disbursements (gross) .....	11	13	1
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-11	-20	-27
88.25 Interest on uninvested funds .....	-6	-4	-1
88.40 Non-federal sources (principal) .....	-57	-15	-15
88.90 Total, offsetting collections (cash) .....	-74	-39	-43
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....		-5	-7
90.00 Financing disbursements .....	-63	-26	-42

**Status of Direct Loans** (in millions of dollars)

Identification code 72-4137-0-3-151	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	7	8	
1150 Total direct loan obligations .....	7	8	
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	175	119	92
1233 Disbursements: Purchase of loans assets from a liquidating account .....	7	8	
1251 Repayments: Repayments and prepayments .....	-57	-15	-15
1263 Write-offs for default: Direct loans .....	-6	-20	
1290 Outstanding, end of year .....	119	92	77

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from restructuring loans administered by the U.S. Agency for International Development.

**Public enterprise funds—Continued****DEBT REDUCTION, FINANCING ACCOUNT—Continued****Balance Sheet (in millions of dollars)**

Identification code 72-4137-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	67	84	110	114
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	175	119	92	50
1405 Allowance for subsidy cost (-) .....	-179	-184	-195	-164
1499 Net present value of assets related to direct loans .....	-4	-65	-103	-114
1999 Total assets .....	63	19	7	.....
<b>LIABILITIES:</b>				
Federal liabilities:				
Debt:				
2103 Debt (EAI) .....	48	4	.....	.....
2103 Debt (Debt Reduction) .....	15	15	7	.....
2999 Total liabilities .....	63	19	7	.....
4999 Total liabilities and net position .....	63	19	7	.....

**LOAN GUARANTEES TO ISRAEL FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 72-4119-0-3-151	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	626	665	710
22.00 New financing authority (gross) .....	39	45	45
23.90 Total budgetary resources available for obligation	665	710	755
24.40 Unobligated balance carried forward, end of year .....	665	710	755
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	39	45	45
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.25 Offsetting collections (cash) from: Interest on uninvested funds .....	-39	-45	-45
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	.....	.....	.....
90.00 Financing disbursements .....	-39	-45	-45

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 72-4119-0-3-151	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	.....	.....	.....
2150 Total guaranteed loan commitments .....	.....	.....	.....
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	9,226	9,206	9,049
2251 Repayments and prepayments .....	-20	-157	-49
2290 Outstanding, end of year .....	9,206	9,049	9,000
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	9,206	9,049	9,000

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that re-

sulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 72-4119-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	626	668	710	.....
1999 Total assets .....	626	668	710	.....
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	626	668	710	.....
2999 Total liabilities .....	626	668	710	.....
4999 Total liabilities and net position .....	626	668	710	.....

**URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT****General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 72-0401-0-1-151	2002 actual	2003 est.	2004 est.
0101 Urban and environmental credit program, downward reestimates of subsidies .....	14	30	.....

**Program and Financing (in millions of dollars)**

Identification code 72-0401-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.07 Reestimates of loan guarantees .....	4	6	.....
00.08 Interest on reestimates of loan guarantee subsidy .....	1	4	.....
10.00 Total new obligations (object class 41.0) .....	5	10	.....
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	5	10	.....
23.95 Total new obligations .....	-5	-10	.....
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	5	10	.....
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	3	.....
73.10 Total new obligations .....	5	10	.....
73.20 Total outlays (gross) .....	-7	-12	.....
74.40 Obligated balance, end of year .....	3	.....	.....
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	2	2	.....
86.97 Outlays from new mandatory authority .....	5	10	.....
87.00 Total outlays (gross) .....	7	12	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	10	.....
90.00 Outlays .....	7	12	.....

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 72-0401-0-1-151	2002 actual	2003 est.	2004 est.
Guaranteed loan subsidy (in percent):			
232001 UE .....	0.00	0.00	.....
232901 Weighted average subsidy rate .....	0.00	0.00	.....
Guaranteed loan upward reestimate subsidy budget authority:			
235001 UE .....	5	10	.....
235901 Total upward reestimate budget authority .....	5	10	.....
Guaranteed loan upward reestimate subsidy outlays:			
236001 UE .....	5	10	.....
236901 Total upward reestimate subsidy outlays .....	5	10	.....

Guaranteed loan downward reestimate subsidy budget authority:			
237001 UE .....	-14	-30	.....
237901 Total downward reestimate subsidy budget authority	-14	-30	.....
Guaranteed loan downward reestimate subsidy outlays:			
238001 UE .....	-14	-30	.....
238901 Total downward reestimate subsidy outlays .....	-14	-30	.....

### URBAN AND ENVIRONMENTAL CREDIT PROGRAM GUARANTEED LOAN FINANCING ACCOUNT

#### Program and Financing (in millions of dollars)

Identification code 72-4344-0-3-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Default Claims .....	10	28	28
08.02 Downward reestimate paid to receipt account .....	8	22	.....
08.04 Interest on downward reestimates .....	6	8	.....
08.91 Direct Program by Activities—Reestimate Subtotal .....	14	30	.....
10.00 Total new obligations .....	24	58	28
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	65	62	35
22.00 New financing authority (gross) .....	13	19	8
22.10 Resources available from recoveries of prior year obligations .....	6	12	.....
23.90 Total budgetary resources available for obligation .....	84	93	43
23.95 Total new obligations .....	-24	-58	-28
24.40 Unobligated balance carried forward, end of year .....	62	35	15
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): (cash) .....	13	19	8
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	14	12	.....
73.10 Total new obligations .....	24	58	28
73.20 Total financing disbursements (gross) .....	-20	-58	-28
73.45 Recoveries of prior year obligations .....	-6	-12	.....
74.40 Obligated balance, end of year .....	12	.....	.....
87.00 Total financing disbursements (gross) .....	20	58	28
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-5	-10	.....
88.25 Interest on uninvested funds .....	-5	-6	-6
88.40 Non-Federal sources .....	-3	-3	-2
88.90 Total, offsetting collections (cash) .....	-13	-19	-8
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	.....	.....	.....
90.00 Financing disbursements .....	5	39	20

#### Status of Guaranteed Loans (in millions of dollars)

Identification code 72-4344-0-3-151	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	514	584	576
2231 Disbursements of new guaranteed loans .....	22	17	.....
2251 Repayments and prepayments .....	-1	-20	-25
Adjustments:			
2263 Terminations for default that result in claim payments .....	-6	-5	-6
2264 Other adjustments, net .....	55	.....	.....
2290 Outstanding, end of year .....	584	576	545
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	584	576	545

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees under the United States Agency for International Development (USAID) Urban and Environmental Credit Program committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

#### Balance Sheet (in millions of dollars)

Identification code 72-4344-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	90	74	35	15
Investments in US securities:				
1106 Receivables, net .....	.....	.....	.....	.....
1999 Total assets .....	90	74	35	15
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	90	74	35	15
2999 Total liabilities .....	90	74	35	15
4999 Total liabilities and net position .....	90	74	35	15

### HOUSING AND OTHER CREDIT GUARANTY PROGRAMS LIQUIDATING ACCOUNT

#### Program and Financing (in millions of dollars)

Identification code 72-4340-0-3-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Claims payments .....	47	16	31
10.00 Total new obligations (object class 42.0) .....	47	16	31
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	83	7	.....
22.00 New budget authority (gross) .....	72	30	31
22.10 Resources available from recoveries of prior year obligations .....	.....	25	.....
22.40 Capital transfer to general fund .....	.....	-46	.....
22.60 Portion applied to repay debt .....	-101	.....	.....
23.90 Total budgetary resources available for obligation .....	54	16	31
23.95 Total new obligations .....	-47	-16	-31
24.40 Unobligated balance carried forward, end of year .....	7	.....	.....
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	30	30	30
69.00 Offsetting collections (cash) .....	42	67	41
69.27 Capital transfer to general fund .....	.....	-67	-40
69.90 Spending authority from offsetting collections (total mandatory) .....	42	.....	1
70.00 Total new budget authority (gross) .....	72	30	31
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	17	25	.....
73.10 Total new obligations .....	47	16	31
73.20 Total outlays (gross) .....	-39	-16	-31
73.45 Recoveries of prior year obligations .....	.....	-25	.....
74.40 Obligated balance, end of year .....	25	.....	.....
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	39	16	31
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources (debt reduction) .....	.....	-3	.....
Non-Federal sources:			
88.40 Receipts of principal resulting from rescheduled claims .....	-12	-22	-18
88.40 Recoveries of claims receivable .....	-9	-12	-2
88.40 Fees .....	-5	-5	-5
88.40 Interest & late pmt. collection .....	-16	-25	-16

**Public enterprise funds—Continued****HOUSING AND OTHER CREDIT GUARANTY PROGRAMS LIQUIDATING  
ACCOUNT—Continued****Program and Financing** (in millions of dollars)—Continued

Identification code 72-4340-0-3-151	2002 actual	2003 est.	2004 est.
88.90 Total, offsetting collections (cash) .....	-42	-67	-41
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	30	-37	-10
90.00 Outlays .....	-3	-51	-10

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 72-4340-0-3-151	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	1,596	1,499	1,406
2251 Repayments and prepayments .....	-56	-77	-67
2261 Adjustments: Terminations for default that result in loans receivable .....	-41	-16	-31
2290 Outstanding, end of year .....	1,499	1,406	1,308
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	1,499	1,406	1,308
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	435	450	389
2331 Disbursements for guaranteed loan claims .....	41	16	31
Repayments of loans receivable:			
2351 Repayments of loans receivable .....	-26	-34	-20
2351 Repayments of loans receivable (debt reduction) .....	-3	-3	-3
2361 Write-offs of loans receivable .....	-40	-40	-40
2390 Outstanding, end of year .....	450	389	400

As required by the Federal Credit Reform Act of 1990, this account records, for the Urban and Environmental Credit Program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts.

**Statement of Operations** (in millions of dollars)

Identification code 72-4340-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
0111 Revenue .....	18	21	30	21
0112 Expense .....				
0115 Net income or loss (-) .....	18	21	30	21
0195 Total income or loss (-) .....	18	21	30	21
0199 Total comprehensive income .....	18	21	30	21

**Balance Sheet** (in millions of dollars)

Identification code 72-4340-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1206 Non-Federal assets: Receivables, net ....	2	2	2	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1701 Defaulted guaranteed loans, gross ....	433	450	432	443
1702 Interest receivable .....	104	70	100	100
1703 Allowance for estimated uncollectible loans and interest (-) .....	-176	-320	-300	-300
1704 Defaulted guaranteed loans and interest receivable, net .....	361	200	232	243
1799 Value of assets related to loan guarantees .....	361	200	232	243
1999 Total assets .....	363	202	234	243

**LIABILITIES:**

2104 Federal liabilities: Resources payable to Treasury .....	-76	-745	-713	-704
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	439	947	947	947
2999 Total liabilities .....	363	202	234	243
4999 Total liabilities and net position .....	363	202	234	243

**MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT****General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 72-0400-0-1-151	2002 actual	2003 est.	2004 est.
0101 Microenterprise and small enterprise development, downward reestimates of subsidies .....	1		

**Program and Financing** (in millions of dollars)

Identification code 72-0400-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Guaranteed Loan Subsidy .....	1		
00.07 Reestimate of Loan Guarantee .....	1		
10.00 Total new obligations (object class 41.0) .....	2		

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	1		
22.00 New budget authority (gross) .....	1		
23.90 Total budgetary resources available for obligation .....	2		
23.95 Total new obligations .....	-2		

**New budget authority (gross), detail:**

Mandatory:			
60.00 Appropriation .....	1		

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	7	7	2
73.10 Total new obligations .....	2		
73.20 Total outlays (gross) .....	-1	-5	-1
73.40 Adjustments in expired accounts (net) .....	-2		
74.40 Obligated balance, end of year .....	7	2	1

**Outlays (gross), detail:**

86.93 Outlays from discretionary balances .....		5	1
86.97 Outlays from new mandatory authority .....	1		
87.00 Total outlays (gross) .....	1	5	1

**Net budget authority and outlays:**

89.00 Budget authority .....	1		
90.00 Outlays .....	1	5	1

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 72-0400-0-1-151	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 MSED Loan Guarantee .....	25		
215901 Total loan guarantee levels .....	25		
Guaranteed loan subsidy (in percent):			
232001 MSED Loan Guarantee .....	3.93	0.00	0.00
232901 Weighted average subsidy rate .....	3.93	0.00	0.00
Guaranteed loan subsidy budget authority:			
233001 MSED Loan Guarantee .....	1		
233901 Total subsidy budget authority .....	1		
Guaranteed loan subsidy outlays:			
234001 MSED Loan Guarantee .....	1	5	1
234901 Total subsidy outlays .....	1	5	1
Guaranteed loan upward reestimate subsidy budget authority:			
235001 MSED Loan Guarantee .....	1		
235901 Total upward reestimate budget authority .....	1		

Guaranteed loan upward reestimate subsidy outlays:			
236001	MSED Loan Guarantee .....	1	
236901	Total upward reestimate subsidy outlays .....	1	
Guaranteed loan downward reestimate subsidy budget authority:			
237001	MSED Loan Guarantee .....	-1	
237901	Total downward reestimate subsidy budget authority .....	-1	
Guaranteed loan downward reestimate subsidy outlays:			
238001	MSED Loan Guarantee .....	-1	
238901	Total downward reestimate subsidy outlays .....	-1	

**MICROENTERPRISE AND SMALL ENTERPRISE DEVELOPMENT CREDIT  
DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 72-4342-0-3-151	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	1	1
22.00	New financing authority (gross) .....	1	
22.60	Portion applied to repay debt .....	-1	-1
23.90	Total budgetary resources available for obligation .....	1	
24.40	Unobligated balance carried forward, end of year .....	1	

**New financing authority (gross), detail:**

Discretionary:			
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	1	

**Offsets:**

Against gross financing authority and financing disbursements:			
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-1	

**Net financing authority and financing disbursements:**

89.00	Financing authority .....		
90.00	Financing disbursements .....		

**Status of Direct Loans (in millions of dollars)**

Identification code 72-4342-0-3-151	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....	1	
1251	Repayments: Repayments and prepayments .....	-1	
1290	Outstanding, end of year .....		

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated under the United States Agency for International Development (USAID) Microenterprise and Small Enterprise Development Credit Direct Loan program in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 72-4342-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross .....	1		
1499	Net present value of assets related to direct loans .....	1		
1999	Total assets .....	1		
<b>LIABILITIES:</b>				
2201	Non-Federal liabilities: Accounts payable .....	1		
2999	Total liabilities .....	1		

4999	Total liabilities and net position .....	1		
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**MICROENTERPRISE AND SMALL ENTERPRISE DEVELOPMENT  
GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 72-4343-0-3-151	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Default claims .....		2	1
08.02	Payment of downward reestimate to receipt account .....	1		
10.00	Total new obligations .....	2	2	1
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	2	1	3
22.00	New financing authority (gross) .....	2	6	2
23.90	Total budgetary resources available for obligation .....	4	7	5
23.95	Total new obligations .....	-2	-2	-1
24.40	Unobligated balance carried forward, end of year .....	1	3	6

**New financing authority (gross), detail:**

Discretionary:				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	2	6	2

**Change in obligated balances:**

73.10	Total new obligations .....	2	2	1
73.20	Total financing disbursements (gross) .....	-1	-2	-1
87.00	Total financing disbursements (gross) .....	1	2	1

**Offsets:**

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-2	-5	-1
88.40	Non-Federal sources .....		-1	-1
88.90	Total, offsetting collections (cash) .....	-2	-6	-2

**Net financing authority and financing disbursements:**

89.00	Financing authority .....			
90.00	Financing disbursements .....	1	-4	-1

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 72-4343-0-3-151	2002 actual	2003 est.	2004 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders .....			
2121	Limitation available from carry-forward .....	31		
2131	Guaranteed loan commitments exempt from limitation .....			
2142	Uncommitted loan guarantee limitation .....	-18		
2150	Total guaranteed loan commitments .....	13		
2199	Guaranteed amount of guaranteed loan commitments .....	7		
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	36	34	42
2231	Disbursements of new guaranteed loans .....	11	20	26
2251	Repayments and prepayments .....	-13	-10	-12
2263	Adjustments: Terminations for default that result in claim payments .....		-2	-1
2290	Outstanding, end of year .....	34	42	55

**Memorandum:**

2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	17	21	28
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees under the United States Agency for International Development (USAID) Microenterprise and Small Enterprise Development Guarantee program committed in 1992 and beyond (including

**Public enterprise funds—Continued**

**MICROENTERPRISE AND SMALL ENTERPRISE DEVELOPMENT  
GUARANTEED LOAN FINANCING ACCOUNT—Continued**

modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 72-4343-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	3	2	3	6
1999 Total assets .....	3	2	3	6
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	3	2	3	6
2999 Total liabilities .....	3	2	3	6
4999 Total liabilities and net position .....	3	2	3	6

**PRIVATE SECTOR REVOLVING FUND LIQUIDATING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 72-4341-0-3-151	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2		
22.00 New budget authority (gross) .....		1	
22.40 Capital transfer to general fund .....		-1	
22.60 Portion applied to repay debt .....	-1		
23.90 Total budgetary resources available for obligation .....	1		
24.40 Unobligated balance carried forward, end of year .....			
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....		1	
<b>Change in obligated balances:</b>			
73.20 Total outlays (gross) .....			
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....		-1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		-1	

**Status of Direct Loans** (in millions of dollars)

Identification code 72-4341-0-3-151	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1	1	
1251 Repayments: Repayments and prepayments .....		-1	
1290 Outstanding, end of year .....	1		

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed under the Private Sector Loan Fund prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts.

**DEVELOPMENT CREDIT AUTHORITY  
(INCLUDING TRANSFER OF FUNDS)**

For the cost of direct loans and loan guarantees, as authorized by sections 108 and 635 of the Foreign Assistance Act of 1961, up

to \$21,000,000, to remain available until September 30, 2005, and to be derived by transfer from funds appropriated by this Act to carry out part I of such Act and under the heading, "Assistance for Eastern Europe and the Baltic States": Provided, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to \$700,000,000. In addition, for administrative expenses to carry out credit programs administered by the United States Agency for International Development, \$8,000,000, to remain available until September 30, 2004, which may be transferred to and merged with the appropriation for Operating Expenses of the United States Agency for International Development.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts** (in millions of dollars)

Identification code 72-1264-0-1-151	2002 actual	2003 est.	2004 est.
0102 Negative subsidies/subsidy reestimates .....	1		

**Program and Financing** (in millions of dollars)

Identification code 72-1264-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Guaranteed loan subsidy .....	5	18	21
00.09 Administrative Expenses .....	5	10	8
10.00 Total new obligations .....	10	28	29
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	5	
22.00 New budget authority (gross) .....	10	8	29
22.10 Resources available from recoveries of prior year obligations .....	1		
22.22 Unobligated balance transferred from other accounts .....	1	15	
23.90 Total budgetary resources available for obligation .....	15	28	29
23.95 Total new obligations .....	-10	-28	-29
24.40 Unobligated balance carried forward, end of year .....	5		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	8	8	8
42.00 Transferred from other accounts .....	2		21
43.00 Appropriation (total discretionary) .....	10	8	29
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	7	10	26
73.10 Total new obligations .....	10	28	29
73.20 Total outlays (gross) .....	-5	-13	-18
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	10	26	39
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	7	12
86.93 Outlays from discretionary balances .....	4	6	6
87.00 Total outlays (gross) .....	5	13	18
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	10	8	29
90.00 Outlays .....	5	13	18

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 72-1264-0-1-151	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 DCA .....	289	280	675
215901 Total loan guarantee levels .....	289	280	675
Guaranteed loan subsidy (in percent):			
232001 DCA .....	6.42	6.44	3.11
232901 Weighted average subsidy rate .....	6.42	6.44	3.11

Guaranteed loan subsidy budget authority:			
233001 DCA	19	18	21
233901 Total subsidy budget authority	19	18	21
Guaranteed loan subsidy outlays:			
234001 DCA	1	5	10
234901 Total subsidy outlays	1	5	10
Guaranteed loan downward reestimate subsidy budget authority:			
237001 DCA	-1		
237901 Total downward reestimate subsidy budget authority	-1		
Guaranteed loan downward reestimate subsidy outlays:			
238001 DCA	-1		
238901 Total downward reestimate subsidy outlays	-1		
Administrative expense data:			
351001 Budget authority	8	8	8
358001 Outlays from balances	3	1	2
359001 Outlays from new authority	1	7	6

In 2002, the Administration merged USAID's two credit programs as one consolidated Development Credit authority. This single program, which includes a consolidated credit administrative budget, allows USAID to use credit as a flexible development tool for a wide range of development purposes.

The Development Credit Authority (DCA) permits the Agency to substitute credit assistance (loans and loan guarantees) for grant assistance to achieve any of the economic development purposes authorized by the Congress in Part I of the Foreign Assistance Act of 1961, as amended. Subject to limits in annual appropriations acts and the normal congressional notification processes, disciplined credit assistance under DCA is principally intended for use where a development activity is financially viable, where borrowers are creditworthy, and where there is true risk sharing with private lenders. DCA augments grant assistance by mobilizing private capital in developing countries for sustainable development projects. In 2004 USAID plans to use some of this authority for water projects to fulfill the Administration's commitment at the World Summit on Sustainable Development.

**Object Classification** (in millions of dollars)

Identification code 72-1264-0-1-151	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent	2	3	3
21.0 Travel and transportation of persons		1	1
25.1 Advisory and assistance services	1	3	2
25.3 Other purchases of goods and services from Government accounts	2	3	2
41.0 Grants, subsidies, and contributions	5	18	21
99.9 Total new obligations	10	28	29

**Personnel Summary**

Identification code 72-1264-0-1-151	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	21	26	26

**DEVELOPMENT CREDIT AUTHORITY GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 72-4266-0-3-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Default Claims		1	1
08.02 Downward reestimate	1		
10.00 Total new obligations	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	8

22.00 New financing authority (gross)	1	6	12
23.90 Total budgetary resources available for obligation	2	7	20
23.95 Total new obligations	-1	-1	-1
24.40 Unobligated balance carried forward, end of year	1	8	20

**New financing authority (gross), detail:**

Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	1	6	12

**Change in obligated balances:**

73.10 Total new obligations	1	1	1
73.20 Total financing disbursements (gross)	-1	-1	-1
87.00 Total financing disbursements (gross)	1	1	1

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Subsidy payments from program account	-1	-5	-10
88.40 Non-Federal sources		-1	-2
88.90 Total, offsetting collections (cash)	-1	-6	-12

**Net financing authority and financing disbursements:**

89.00 Financing authority			
90.00 Financing disbursements		-5	-11

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 72-4266-0-3-151	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	536		700
2121 Limitation available from carry-forward	479	479	479
2131 Guaranteed loan commitments exempt from limitation		280	
2142 Uncommitted loan guarantee limitation	-335		-25
2143 Uncommitted limitation carried forward	-479	-479	-479
2150 Total guaranteed loan commitments	201	280	675
2199 Guaranteed amount of guaranteed loan commitments	60	140	338
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	39	41	179
2231 Disbursements of new guaranteed loans	4	142	125
2251 Repayments and prepayments	-2	-3	-18
2263 Adjustments: Terminations for default that result in claim payments		-1	-1
2290 Outstanding, end of year	41	179	285
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	21	90	143

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 72-4266-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury	1	1	5	17
1999 Total assets	1	1	5	17
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees	1	1	5	17
2999 Total liabilities	1	1	5	17
4999 Total liabilities and net position	1	1	5	17

## Public enterprise funds—Continued

## ECONOMIC ASSISTANCE LOANS—LIQUIDATING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 72-4103-0-3-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....		7	4
10.00 Total new obligations (object class 41.0) .....		7	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	97	88	
22.00 New budget authority (gross) .....		7	4
22.40 Capital transfer to general fund .....	-9	-88	
23.90 Total budgetary resources available for obligation .....	88	7	4
23.95 Total new obligations .....		-7	-4
24.40 Unobligated balance carried forward, end of year .....	88		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	799	775	661
69.27 Capital transfer to general fund .....	-799	-768	-657
69.90 Spending authority from offsetting collections (total mandatory) .....		7	4
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-2	-2	
73.10 Total new obligations .....		7	4
73.20 Total outlays (gross) .....		-5	-4
74.40 Obligated balance, end of year .....	-2		
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		5	4
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-7	-5	
Non-Federal sources:			
88.40 Non-Federal sources-Principal .....	-584	-568	-493
88.40 Non-Federal sources-Interest .....	-208	-202	-168
88.90 Total, offsetting collections (cash) .....	-799	-775	-661
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-799	-768	-657
90.00 Outlays .....	-799	-770	-657

## Status of Direct Loans (in millions of dollars)

Identification code 72-4103-0-3-151	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	9,373	8,768	8,187
Repayments:			
Repayments and prepayments:			
1251 Repayments and prepayments .....	-584	-568	-493
1251 Repayments: debt reduction .....	-7	-5	
1263 Write-offs for default: Direct loans .....	-14	-8	
1290 Outstanding, end of year .....	8,768	8,187	7,694

## Balance Sheet (in millions of dollars)

Identification code 72-4103-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	9,373	8,768	8,187	7,694
1602 Interest receivable .....	563	349	349	349
1603 Allowance for estimated uncollectible loans and interest (-) .....	-3,996	-6,124	-6,063	-6,001
1699 Value of assets related to direct loans .....	5,940	2,993	2,473	2,042
1999 Total assets .....	5,940	2,993	2,473	2,042

## LIABILITIES:

2104 Federal liabilities: Resources payable to Treasury .....	5,940	2,993	2,473	2,042
2999 Total liabilities .....	5,940	2,993	2,473	2,042
4999 Total liabilities and net position .....	5,940	2,993	2,473	2,042

The Economic Assistance Loans liquidating account consolidates liquidating credit activity from three previous accounts: Economic Support Fund, Functional Development Assistance Program, and the Development Loans Revolving Fund. This was done to simplify presentation. As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from direct loans prior to 1992. This account is shown on a cash basis.

## Trust Funds

## FOREIGN SERVICE NATIONAL SEPARATION LIABILITY TRUST FUND

## Program and Financing (in millions of dollars)

Identification code 72-8342-0-7-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	4	2	2
10.00 Total new obligations (object class 13.0) .....	4	2	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			1
22.00 New budget authority (gross) .....	4	2	2
23.90 Total budgetary resources available for obligation .....	4	2	3
23.95 Total new obligations .....	-4	-2	-2
24.40 Unobligated balance carried forward, end of year .....		1	2
<b>New budget authority (gross), detail:</b>			
Mandatory:			
63.00 Reappropriation .....	4	2	2
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	11	15	15
73.10 Total new obligations .....	4	2	2
73.20 Total outlays (gross) .....		-1	-1
74.40 Obligated balance, end of year .....	15	15	15
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4	2	2
90.00 Outlays .....		1	1

This Fund is maintained to pay separation costs for Foreign Service National employees of the U.S. Agency for International Development in those countries in which such pay is legally required. The Fund, as authorized by Public Law 102-138, is maintained by annual Government contributions which are appropriated in several Agency accounts.

## MISCELLANEOUS TRUST FUNDS, AID

## Unavailable Collections (in millions of dollars)

Identification code 72-9971-0-7-151	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	2	2	2
Receipts:			
02.00 Gifts and donations .....	2		
04.00 Total: Balances and collections .....	4	2	2
Appropriations:			
05.00 Miscellaneous trust funds, AID .....	-2		
07.99 Balance, end of year .....	2	2	2

## Program and Financing (in millions of dollars)

Identification code 72-9971-0-7-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	2		
10.00 Total new obligations (object class 41.0) .....	2		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	2	1
22.00 New budget authority (gross) .....	2		
23.90 Total budgetary resources available for obligation .....	4	2	1
23.95 Total new obligations .....	-2		
24.40 Unobligated balance carried forward, end of year .....	2	1	1
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	2		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	2
73.10 Total new obligations .....	2		
73.20 Total outlays (gross) .....	-2		
74.40 Obligated balance, end of year .....	1	2	2
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2		
90.00 Outlays .....	2		

The Miscellaneous Trust Funds account includes gifts and donations that AID receives from other governments, non-governmental organizations, or private citizens. AID has authority to spend these gifts and donations for development purposes under Section 635(d) of the Foreign Assistance Act.

OVERSEAS PRIVATE INVESTMENT  
CORPORATION

## Federal Funds

## Public enterprise funds:

OVERSEAS PRIVATE INVESTMENT CORPORATION  
NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: Provided, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed \$35,000) shall not exceed \$42,385,000: Provided further, That the Corporation may accept and use payment or services provided by transaction participants for due diligence, legal, financial, or technical services in connection with any transaction for which an application for an insurance commitment has been made or is anticipated: Provided further, That such amounts shall remain available until expended and shall not be considered administrative expenses for the purposes of this heading.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Unavailable Collections (in millions of dollars)

Identification code 71-4184-0-3-151	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	3,013	3,123	3,337
Receipts:			
02.80 Overseas Private Investment Corporation noncredit account, offsetting collections .....	308	321	321
04.00 Total: Balances and collections .....	3,321	3,444	3,658

Appropriations:			
05.00 Overseas Private Investment Corporation noncredit account .....	-198	-107	-123
05.99 Total appropriations .....	-198	-107	-123
07.99 Balance, end of year .....	3,123	3,337	3,535

These balances are reserves held for potential claims and are not expected to be obligated.

## Program and Financing (in millions of dollars)

Identification code 71-4184-0-3-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Noncredit administrative expenses .....	16	16	17
09.02 Insurance claim payments/provisions .....	34	25	31
09.03 Credit administrative expenses .....	23	23	25
09.05 Project specific insurance expenses .....	1	1	1
10.00 Total new obligations .....	74	65	74
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	254	218	213
22.00 New budget authority (gross) .....	38	59	74
23.90 Total budgetary resources available for obligation .....	292	277	287
23.95 Total new obligations .....	-74	-65	-74
24.40 Unobligated balance carried forward, end of year .....	218	213	213
<b>New budget authority (gross), detail:</b>			
Discretionary:			
41.00 Transferred to other accounts .....	-47	-48	-49
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	308	321	321
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-2		
68.27 Capital transfer to general fund .....	-111		
68.45 Portion precluded from obligation (limitation on obligations) .....	-110	-214	-198
68.90 Spending authority from offsetting collections (total discretionary) .....	85	107	123
70.00 Total new budget authority (gross) .....	38	59	74
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	65	92	89
73.10 Total new obligations .....	74	65	74
73.20 Total outlays (gross) .....	-49	-68	-73
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
74.40 Obligated balance, end of year .....	92	89	90
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	24	41	47
86.93 Outlays from discretionary balances .....	25	27	26
87.00 Total outlays (gross) .....	49	68	73
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-23	-24	-25
88.20 Interest on Federal securities .....	-223	-232	-235
Non-Federal sources:			
88.40 Non-Fed insurance premiums .....	-54	-51	-47
88.40 Non-Fed claim repay Indonesia .....	-8	-14	-14
88.90 Total, offsetting collections (cash) .....	-308	-321	-321
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-268	-262	-247
90.00 Outlays .....	-259	-253	-248
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	3,350	3,464	3,623
92.02 Total investments, end of year: Federal securities: Par value .....	3,464	3,623	3,775

## Public enterprise funds—Continued

## OVERSEAS PRIVATE INVESTMENT CORPORATION—Continued

## NONCREDIT ACCOUNT—Continued

Additional net budget authority and outlays to cover cost of fully accruing retirement:				
99.00	Budget authority .....	1	1	1
99.01	Outlays .....	1	1	1

The Overseas Private Investment Corporation encourages the participation of United States private sector capital and skills in the economic and social development of developing countries and emerging market economies. Its primary non-credit program is political risk insurance against losses due to expropriation, inconvertibility, and damage due to political violence.

## Status of Funds (in millions of dollars)

Identification code 71-4184-0-3-151	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100 Treasury balance .....	15	5	49
Federal securities:			
0101 Par value .....	3,350	3,464	3,623
0102 Unrealized discounts .....	-33	-33	-30
0199 Total balance, start of year .....	3,332	3,433	3,639
Cash income during the year:			
Current law:			
Offsetting collections:			
1280 Offsetting collections .....	308	321	321
1299 Income under present law .....	308	321	321
Cash outgo during year:			
Current law:			
4500 Overseas private investment corporation noncredit account .....	-49	-68	-73
7645 Transfers, net .....	-47	-48	-49
7650 Other adjustments, net .....	-111		
7699 Total adjustments .....	-158	-48	-49
Unexpended balance, end of year:			
8700 Uninvested balance .....	5	49	80
Federal securities:			
8701 Par value .....	3,464	3,623	3,775
8702 Unrealized discounts .....	-33	-30	-19
8799 Total balance, end of year .....	3,433	3,639	3,838

## INSURANCE PROGRAM ACTIVITY

(In millions of dollars)

	2001 actual	2002 actual	2003 est.	2004 est.
Aggregate insurance outstanding, start of year ..	20,623	15,191	11,883	10,174
Aggregate insurance issued during year .....	1,065	1,222	1,300	1,500
Aggregate insurance reductions and cancellations .....	-6,497	-4,674	-3,009	-2,572
Aggregate insurance outstanding, end of year ....	15,190	11,883	10,174	9,102
Net growth/(decline) of portfolio .....	-5,433	-3,308	-1,709	-1,072
Net growth rate of insurance portfolio (in percent) .....	-26.43	-21.80	-14.38	-10.54

## STATUS OF INSURANCE AUTHORITY

(In millions of dollars)

	2001 actual	2002 actual	2003 est.	2004 est.
Statutory authority limitation <sup>1</sup> .....	29,000	29,000	29,000	29,000
Maximum contingent liability, end of year .....	8,246	6,908	5,186	4,663
Estimated potential exposure to claims, end of year .....	5,324	4,829	3,035	2,729

<sup>1</sup> This is a combined insurance and finance limitation. OPIC will monitor issuance and runoff to stay within the limitation.

## Object Classification (in millions of dollars)

Identification code 71-4184-0-3-151	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	20	21	22
12.1 Civilian personnel benefits .....	3	4	4
21.0 Travel and transportation of persons .....	1	1	1
23.2 Rental payments to others .....	6	6	7
25.1 Advisory and assistance services .....	5	4	5

25.2	Other services .....	5	4	4
42.0	Insurance claims and indemnities .....	34	25	31
99.9	Total new obligations .....	74	65	74

## Personnel Summary

Identification code 71-4184-0-3-151	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	192	209	209

## Credit accounts:

## OVERSEAS PRIVATE INVESTMENT CORPORATION

## PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, \$24,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961, to be derived by transfer from the Overseas Private Investment Corporation Non-credit Account: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 2004 and 2005: Provided further, That such sums shall remain available through fiscal year 2012 for the disbursement of direct and guaranteed loans obligated in fiscal year 2004, and through fiscal year 2013 for the disbursement of direct and guaranteed loans obligated in fiscal year 2005: Provided further, That the Corporation may accept and use payment or services provided by transaction participants for due diligence, legal, financial, or technical services in connection with any transaction for which an application for a direct loan or loan guarantee has been made or is anticipated: Provided further, That such amounts shall remain available until expended and shall not be considered administrative expenses for the purposes of this heading.

In addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Non-credit Account and merged with said account.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 71-0100-0-1-151	2002 actual	2003 est.	2004 est.
0101 Overseas Private Investment Corporation, downward reestimates of subsidies .....	135	58	

## Program and Financing (in millions of dollars)

Identification code 71-0100-0-1-151	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct loan subsidy .....	5	8	4
00.02 Guaranteed loan subsidy .....	14	11	20
00.05 Direct loan upward reestimate .....		7	
00.06 Interest on DL Reestimate .....		3	
00.07 IG Reestimate .....	98	108	
00.08 IG interest on reestimate .....	30	51	
00.09 Credit administrative expenses .....	23	24	25
10.00 Total new obligations .....	170	212	49

## Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	40	6	11
22.00 New budget authority (gross) .....	205	217	49
23.90 Total budgetary resources available for obligation	245	223	60
23.95 Total new obligations .....	-170	-212	-49
Unobligated balance expiring or withdrawn:			
23.98 Unobligated balance expiring or withdrawn .....	-12		
23.98 Unobligated balance expiring or withdrawn .....	-57		
24.40 Unobligated balance carried forward, end of year .....	6	11	11

**New budget authority (gross), detail:**

Discretionary:			
42.00	Transferred from other accounts .....	47	48 49
Mandatory:			
Appropriation:			
60.00	Appropriation .....	128	159 .....
60.00	Appropriation .....		10 .....
62.50	Appropriation (total mandatory) .....	128	169 .....
Discretionary:			
68.10	Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired) .....	30	.....
70.00	Total new budget authority (gross) .....	205	217 49

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	40	71 91
73.10	Total new obligations .....	170	212 49
73.20	Total outlays (gross) .....	-151	-215 -49
73.40	Adjustments in expired accounts (net) .....	19	.....
74.00	Change in uncollected customer payments from Fed- eral sources (unexpired) .....	-30	.....
74.10	Change in uncollected customer payments from Fed- eral sources (expired) .....	23	24 25
74.40	Obligated balance, end of year .....	71	91 115

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	23	25 26
86.93	Outlays from discretionary balances .....		21 23
86.97	Outlays from new mandatory authority .....	128	169 .....
87.00	Total outlays (gross) .....	151	215 49

**Offsets:**

Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources .....	-24	.....
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-30	.....

**Net budget authority and outlays:**

89.00	Budget authority .....	151	217 49
90.00	Outlays .....	129	215 49

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 71-0100-0-1-151	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 OPIC direct loan .....	47	73	40
115901 Total direct loan levels .....	47	73	40
Direct loan subsidy (in percent):			
132001 OPIC direct loan .....	10.60	11.00	11.00
132901 Weighted average subsidy rate .....	10.60	11.00	11.00
Direct loan subsidy budget authority:			
133001 OPIC direct loan .....	5	8	4
133901 Total subsidy budget authority .....	5	8	4
Direct loan subsidy outlays:			
134001 OPIC direct loan .....	5	5	5
134901 Total subsidy outlays .....	5	5	5
Direct loan upward reestimate subsidy budget authority:			
135001 OPIC direct loan .....		10	.....
135901 Total upward reestimate budget authority .....		10	.....
Direct loan upward reestimate subsidy outlays:			
136001 OPIC direct loan .....		10	.....
136901 Total upward reestimate outlays .....		10	.....
Direct loan downward reestimate subsidy budget authority:			
137001 OPIC direct loan .....		-18	.....
137901 Total downward reestimate budget authority .....		-18	.....
Direct loan downward reestimate subsidy outlays:			
138001 OPIC direct loan .....		-18	.....
138901 Total downward reestimate subsidy outlays .....		-18	.....
Guaranteed loan levels supportable by subsidy budget authority:			
215001 OPIC loan guarantee .....	541	645	415

215002 On-Lending Loan guarantee levels .....	225	.....	150
215003 Investment Funds Loan guarantee levels .....	43	.....	200
215901 Total loan guarantee levels .....	809	645	765
Guaranteed loan subsidy (in percent):			
232001 OPIC loan guarantee .....	0.81	1.65	1.70
232002 On-Lending Loan guarantee levels .....	5.53	0.00	5.70
232003 Investment Funds Loan guarantee levels .....	11.41	0.00	2.00
232901 Weighted average subsidy rate .....	2.60	1.71	2.61
Guaranteed loan subsidy budget authority:			
233001 OPIC loan guarantee .....	4	11	7
233002 On-Lending Loan guarantee levels .....	12	.....	9
233003 Investment Funds Loan guarantee levels .....	5	.....	4
233901 Total subsidy budget authority .....	21	11	20
Guaranteed loan subsidy outlays:			
234001 OPIC loan guarantee .....	3	3	3
234002 On-Lending Loan guarantee levels .....		1	2
234003 Investment Funds Loan guarantee levels .....	2	2	2
234901 Total subsidy outlays .....	5	6	7
Guaranteed loan upward reestimate subsidy budget authority:			
235001 OPIC loan guarantee .....	128	159	.....
235901 Total upward reestimate budget authority .....	128	159	.....
Guaranteed loan upward reestimate subsidy outlays:			
236001 OPIC loan guarantee .....	128	159	.....
236901 Total upward reestimate subsidy outlays .....	128	159	.....
Guaranteed loan downward reestimate subsidy budget authority:			
237001 OPIC loan guarantee .....	-135	-40	.....
237901 Total downward reestimate subsidy budget authority .....	-135	-40	.....
Guaranteed loan downward reestimate subsidy outlays:			
238001 OPIC loan guarantee .....	-135	-40	.....
238901 Total downward reestimate subsidy outlays .....	-135	-40	.....
Administrative expense data:			
351001 Budget authority .....	23	24	25
358001 Outlays from balances .....			
359001 Outlays from new authority .....	23	24	25

The Overseas Private Investment Corporation encourages the participation of United States private sector capital and skills in the economic and social development of developing countries and emerging market economies. Its primary credit program is investment financing through loans and guaranteed loans.

As required by the Federal Credit Reform Act of 1990, the Program Account records the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**Object Classification (in millions of dollars)**

Identification code 71-0100-0-1-151	2002 actual	2003 est.	2004 est.
25.2 Other services (contracts) .....	16	24	25
41.0 Grants, subsidies, and contributions .....	154	188	24
99.9 Total new obligations .....	170	212	49

## Credit accounts—Continued

OVERSEAS PRIVATE INVESTMENT CORPORATION DIRECT LOAN  
FINANCING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 71-4074-0-3-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan obligations .....	-20	73	40
00.02 Interest on borrowings .....	10	10	10
00.91 Direct Program by Activities—Subtotal (1 level) .....	-10	83	50
08.02 Downward DL Reestimate .....	-10	11	.....
08.04 Interest on Reestimate .....	.....	7	.....
08.91 Direct Program by Activities—Subtotal (1 level) .....	.....	18	.....
10.00 Total new obligations .....	-10	101	50
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	16	46	45
22.00 New financing authority (gross) .....	20	100	67
23.90 Total budgetary resources available for obligation .....	36	146	112
23.95 Total new obligations .....	10	-101	-50
24.40 Unobligated balance carried forward, end of year .....	46	45	62
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	.....	65	36
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	22	36	31
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-2	-1	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	20	35	31
70.00 Total new financing authority (gross) .....	20	100	67
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	292	208	232
73.10 Total new obligations .....	-10	101	50
73.20 Total financing disbursements (gross) .....	-76	-78	-80
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	2	1	.....
74.40 Obligated balance, end of year .....	208	232	202
87.00 Total financing disbursements (gross) .....	76	78	80

Identification code 71-4074-0-3-151	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-5	-15	-5
88.25 Interest on uninvested funds .....	-3	-4	-5
Non-Federal sources:			
88.40 Repayments of Principal .....	-7	-8	-10
88.40 Interest received on loans .....	-5	-6	-7
88.40 Fees .....	-2	-3	-4
88.90 Total, offsetting collections (cash) .....	-22	-36	-31
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	2	1	.....
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	65	36	.....
90.00 Financing disbursements .....	54	42	49

## Status of Direct Loans (in millions of dollars)

Identification code 71-4074-0-3-151	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	.....	.....	.....
1121 Limitation available from carry-forward .....	47	.....	.....
1131 Direct loan obligations exempt from limitation .....	.....	73	40
1150 Total direct loan obligations .....	47	73	40
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	75	138	171
1231 Disbursements: Direct loan disbursements .....	73	40	40

1251 Repayments: Repayments and prepayments .....	-9	-6	-8
1263 Write-offs for default: Direct loans .....	-1	-1	-1
1290 Outstanding, end of year .....	138	171	202

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

## Balance Sheet (in millions of dollars)

Identification code 71-4074-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	19	38	10	9
Investments in US securities:				
1106 Receivables, net .....	25	23	22	22
1206 Non-Federal assets: Receivables, net .....	1	.....	.....	.....
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	75	138	56	56
1402 Interest receivable .....	1	.....	.....	.....
1405 Allowance for subsidy cost (-) .....	-34	-42	-33	-33
1499 Net present value of assets related to direct loans .....	42	96	23	23
1999 Total assets .....	87	157	55	54
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	.....	8	3	3
2103 Debt .....	58	126	47	47
2105 Other Federal liabilities .....	25	22	4	3
2207 Non-Federal liabilities: Other .....	4	1	1	1
2999 Total liabilities .....	87	157	55	54
4999 Total liabilities and net position .....	87	157	55	54

OVERSEAS PRIVATE INVESTMENT CORPORATION GUARANTEED LOAN  
FINANCING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 71-4075-0-3-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Default claims .....	167	45	45
00.02 Capitalized costs .....	11	6	6
00.91 Direct Program by Activities—Subtotal (1 level) .....	178	51	51
08.02 Guaranteed Loan Reestimate .....	93	30	.....
08.04 Interest on Reestimate .....	42	10	.....
08.91 Direct Program by Activities—Subtotal (1 level) .....	135	40	.....
10.00 Total new obligations .....	313	91	51
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	555	488	654
22.00 New financing authority (gross) .....	245	257	107
23.90 Total budgetary resources available for obligation .....	800	745	761
23.95 Total new obligations .....	-313	-91	-51
24.40 Unobligated balance carried forward, end of year .....	488	654	710

Identification code 71-4075-0-3-151	2002 actual	2003 est.	2004 est.
<b>New financing authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	90	98	107
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	27	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	117	98	107
Mandatory:			
69.00 Offsetting collections (cash) Reestimate .....	128	159	.....
70.00 Total new financing authority (gross) .....	245	257	107

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	8	-23	92
73.10	Total new obligations .....	313	91	51
73.20	Total financing disbursements (gross) .....	-317	24	26
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-27		
74.40	Obligated balance, end of year .....	-23	92	169
87.00	Total financing disbursements (gross) .....	317	-24	-26
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Federal sources: Payments from program account .....	25	-6	-7
88.00	Federal sources: Reestimate from 71-0100 .....	-128	-159	
88.25	Interest on uninvested funds .....	-39	-5	-7
Non-Federal sources:				
88.40	Claim recoveries .....	-7	-7	-9
88.40	Fees .....	-69	-80	-84
88.90	Total, offsetting collections (cash) .....	-218	-257	-107
Against gross financing authority only:				
88.95	Change in receivables from program accounts .....	-27		
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....			
90.00	Financing disbursements .....	99	-281	-133

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 71-4075-0-3-151	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders .....		
2121	Limitation available from carry-forward .....	809	
2131	Guaranteed loan commitments exempt from limitation .....		765
2143	Uncommitted limitation carried forward (-) .....		
2150	Total guaranteed loan commitments .....	809	715
2199	Guaranteed amount of guaranteed loan commitments .....	809	715
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year .....	3,350	3,513
2231	Disbursements of new guaranteed loans .....	525	525
2251	Repayments and prepayments .....	-200	-200
2261	Adjustments: Terminations for default that result in loans receivable .....	-162	-45
2290	Outstanding, end of year .....	3,513	3,793
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	3,513	3,793
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year .....	49	204
2331	Disbursements for guaranteed loan claims .....	162	45
2351	Repayments of loans receivable .....	-7	-7
2390	Outstanding, end of year .....	204	242

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 71-4075-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury .....	564	460	465
1206	Non-Federal assets: Receivables, net .....	17	20	20

1501	Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
	Defaulted guaranteed loans receivable, gross .....	49	204	242	284
1599	Net present value of assets related to defaulted guaranteed loans .....	49	204	242	284
1999	Total assets .....	630	684	727	774
<b>LIABILITIES:</b>					
Non-Federal liabilities:					
2204	Liabilities for loan guarantees .....	566	664	707	754
2207	Other non-fed .....	29	20	20	20
2999	Total liabilities .....	595	684	727	774
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....	35			
3999	Total net position .....	35			
4999	Total liabilities and net position .....	630	684	727	774

**OVERSEAS PRIVATE INVESTMENT CORPORATION LIQUIDATING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 71-4030-0-3-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01	Anticipated claim payment .....		1
10.00	Total new obligations (object class 33.0) .....		1
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	3	1
22.40	Capital transfer to general fund .....	-3	
23.90	Total budgetary resources available for obligation .....		1
23.95	Total new obligations .....		-1
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00	Offsetting collections (cash) .....	3	1
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	1	1
73.10	Total new obligations .....		1
73.20	Total outlays (gross) .....		-1
74.40	Obligated balance, end of year .....	1	1
<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority .....		1
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-3	-1
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....	-3	

**Status of Direct Loans (in millions of dollars)**

Identification code 71-4030-0-3-151	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....	1	1
1251	Repayments: Repayments and prepayments .....		
1290	Outstanding, end of year .....	1	1

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 71-4030-0-3-151	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year .....	26	17
2251	Repayments and prepayments .....	-9	-9
2261	Adjustments: Terminations for default that result in loans receivable .....		-1

## Credit accounts—Continued

OVERSEAS PRIVATE INVESTMENT CORPORATION LIQUIDATING  
ACCOUNT—Continued

## Status of Guaranteed Loans (in millions of dollars)—Continued

Identification code 71-4030-0-3-151	2002 actual	2003 est.	2004 est.
2290 Outstanding, end of year .....	17	7	.....
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	17	7	.....
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	20	17	14
2331 Disbursements for guaranteed loan claims .....	.....	1	.....
2351 Repayments of loans receivable .....	-3	-4	-5
2390 Outstanding, end of year .....	17	14	9

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program, financing, and noncredit accounts.

## Statement of Operations (in millions of dollars)

Identification code 71-4030-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	13	3	1	1
0102 Expense .....	-13	.....	-1	-1
0105 Net income or loss (-) .....	.....	3	.....	.....

## Balance Sheet (in millions of dollars)

Identification code 71-4030-0-3-151	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury .....	1	4	2	.....
Investments in US securities:				
1106 Federal Receivables .....	.....	.....	.....	.....
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	.....	1	.....	.....
1603 Allowance for estimated uncollectible loans and interest (-) .....	.....	-1	.....	.....
1699 Value of assets related to direct loans .....	.....	.....	.....	.....
1701 Defaulted guaranteed loans, gross .....	19	17	7	.....
1703 Allowance for estimated uncollectible loans and interest (-) .....	-11	-7	.....	.....
1704 Defaulted guaranteed loans and interest receivable, net .....	8	10	7	.....
1706 Defaulted guaranty acquired .....	2	.....	.....	.....
1799 Value of assets related to loan guarantees .....	10	10	7	.....
1999 Total assets .....	11	14	9	.....
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury .....	.....	14	9	.....
2207 Non-Federal liabilities: Other .....	1	.....	.....	.....
2999 Total liabilities .....	1	14	9	.....
NET POSITION:				
3300 Cumulative results of operations .....	10	.....	.....	.....
3999 Total net position .....	10	.....	.....	.....
4999 Total liabilities and net position .....	11	14	9	.....

## TRADE AND DEVELOPMENT AGENCY

## Federal Funds

## General and special funds:

## TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, \$60,000,000, to remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 11-1001-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Feasibility studies, and other activities .....	75	48	53
00.02 Operating expenses .....	8	8	8
10.00 Total new obligations .....	83	56	61
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	27	9	.....
22.00 New budget authority (gross) .....	62	45	60
22.10 Resources available from recoveries of prior year obligations .....	5	2	1
22.22 Unobligated balance transferred from other accounts .....	1	.....	.....
23.90 Total budgetary resources available for obligation .....	95	56	61
23.95 Total new obligations .....	-83	-56	-61
23.98 Unobligated balance expiring or withdrawn .....	-3	.....	.....
24.40 Unobligated balance carried forward, end of year .....	9	.....	.....

## New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation .....	50	45	60
42.00 Transferred from other accounts .....	12	.....	.....
43.00 Appropriation (total discretionary) .....	62	45	60

## Change in obligated balances:

72.40 Obligated balance, start of year .....	88	108	106
73.10 Total new obligations .....	83	56	61
73.20 Total outlays (gross) .....	-59	-55	-73
73.45 Recoveries of prior year obligations .....	-5	-2	-1
74.40 Obligated balance, end of year .....	108	106	93

## Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	18	11	14
86.93 Outlays from discretionary balances .....	41	44	59
87.00 Total outlays (gross) .....	59	55	73

## Net budget authority and outlays:

89.00 Budget authority .....	62	45	60
90.00 Outlays .....	59	55	73

Appropriated funds provide for the costs of the U.S. Trade and Development Agency (TDA), which include: program costs of grants for technical assistance, feasibility studies, and other project planning activities designed to implement development, trade and foreign policy objectives; and, the cost of managing the TDA programs such as salaries and expenses of direct hire personnel, and obtaining the services of consultants. TDA finances these activities for major projects in developing and middle-income nations to foster economic development and to encourage the use of U.S. private sector technology, goods, and services in project implementation.

## Object Classification (in millions of dollars)

Identification code 11-1001-0-1-151	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	3	3	3
12.1 Civilian personnel benefits .....	1	1	1
25.1 Advisory and assistance services .....	4	4	4
41.0 Grants, subsidies, and contributions .....	75	48	53
99.9 Total new obligations .....	83	56	61

## Personnel Summary

Identification code 11-1001-0-1-151	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	41	50	50

## PEACE CORPS

## Federal Funds

## General and special funds:

## PEACE CORPS

For necessary expenses to carry out the provisions of the Peace Corps Act (75 Stat. 612), \$359,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: Provided, That none of the funds appropriated under this heading shall be used to pay for abortions: Provided further, That funds appropriated under this heading shall remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 11-0100-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.02 Africa region .....	54	65	80
00.03 Europe, Mediterranean & Asia region .....	39	47	55
00.04 Inter-America & Pacific region .....	46	52	60
00.05 Other volunteer support .....	133	170	164
00.06 ERF for Country Evacuations .....	1		
09.01 Reimbursable program .....	4	5	4
10.00 Total new obligations .....	277	339	363
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	11	21	4
22.00 New budget authority (gross) .....	283	322	363
22.22 Unobligated balance transferred from other accounts	4		
23.90 Total budgetary resources available for obligation	298	343	367
23.95 Total new obligations .....	-277	-339	-363
24.40 Unobligated balance carried forward, end of year .....	21	4	4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	275	317	359
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	4	5	4
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	4		
68.90 Spending authority from offsetting collections (total discretionary) .....	8	5	4
70.00 Total new budget authority (gross) .....	283	322	363
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	88	84	113
73.10 Total new obligations .....	277	339	363
73.20 Total outlays (gross) .....	-276	-311	-385
73.40 Adjustments in expired accounts (net) .....	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-4		
74.40 Obligated balance, end of year .....	84	113	91
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	199	258	290
86.93 Outlays from discretionary balances .....	77	53	95
87.00 Total outlays (gross) .....	276	311	385
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-3	-4	-3

88.40 Non-Federal sources .....	-1	-1	-1
88.90 Total, offsetting collections (cash) .....	-4	-5	-4
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-4		

## Net budget authority and outlays:

89.00 Budget authority .....	275	317	359
90.00 Outlays .....	271	306	381

## Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

Peace Corps' operating expenses will provide direct and indirect support for Americans engaged in voluntary services in approximately 78 countries worldwide in 2004. The support will include the necessary safety and security provisions for the Peace Corps' Volunteers, trainees, and staff. By September 2004, there will be approximately 10,000 Americans enrolled in the Peace Corps, consistent with the President's goal of 14,000 volunteers by 2007. The Volunteers help fill the trained manpower needs of developing countries and encourage self-sustaining development of skilled manpower. The Peace Corps promotes mutual understanding between the peoples of the developing world and the United States and focuses the attention of the American people on the benefits of volunteerism. Peace Corps Volunteers work primarily in the areas of agriculture, education, economic development, health, and environment.

## Object Classification (in millions of dollars)

Identification code 11-0100-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	50	67	68
11.3 Other than full-time permanent .....	3	1	4
11.5 Other personnel compensation .....	1		2
11.9 Total personnel compensation .....	54	68	74
12.1 Civilian personnel benefits .....	64	73	83
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	28	38	41
22.0 Transportation of things .....	2	2	2
23.1 Rental payments to GSA .....	7	9	7
23.2 Rental payments to others .....	9	9	12
23.3 Communications, utilities, and miscellaneous charges .....	7	8	8
24.0 Printing and reproduction .....	1	2	2
25.1 Advisory and assistance services .....	5		8
25.2 Other services .....	43	75	60
25.3 Other purchases of goods and services from Government accounts .....	8	7	5
25.4 Operation and maintenance of facilities .....	1		1
25.6 Medical care .....	13	16	20
25.7 Operation and maintenance of equipment .....	1		2
26.0 Supplies and materials .....	12	12	15
31.0 Equipment .....	17	14	18
99.0 Direct obligations .....	273	334	359
99.0 Reimbursable obligations .....	4	5	4
99.9 Total new obligations .....	277	339	363

## Personnel Summary

Identification code 11-0100-0-1-151	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	999	1,224	1,285
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	2	3	3

## General and special funds—Continued

## PEACE CORPS MISCELLANEOUS TRUST FUNDS

## Unavailable Collections (in millions of dollars)

Identification code 11-9972-0-7-151	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Miscellaneous trust funds, Peace Corps .....	1	3	2
Appropriations:			
05.00 Peace Corps miscellaneous trust fund .....	-1	-3	-2
07.99 Balance, end of year .....			

## Program and Financing (in millions of dollars)

Identification code 11-9972-0-7-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Trust Fund Program .....	2	2	2
10.00 Total new obligations .....	2	2	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	5	6
22.00 New budget authority (gross) .....	1	3	2
23.90 Total budgetary resources available for obligation .....	7	8	8
23.95 Total new obligations .....	-2	-2	-2
24.40 Unobligated balance carried forward, end of year .....	5	6	6
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	1	3	2
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	2	2	2
73.20 Total outlays (gross) .....	-2	-2	-2
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	2	2	2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	3	2
90.00 Outlays .....	2	2	2

Miscellaneous contributions received by gift, devise, bequest, or from foreign governments are used for the furtherance of the program, as authorized by 22 U.S.C. 2509(a)(4) (75 Stat. 612, as amended). Trust funds also include a fund to pay separation costs for Foreign Service National employees of the Peace Corps in those countries in which such pay is legally authorized. The fund, as authorized by Section 151 of Public Law 102-138, is maintained by annual Government contributions which are appropriated in the Peace Corps salaries and expenses account.

## Object Classification (in millions of dollars)

Identification code 11-9972-0-7-151	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services .....	1	1	1
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	2	2	2

## INTER-AMERICAN FOUNDATION

## Federal Funds

## General and special funds:

## INTER-AMERICAN FOUNDATION

For expenses necessary to carry out the functions of the Inter-American Foundation in accordance with the provisions of section 401 of the Foreign Assistance Act of 1969, \$15,185,000, to remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 11-3100-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Development grants .....	13	16	17
00.02 Evaluations and other activities .....	2	3	3
00.04 Program management and operations .....	6	6	6
10.00 Total new obligations .....	21	25	26
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	2	2
22.00 New budget authority (gross) .....	14	25	26
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	22	27	28
23.95 Total new obligations .....	-21	-25	-26
24.40 Unobligated balance carried forward, end of year .....	2	2	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	13	14	15
68.00 Spending authority from offsetting collections: Offsetting collections (SPTF) .....	1	11	11
70.00 Total new budget authority (gross) .....	14	25	26
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	30	25	28
73.10 Total new obligations .....	21	25	26
73.20 Total outlays (gross) .....	-24	-22	-30
73.40 Adjustments in expired accounts (net) .....	-1		
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	25	28	24
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	8	12	12
86.93 Outlays from discretionary balances .....	16	10	18
87.00 Total outlays (gross) .....	24	22	30
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-1	-11	-11
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	13	14	15
90.00 Outlays .....	23	11	19

Established by the 1969 Foreign Assistance Act, the Inter-American Foundation (IAF) supports grassroots development initiatives in Latin America and the Caribbean with a direct impact on the lives and the capacity for self reliance of people at the lowest economic levels. In 2003, the IAF will continue its strategic programming approaches that focus on: (1) building partnerships among grassroots organizations, non-governmental organizations, local governments, and private enterprises to foster social and economic development at the local level; and, (2) increasing the participation of U.S. corporate and national private business sector resources in grassroots development initiatives. This strategy promotes social investment in Latin America and the Caribbean by the U.S. and local private business sector to improve the quality of life of the poor in the region. The IAF will continue to apply its system of measuring the results of its grants to improve Foundation decision-making and identify and disseminate good practice and lessons to new private sector contributors and development practitioners. Using results and evaluation information, the IAF will incorporate lessons learned into the IAF's strategic planning and grant decision-making processes. The IAF will continue to implement an integrated program management information system which will increase effi-

ciency in its operations and facilitate grant monitoring and results reporting.

**Development Grants.**—This activity includes grants made directly to local private, non-profit organizations working in partnerships with businesses and local authorities to carry out development projects in Latin America and the Caribbean. In 2004, the IAF plans to award approximately 70 new grants and 15 supplemental grants in 14 countries.

**Evaluations and Other Activities.**—This activity covers grant results assessments by in-country specialists and evaluations from a sample of the grants supported by the IAF. This activity also includes the publications that convey the IAF's partnership, corporate social responsibility and grassroots democracy experiences, and lessons to businesses, development practitioners, members of partnerships, and other donors.

**Program Management and Operation.**—This activity includes Foundation expenses for salaries and benefits, travel, reimbursable service agreements with other Federal agencies, rent, service contracts, and other support costs.

#### Object Classification (in millions of dollars)

Identification code 11-3100-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	3	3	3
12.1 Civilian personnel benefits .....	1	1	1
23.2 Rental payments to others .....	1	1	1
25.1 Advisory and assistance services .....	2	3	3
41.0 Grants, subsidies, and contributions .....	14	16	17
99.0 Direct obligations .....	21	24	25
99.5 Below reporting threshold .....		1	1
99.9 Total new obligations .....	21	25	26

#### Personnel Summary

Identification code 11-3100-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	43	47	47

## AFRICAN DEVELOPMENT FOUNDATION

### Federal Funds

#### General and special funds:

##### AFRICAN DEVELOPMENT FOUNDATION

To carry out title V of the International Security and Development Cooperation Act of 1980, Public Law 96-533, \$17,689,000, to remain available until September 30, 2005: Provided, That funds made available to recipients may be invested pending expenditure for project purposes when authorized by the board of directors of the Foundation: Provided further, That interest earned shall be used only for the purposes for which the grant was made: Provided further, That notwithstanding section 505(a)(2) of the African Development Foundation Act, in exceptional circumstances the board of directors of the Foundation may waive the \$250,000 limitation contained in that section with respect to a project: Provided further, That the Foundation shall provide a report to the Committees on Appropriations after each time such waiver authority is exercised.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 11-0700-0-1-151	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Advance sustainable development and empowerment of the poor in Africa .....	15	15	13
00.02 Enhance US assistance and relations with Africa .....	3	4	4

00.03 Expand use of participatory development policies and practices .....	1		
00.04 Internal agency objectives .....	1	1	1
10.00 Total new obligations .....	20	20	18

#### Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year .....	5	3	
22.00 New budget authority (gross) .....	17	17	18
22.10 Resources available from recoveries of prior year obligations .....	3		
23.90 Total budgetary resources available for obligation .....	24	20	18
23.95 Total new obligations .....	-20	-20	-18
23.98 Unobligated balance expiring or withdrawn .....	-1		
24.40 Unobligated balance carried forward, end of year .....	3		

#### New budget authority (gross), detail:

<b>Discretionary:</b>			
40.00 Appropriation .....	17	17	18

#### Change in obligated balances:

72.40 Obligated balance, start of year .....	11	15	18
73.10 Total new obligations .....	20	20	18
73.20 Total outlays (gross) .....	-13	-18	-15
73.45 Recoveries of prior year obligations .....	-3		
74.40 Obligated balance, end of year .....	15	18	19

#### Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	6	8	8
86.93 Outlays from discretionary balances .....	7	10	7
87.00 Total outlays (gross) .....	13	18	15

#### Net budget authority and outlays:

89.00 Budget authority .....	17	17	18
90.00 Outlays .....	14	18	15

The African Development Foundation (ADF), a public corporation, is the only agency of the U.S. Government that directly supports community-based initiatives to alleviate poverty and promote sustainable development in Africa. Through its grant program, ADF provides Africans with the resources necessary to identify and solve their own problems. ADF relies on participatory development approaches that strengthen local capacity, foster ownership of development projects, and promote self-help and empowerment.

In 2004, ADF will provide grants to recipients in fourteen African countries, either directly to grassroots groups or through non-governmental organizations. These grants will promote the following three strategic goals:

(1) *Advance broad-based, sustainable development and empowerment of the poor in Africa.*—ADF will promote micro- and small-enterprise development to generate income and employment. ADF will increase participation of African businesses and producer groups in trade and investment relationships with the U.S. and within Africa. ADF will support community-based HIV/AIDS prevention and mitigation.

(2) *Expand local capacity to promote and support grassroots, participatory development.*—ADF will build self-supporting, sustainable, local community development agencies that provide technical assistance and support to grassroots groups. ADF will develop and replicate new models for community reinvestment. ADF will continue to leverage additional funding through strategic partnerships with national and local governments, other donor agencies, and the local private sector. ADF will encourage African governments and other donors to increase utilization of participatory development “best practices”.

(3) *Enhance American assistance and strengthen U.S. relations with Africa.*—ADF will seek to leverage resources for grassroots development through strategic partnerships with the U.S. private sector and other U.S. Government agencies. ADF will work toward improving program and policy coordination with U.S. foreign assistance and foreign policy agencies.

**General and special funds—Continued**

## AFRICAN DEVELOPMENT FOUNDATION—Continued

**Object Classification** (in millions of dollars)

Identification code 11-0700-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	3	3	3
25.2 Other services (O.C. 25) .....	3	3	3
41.0 Grants, subsidies, and contributions .....	13	13	11
99.0 Direct obligations .....	19	19	17
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	20	20	18

**Personnel Summary**

Identification code 11-0700-0-1-151	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	27	32	32

**INTERNATIONAL MONETARY PROGRAMS****Federal Funds****General and special funds:**

## UNITED STATES QUOTA IN THE INTERNATIONAL MONETARY FUND

**Program and Financing** (in millions of dollars)

Identification code 11-0003-0-1-155	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	17,859	19,580	19,580
22.10 Resources available from recoveries of prior year obligations .....	1,651	.....	.....
23.90 Total budgetary resources available for obligation	19,510	19,580	19,580
23.98 Adjustment of \$ equivalent .....	69	.....	.....
24.40 Unobligated balance carried forward, end of year .....	19,580	19,580	19,580
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	29,479	28,273	28,273
73.20 Total outlays (gross) .....	446	.....	.....
73.45 Recoveries of prior year obligations .....	-1,651	.....	.....
74.40 Obligated balance, end of year .....	28,273	28,273	28,273
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	-446	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	-446	.....	.....

As part of a general increase in IMF quota resources, on November 17, 1998, the United States consented to an increase in its quota to SDR 37,149.3 million (about \$52 billion at that time). The increase in the U.S. quota involves no net budget outlays. Similarly, use by the IMF of the quota commitment does not result in net budget outlays because the United States receives an increase in its international monetary reserves corresponding to any transfer of dollars under the U.S. quota subscription. The United States can use these interest-bearing reserves to meet a balance of payments financing need.

## FOR LOANS TO THE INTERNATIONAL MONETARY FUND—NEW ARRANGEMENTS TO BORROW

**Program and Financing** (in millions of dollars)

Identification code 11-0074-0-1-155	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	8,652	8,878	8,652
23.98 Adjustment of \$ equivalent .....	226	.....	.....
24.40 Unobligated balance carried forward, end of year .....	8,878	8,652	8,652
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	.....	.....

The General Arrangements to Borrow (GAB) were established in 1962 by 10 industrial countries, including the United States, as a means of supplementing the IMF's resources when needed to forestall or cope with an impairment of the international monetary system. GAB members agreed in early 1983 to increase their financial commitments to the GAB from approximately SDR 6.3 billion to SDR 17 billion, with the U.S. share rising from \$2.0 billion to approximately \$6.4 billion.

In January 1997, the Executive Board of the IMF approved the creation of the New Arrangements to Borrow (NAB) to further supplement resources available to the IMF to forestall or cope with an impairment of the international monetary system or to deal with an exceptional situation that poses a threat to the stability of the system. The NAB became effective on November 17, 1998. In 2002, twenty-five countries and institutions participated in the NAB through a set of credit arrangements with the IMF totaling SDR 34 billion (about \$48 billion on the date of establishment), of which the U.S. share is approximately SDR 6.7 billion (about \$9.0 billion at end-December 2002). Chile is in the process of becoming the twenty-sixth member. Although the GAB continues to exist, the sum of loans advanced under the NAB and GAB cannot exceed SDR 34 billion. The sum of U.S. loans advanced under both arrangements cannot exceed the U.S. share of the NAB.

Financing extended by the United States under the GAB and NAB does not result in any net budget outlays because such financing results in an equivalent increase in U.S. international reserve assets in the form of a claim on the IMF.

During 1998 (July), the IMF made one call on GAB participants in support of an assistance program for Russia, of which the U.S. share was approximately \$483 million. On December 15, 1998, the IMF made a call on NAB participants in support of an assistance program for Brazil, of which the U.S. share was approximately \$860 million. The GAB and NAB loans were paid back in full on March 11, 1999. Since 1999, no calls were made on GAB or NAB participants, and no loans were outstanding at the end of the fiscal year.

**MILITARY SALES PROGRAMS****Federal Funds****Public enterprise funds:**

## SPECIAL DEFENSE ACQUISITION FUND

**Program and Financing** (in millions of dollars)

Identification code 11-4116-0-3-155	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	28	28	18
22.10 Resources available from recoveries of prior year obligations .....	8	.....	.....
22.40 Capital transfer to general fund .....	-8	-10	-10

23.90	Total budgetary resources available for obligation	28	18	8
24.40	Unobligated balance carried forward, end of year .....	28	18	8
<b>New budget authority (gross), detail:</b>				
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash) .....	2		
68.27	Capital transfer to general fund .....	-2		
68.90	Spending authority from offsetting collections (total discretionary) .....			
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	16	8	3
73.20	Total outlays (gross) .....	2	-5	-3
73.45	Recoveries of prior year obligations .....	-8		
74.40	Obligated balance, end of year .....	8	3	
<b>Outlays (gross), detail:</b>				
86.93	Outlays from discretionary balances .....	-2	5	3
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-2		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	-2		
90.00	Outlays .....	-4	5	3

This fund shows the financing transactions related to the procurement of defense articles prior to orders being placed by foreign countries and international organizations. This program is being phased out.

### Trust Funds

#### FOREIGN MILITARY SALES TRUST FUND

##### Unavailable Collections (in millions of dollars)

Identification code 11-8242-0-7-155	2002 actual	2003 est.	2004 est.
01.99	Balance, start of year .....		
Receipts:			
02.20	Deposits, advances, foreign military sales .....	11,225	12,259
Appropriations:			
05.00	Foreign military sales trust fund .....	-11,225	-12,259
07.99	Balance, end of year .....		

##### Program and Financing (in millions of dollars)

Identification code 11-8242-0-7-155	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01	Military personnel .....	83	90
09.02	Operations and maintenance .....	312	298
09.03	Procurement .....	11,638	11,638
09.04	Research, development, test and evaluation .....	20	27
09.06	Revolving and management funds .....	711	827
09.07	Construction .....	95	96
09.08	Other .....	355	356
10.00	Total new obligations (object class 25.3) .....	13,214	13,332
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	13,214	13,332
23.95	Total new obligations .....	-13,214	-13,332
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26	Appropriation (trust fund) .....	11,225	12,259
60.49	Portion applied to liquidate contract authority .....	-11,225	-12,259
62.50	Appropriation (total mandatory) .....		
66.10	Contract authority .....	13,214	13,332
70.00	Total new budget authority (gross) .....	13,214	13,332
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	18,781	20,932

73.10	Total new obligations .....	13,214	13,332	9,077
73.20	Total outlays (gross) .....	-11,062	-12,259	-11,974
74.40	Obligated balance, end of year .....	20,932	22,005	19,108

<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	1,587	1,502	1,068
86.98	Outlays from mandatory balances .....	9,475	10,757	10,906
87.00	Total outlays (gross) .....	11,062	12,259	11,974

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	13,214	13,332	9,077
90.00	Outlays .....	11,062	12,259	11,974

##### Status of Contract Authority (in millions of dollars)

Identification code 11-8242-0-7-155	2002 actual	2003 est.	2004 est.
<b>Contract authority:</b>			
0200	Contract authority .....	13,214	13,332
0400	Appropriation to liquidate contract authority .....	-11,225	-12,259

This trust fund facilitates government-to-government sales of defense articles, defense services, and design and construction services. Estimates of sales used in this budget are (in millions of dollars):

##### ESTIMATES OF NEW SALES

	2002 actual	2003 est.	2004 est.
Estimates of new orders (sales) .....	12,500	14,200	8,900

Orders placed through this trust fund can be combined with procurement for U.S. military departments. The savings are shared by the United States and foreign governments. The net impact of foreign military sales on the budget is (in millions of dollars):

##### FMS TRUST FUND TRANSACTIONS

	2002 actual	2003 est.	2004 est.
Obligations of the fund .....	13,214	13,332	9,077
Receipts from foreign governments (appropriation) .....	-11,225	-12,259	-11,974
Net budget authority .....	1,989	1,073	-2,897
Payments from the fund (outlays) .....	11,062	12,259	11,974
Receipts from foreign governments (appropriation) .....	-11,225	-12,259	-11,974
Net outlays .....	-163	0	0

## SPECIAL ASSISTANCE FOR CENTRAL AMERICA

### Federal Funds

#### General and special funds:

##### DEMobilization and Transition Fund

##### Program and Financing (in millions of dollars)

Identification code 72-1500-0-1-152	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	1	1
24.40	Unobligated balance carried forward, end of year .....	1	1
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....		

Funds for this account were transferred from Foreign Military Financing pursuant to P.L. 101-513 to support costs of demobilization, retraining, relocation, and reemployment in civilian pursuits of former combatants in the conflict in El Salvador.

**General and special funds—Continued**

CENTRAL AMERICAN RECONCILIATION ASSISTANCE

**Program and Financing** (in millions of dollars)

Identification code 72-1038-0-1-152	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays			

Funds for this account were transferred from the Department of Defense in accordance with Public Law 101-14 in order to provide humanitarian assistance to the Nicaraguan democratic resistance. Adjustments to the account were made in Public Law 101-119 and Public Law 101-215.

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:			
11-272330 Debt restructuring, Downward reestimates of subsidies		4	
11-272430 Foreign military financing, Downward reestimates of subsidies	16	522	
71-274930 Overseas Private Investment Corporation loans, downward reestimates of subsidy	135	58	
72-273030 Microenterprise and small enterprise development, Downward reestimates of subsidies	1		
72-273130 Assistance for the new independent states of the former Soviet Union: Ukraine export credit insurance, Downward reestimates	34		
72-274430 Urban and environmental credit program, downward reestimates of subsidies	14	30	
72-275230 Development credit authority program account, downward reestimates of loan guarantees	1		
General Fund Offsetting receipts from the public	201	614	

**TITLE V—GENERAL PROVISIONS**

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled "International Disaster Assistance", and "United States Emergency Refugee and Migration Assistance Fund", not more than 15 percent of any appropriation item made available by this Act shall be obligated during the last month of availability.

LIMITATION ON RESIDENCE EXPENSES

SEC. 502. Of the funds appropriated or made available pursuant to this Act, not to exceed \$100,500 shall be for official residence expenses of the United States Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed \$5,000 shall be for entertainment expenses of the United States Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed \$125,000 shall be available for representation allowances for the United States Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: Pro-

vided further, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading "Foreign Military Financing Program", not to exceed \$4,000 shall be available for entertainment expenses and not to exceed \$125,000 shall be available for representation allowances: Provided further, That of the funds made available by this Act under the heading "International Military Education and Training", not to exceed \$50,000 shall be available for entertainment allowances: Provided further, That of the funds made available by this Act for the Inter-American Foundation, not to exceed \$2,000 shall be available for entertainment and representation allowances: Provided further, That of the funds made available by this Act for the Peace Corps, not to exceed a total of \$4,000 shall be available for entertainment expenses: Provided further, That of the funds made available by this Act under the heading "Trade and Development Agency", not to exceed \$4,000 shall be available for representation and entertainment allowances.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 505. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria unless the President determines that assistance to such country is in the national interest of the United States: Provided, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 506. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to the government of any country whose duly elected head of government is deposed by military coup or decree: Provided, That assistance may be resumed to such government if the President determines and certifies to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office: Provided further, That the provisions of this section shall not apply to assistance to promote democratic elections or public participation in democratic processes or if the President determines that assistance to such country is in the national interest of the United States: Provided further, That funds made available pursuant to the previous provisos shall be subject to the regular notification procedures of the Committees on Appropriations.

TRANSFERS BETWEEN ACCOUNTS

SEC. 507. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 508. Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: Provided, That the authority of this subsection may not be used in fiscal year 2004.

AVAILABILITY OF FUNDS

SEC. 509. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: Provided, That funds appropriated for the purposes of chapters 1, 8, 11, and 12 of part I, section 667, chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, section 23 of the Arms Export Control Act, and funds provided under the heading "Assistance for Eastern Europe and the Baltic States", shall remain available for an additional four years from the date on which the availability of such funds would otherwise have expired, if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: Provided further, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements

in order to address balance of payments or economic policy reform objectives, shall remain available until expended.

#### LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 510. No part of any appropriation contained in this Act shall be used to furnish assistance to the government of any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to the government of such country by the United States pursuant to a program for which funds are appropriated under this Act unless the President determines that assistance to such country is in the national interest of the United States.

#### NOTIFICATION REQUIREMENTS

SEC. 511. For the purposes of providing the executive branch with the necessary administrative flexibility, none of the funds made available under this Act for “Child Survival and Health Programs Fund”, “Development Assistance”, “International Organizations and Programs”, “Trade and Development Agency”, “International Narcotics Control and Law Enforcement”, “Andean Counterdrug Initiative”, “Assistance for Eastern Europe and the Baltic States”, “Assistance for the Independent States of the Former Soviet Union”, “Economic Support Fund”, “Peacekeeping Operations”, “Operating Expenses of the United States Agency for International Development”, “Capital Investment Fund”, “Operating Expenses of the United States Agency for International Development Office of Inspector General”, “Nonproliferation, Anti-terrorism, Demining and Related Programs”, “Foreign Military Financing Program”, “International Military Education and Training”, “Peace Corps”, and “Migration and Refugee Assistance”, shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are notified 15 days in advance: Provided, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified 15 days in advance of such commitment: Provided further, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 percent of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: Provided further, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: Provided further, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than 3 days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: Provided further, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

#### LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 512. Subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of section 307(a) of the Foreign Assistance Act of 1961, shall remain available for obligation until September 30, 2005.

#### INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 513. Funds appropriated in this or prior appropriations Acts that are or have been made available for an Enterprise Fund in the Independent States of the Former Soviet Union may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made avail-

able for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

#### PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 514. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations.

#### EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 515. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 2003, for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs, and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: Provided, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

#### DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 516. For the purpose of this Act, “program, project, and activity” shall be defined at the appropriations Act account level and shall include all appropriations and authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts, Economic Support Fund and Foreign Military Financing Program, “program, project, and activity” shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the United States Agency for International Development, “program, project, and activity” shall also be considered to include central program level funding, either as: (1) justified to the Congress; or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within 30 days of the enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

#### CHILD SURVIVAL AND HEALTH ACTIVITIES

SEC. 517. Up to \$15,500,000 of the funds made available by this Act for assistance under the heading, “Child Survival and Health Programs Fund”, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the United States Agency for International Development for the purpose of carrying out activities under that heading: Provided, That up to \$3,000,000 of the funds made available by this Act for assistance under the heading, “Development Assistance”, may be used to reimburse such agencies, institutions, and organizations for such costs of such individuals carrying out other development assistance activities: Provided further, That funds appropriated by this Act that are made available for child survival activities or health programs including activities relating to research on, and the prevention, treatment and control of, HIV/AIDS may be made available notwithstanding any other provision of law: Provided further, That funds appropriated under title II of this Act may be made available pursuant to section 301 of the Foreign Assistance Act of 1961 if a primary purpose of the assistance is for child survival and related programs.

#### DEMOCRACY PROGRAMS

SEC. 518. (a) Funds appropriated by this Act that are provided to the National Endowment for Democracy may be made available notwithstanding any other provision of law or regulation: Provided, That notwithstanding any other provision of law, funds appropriated

## DEMOCRACY PROGRAMS—Continued

by this Act to carry out provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, may be made available for assistance for activities to support democracy, human rights, and the rule of law in the People's Republic of China.

(b) Funds appropriated by this Act under the heading "Economic Support Fund" may be made available, notwithstanding any other provision of law, for programs and activities to foster democracy, human rights, press freedoms, women's development, and the rule of law in countries with a significant Muslim population, and where such programs and activities would be important to United States efforts to respond to, deter, or prevent acts of international terrorism: Provided, That funds made available pursuant to the authority of this subsection should support new initiatives or bolster ongoing programs and activities in those countries.

## PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 519. (a) Funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to the enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism; or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least 15 days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

## DEBT-FOR-DEVELOPMENT

SEC. 520. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the United States Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

## COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 521. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, "international financial institutions" are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

## COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 522. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

## AUTHORITIES FOR THE PEACE CORPS, INTER-AMERICAN FOUNDATION AND AFRICAN DEVELOPMENT FOUNDATION

SEC. 523. Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act or the African Development Foundation Act. The agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

## IMPACT ON JOBS IN THE UNITED STATES

SEC. 524. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States; or

(b) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 507(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: Provided, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

## SPECIAL AUTHORITIES

SEC. 525. (a) AFGHANISTAN, PAKISTAN, LEBANON, MONTENEGRO, VICTIMS OF WAR, DISPLACED CHILDREN, AND DISPLACED BURMESE.—Funds appropriated in this Act that are made available for Afghanistan, Pakistan, Lebanon, Montenegro, and for victims of war, displaced children, and displaced Burmese, and to assist victims of trafficking in persons and, subject to the regular notification procedures of the Committees on Appropriations, to combat such trafficking, may be made available notwithstanding any other provision of law: Provided, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985.

(b) TROPICAL FORESTRY AND BIODIVERSITY CONSERVATION ACTIVITIES.—Funds appropriated by this Act to carry out the provisions of sections 103 through 106, and chapter 4 of part II, of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and biodiversity conservation activities and energy programs aimed at reducing greenhouse gas emissions: Provided, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) PERSONAL SERVICES CONTRACTORS.—Funds appropriated by this Act to carry out chapter 1 of part I, chapter 4 of part II, and section 667 of the Foreign Assistance Act of 1961, and title II of the Agricultural Trade Development and Assistance Act of 1954, may be used by the United States Agency for International Development to employ up to 25 personal services contractors in the United States, notwithstanding any other provision of law, for the purpose of providing direct, interim support for new or expanded overseas programs and activities and managed by the agency until permanent direct hire personnel are hired and trained: Provided, That not more than 10 of such contractors shall be assigned to any bureau or office: Provided further, That such funds appropriated to carry out title II of the Agricultural Trade Development and Assistance Act of 1954, may be made available only for personal services contractors assigned to the Office of Food for Peace.

(d)(1) WAIVER.—The President may waive the provisions of section 1003 of Public Law 100-204 if the President determines and certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that it is important to the national security interests of the United States.

(2) *PERIOD OF APPLICATION OF WAIVER.*—Any waiver pursuant to paragraph (1) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after the enactment of this Act.

(e) *CONTINGENCIES.*—During fiscal year 2004, the President may use up to \$100,000,000 under the authority of section 451 of the Foreign Assistance Act, notwithstanding the funding ceiling in section 451(a).

(f) *SMALL BUSINESS.*—In entering into multiple award indefinite-quantity contracts with funds appropriated by this Act, the United States Agency for International Development may provide an exception to the fair opportunity process for placing task orders under such contracts when the order is placed with any category of small or small disadvantaged business.

(g) *RECONSTITUTING CIVILIAN POLICE AUTHORITY.*—In providing assistance with funds appropriated by this Act under section 660(b)(6) of the Foreign Assistance Act of 1961, support for a nation emerging from instability may be deemed to mean support for regional, district, municipal, or other sub-national entity emerging from instability, as well as a nation emerging from instability.

#### ADMINISTRATION OF JUSTICE ACTIVITIES

*SEC. 526.* Of the funds appropriated or otherwise made available by this Act for “Economic Support Fund”, assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act. Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961.

#### ELIGIBILITY FOR ASSISTANCE

*SEC. 527.* (a) *ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.*—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, 11, and 12 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading “Assistance for Eastern Europe and the Baltic States”: Provided, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: Provided further, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: Provided further, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) *PUBLIC LAW 480.*—During fiscal year 2004, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: Provided, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) *EXCEPTION.*—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to the government of a country that violates internationally recognized human rights.

#### EARMARKS

*SEC. 528.* (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made not possible by operation of any provision of this or any other Act or other compelling foreign policy reason: Provided, That any such reprogramming shall be subject to the regular notification procedures

of the Committees on Appropriations: Provided further, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the United States Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: Provided, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

#### CEILINGS AND EARMARKS

*SEC. 529.* Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs. Earmarks or minimum funding requirements contained in any other Act shall not be applicable to funds appropriated by this Act.

#### PROHIBITION ON PUBLICITY OR PROPAGANDA

*SEC. 530.* No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of the enactment of this Act by the Congress.

#### PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

*SEC. 531.* To the maximum extent practicable, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

#### LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

*SEC. 532.* None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: Provided, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

#### WAR CRIMES TRIBUNALS DRAWDOWN

*SEC. 533.* If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to \$30,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish or authorize to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: Provided, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c).

#### LANDMINES

*SEC. 534.* Notwithstanding any other provision of law, demining equipment available to the United States Agency for International Development and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe.

#### RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

*SEC. 535.* None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declara-

## RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY—Continued

tion of Principles: Provided, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: Provided further, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

## PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 536. None of the funds appropriated or otherwise made available by this Act under the heading "International Military Education and Training" or "Foreign Military Financing Program" for Informational Program activities or under the headings "Child Survival and Health Programs Fund", "Development Assistance" and "Economic Support Fund" may be obligated or expended to pay for—

- (1) alcoholic beverages; or
- (2) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

## SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 537. (a) **AUTHORITY TO REDUCE DEBT.**—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

- (1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961;
- (2) credits extended or guarantees issued under the Arms Export Control Act; or
- (3) any obligation or portion of such obligation, to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89-808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95-501).

## (b) LIMITATIONS.—

- (1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief and referendum agreements, commonly referred to as "Paris Club Agreed Minutes".
- (2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.
- (3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as "IDA-only" countries.
- (c) **CONDITIONS.**—The authority provided by subsection (a) may be exercised only with respect to a country whose government—
  - (1) does not have an excessive level of military expenditures;
  - (2) has not repeatedly provided support for acts of international terrorism;
  - (3) is not failing to cooperate on international narcotics control matters;
  - (4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and
  - (5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.
- (d) **AVAILABILITY OF FUNDS.**—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading "Debt Restructuring".
- (e) **CERTAIN PROHIBITIONS INAPPLICABLE.**—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961 or section 321 of the International Development and Food Assistance Act of 1975.

## AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 538. (a) **LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.**—

(1) **AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.**—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) **TERMS AND CONDITIONS.**—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) **ADMINISTRATION.**—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) **LIMITATION.**—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) **DEPOSIT OF PROCEEDS.**—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) **ELIGIBLE PURCHASERS.**—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) **DEBTOR CONSULTATIONS.**—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) **AVAILABILITY OF FUNDS.**—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading "Debt Restructuring".

## HAITI COAST GUARD

SEC. 539. The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the Coast Guard.

## LIMITATION ON ASSISTANCE TO THE PALESTINIAN AUTHORITY

SEC. 540. (a) **PROHIBITION OF FUNDS.**—None of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 may be obligated or expended with respect to providing funds to the Palestinian Authority.

(b) **WAIVER.**—The prohibition included in subsection (a) shall not apply if the President certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that waiving such prohibition is important to the national security interests of the United States.

(c) **PERIOD OF APPLICATION OF WAIVER.**—Any waiver pursuant to subsection (b) shall be effective for no more than a period of 6 months

at a time and shall not apply beyond 12 months after the enactment of this Act.

PROHIBITION ON ASSISTANCE TO THE PALESTINIAN BROADCASTING CORPORATION

SEC. 541. None of the funds appropriated or otherwise made available by this Act may be used to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

IRAQ

SEC. 542. Notwithstanding any other provision of law, funds appropriated by this Act may be made available for programs benefitting the Iraqi people and to support efforts to bring about a political transition in Iraq.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 543. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

COMMUNITY-BASED POLICE ASSISTANCE

SEC. 544. (a) *AUTHORITY.*—Funds made available by this Act to carry out the provisions of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 may be used, notwithstanding section 660 of that Act, to enhance the effectiveness and accountability of civilian police authority in Jamaica and El Salvador through training and technical assistance in internationally recognized human rights, the rule of law, strategic planning, and through the promotion of civilian police roles that support democratic governance including programs to prevent conflict and foster improved police relations with the communities they serve.

(b) *REPORT.*—The Administrator of the United States Agency for International Development shall submit a report to the appropriate congressional committees describing the progress each program is making toward improving police relations with the communities they serve and institutionalizing an effective community-based police program.

EXCESS DEFENSE ARTICLES FOR CENTRAL AND SOUTHERN EUROPEAN COUNTRIES AND CERTAIN OTHER COUNTRIES

SEC. 545. Notwithstanding section 516(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)), during each of the fiscal years 2004 and 2005, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of section 516 of such Act to Albania, Bulgaria, Croatia, Estonia, Former Yugoslavia Republic of Macedonia, Georgia, India, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Mongolia, Pakistan, Romania, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan: Provided, That section 105 of Public Law 104–164, as amended, is further amended by striking “2003 and 2004” and inserting “2004 and 2005”.



# NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

## Federal Funds

### General and special funds:

SCIENCE, AERONAUTICS AND EXPLORATION  
(INCLUDING TRANSFER OF FUNDS)

*For necessary expenses, not otherwise provided for, in the conduct and support of science, aeronautics and exploration research and development activities, including research, development, operations, support and services; maintenance; construction of facilities including repair, rehabilitation, revitalization, and modification of facilities, construction of new facilities and additions to existing facilities, facility planning and design, and restoration, and acquisition or condemnation of real property, as authorized by law; environmental compliance and restoration; space flight, spacecraft control and communications activities including operations, production, and services; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; travel expenses; purchase and hire of passenger motor vehicles; not to exceed \$24,000 for official reception and representation expenses; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, \$7,660,900,000, to remain available until September 30, 2005, of which amounts as determined by the Administrator for salaries and benefits; training, travel and awards; facility and related costs; information technology services; science, engineering, fabricating and testing services; and other administrative services may be transferred to "Space Flight capabilities" in accordance with section 312(b) of the National Aeronautics and Space Act of 1958, as amended by Public Law 106-377.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

### Program and Financing (in millions of dollars)

Identification code 80-0114-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Space science .....			3,809
00.02 Earth science .....			1,475
00.03 Biological & physical research .....			924
00.04 Aeronautics .....			907
00.05 Education programs .....			161
09.01 Reimbursable program .....			617
10.00 Total new obligations .....			7,893
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			8,278
23.95 Total new obligations .....			-7,893
24.40 Unobligated balance carried forward, end of year .....			385
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			7,661
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....			617
70.00 Total new budget authority (gross) .....			8,278
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			7,893
73.20 Total outlays (gross) .....			-4,602
74.40 Obligated balance, end of year .....			3,291
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			4,602
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....			-540
88.40 Non-Federal sources .....			-77

88.90	Total, offsetting collections (cash) .....	-617
<b>Net budget authority and outlays:</b>		
89.00	Budget authority .....	7,661
90.00	Outlays .....	3,985
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>		
99.00	Budget authority .....	63
99.01	Outlays .....	63

This appropriation provides for the full costs associated with the Science, Aeronautics and Exploration (SAE) activities of the Agency, which consist of the Space Science, Earth Science, Biological and Physical Research, Aeronautics, and Education Programs. The full costs include both the direct and the indirect costs supporting these programs, and provide for all of the research; development; operations; salaries and related expenses; design, repair, rehabilitation, and modification of facilities and construction of new facilities; maintenance and operation of existing facilities; and other general and administrative activities supporting Science, Aeronautics and Exploration programs. This account includes activities that were previously funded in the Science, Aeronautics, and Technology account.

### Performance Objectives

Detailed performance goals associated with the Science, Aeronautics and Exploration (SAE) activities are addressed in NASA's FY 2004 President's Budget. The SAE activities include: Space Science, Earth Science, Biological and Physical Research, Aeronautics, and Education Programs; and are described below.

*Space Science.*—NASA's Space Science program seeks to answer fundamental questions concerning: the galaxy and the universe; the connections among the Sun, Earth and heliosphere; the origin and evolution of planetary systems; and the origin and distribution of life in the universe. The Space Science program is comprised of many research and development activities, including flight missions, major space-based facilities, technology and mission development programs, and research and data analysis.

NASA will proceed in the development of several major missions, including the Stratospheric Observatory for Infrared Astronomy (SOFIA), the Solar Terrestrial Relations Observatory (STEREO), the Gamma-ray Large-Area Space Telescope (GLAST), the Solar Dynamics Observatory (SDO) and the final Hubble Space Telescope (HST) Servicing Mission. SOFIA development will continue in preparation for a spring 2005 first science flight. STEREO, scheduled for launch in November 2005, will advance our understanding of the Sun's corona (its outer "atmosphere"), the origin of huge eruptions of solar material known as coronal mass ejections (CMEs), and the interaction between CMEs and the Earth's environment. GLAST, which will investigate the high-energy world of black holes and neutron stars, is on track for launch in the fall of 2006. SDO will increase our understanding of the Sun's magnetic field, solar wind, energetic particles, and variations in solar irradiance. Development of SDO begins in 2004. During the final HST Servicing Mission, also scheduled for 2004, astronauts will install the Cosmic Origins Spectrograph (COS) and Wide Field Camera 3 (WFC3) to extend the telescope's operational life to 2010. Development activities supporting several key missions in the payloads program, such as Solar-B and Herschel, will also continue in 2004.

**General and special funds—Continued**SCIENCE, AERONAUTICS AND EXPLORATION—Continued  
(INCLUDING TRANSFER OF FUNDS)—Continued

Support for the Explorer and New Millennium programs will continue. Small- and Medium-class Explorer missions provide frequent flight opportunities for a diverse array of world-class scientific investigations—recently selected projects will examine diffuse intergalactic radiation and ice in Earth's mesosphere. Another Small Explorers mission, the second of the Two Wide-angle Imaging Neutral-atom Spectrometers (TWINS), will be launched in 2004 to provide stereoscopic images of the Earth's magnetosphere for the first time. The New Millennium Program provides flight demonstrations of critical new technologies that will reduce the mass and cost of future science and spacecraft subsystems, while maintaining or improving mission capabilities. Several of these innovative Space Technology projects (ST-5, 6, and 7) are scheduled for launch from 2004 through 2006.

The Discovery Program provides frequent access to space for small planetary missions that will perform high-quality scientific investigations. Both Deep Impact, the first space mission to probe beneath the surface of a comet and reveal the secrets of its interior, and the Mercury Surface, Space Environment, Geochemistry and Ranging (MESSENGER) mission to orbit Mercury are scheduled for launch in 2004. The Kepler Mission to explore the structure and diversity of planetary systems, with a special emphasis on detecting Earth-size planets in the habitable zones around other stars, will be in development in 2004, as will the Dawn mission to study the asteroids 1 Ceres and 4 Vesta.

Focused technology programs are included in each of the five major Space Science themes: Astronomical Search for Origins, Structure and Evolution of the Universe, Solar System Exploration, Mars Exploration Program, and Sun-Earth Connection. Funding is provided for early technology development in support of strategic missions, such as the James Webb (formerly "Next Generation") Space Telescope and the Living With a Star Program. The goal is to retire technology risk early in a mission's lifecycle, before proceeding to full-scale development. Funds are also provided to continue ongoing operations of approximately thirty spacecraft, and to conduct robust research and analysis, data analysis, and sub-orbital research campaigns.

The budget request for 2004 features two new initiatives: Optical Communication and the Jupiter Icy Moons Tour. Optical Communication seeks to use lasers to improve by many orders of magnitude the communication data rate for deep space missions. Current limitations on data transfer using radio constrain scientific discovery and public participation in our space missions. The Jupiter Icy Moons Tour will explore the icy moons of Jupiter (Europa, Ganymede, and Callisto), providing a full characterization of the moons through orbital reconnaissance. This will set the stage for the next phase of Jovian exploration, to include surface chemical and organic investigations, and a probe to explore the sub-surface environment. This mission will be part of Project Prometheus, an effort started last year to demonstrate nuclear power and nuclear electric propulsion technology that can open the solar system to detailed research and exploration.

*Earth Science.*—NASA's Earth Science Program contributes to the Agency's mission to understand and protect our home planet by developing a scientific understanding of the Earth system and its response to both natural and human-induced changes to enable improved prediction of climate, weather and natural hazards for present and future generations.

The Earth Science Program seeks to answer a question of fundamental importance to science and society: How is the Earth system changing, and what are the consequences

for life on Earth? In pursuit of this question, NASA has pioneered the interdisciplinary research field of Earth System Science, which recognizes that the Earth's land surface, oceans, atmosphere, ice sheets, and life itself all interact in a highly dynamic system. Employing a constellation of over 15 Earth observing satellites routinely making measurements with over 80 remote sensing instruments, NASA has made it an Agency goal to understand the Earth system and apply Earth System Science to improve prediction of climate, weather, and natural hazards. Within this goal, we have defined two strategic objectives: (1) Science—observe, analyze, and model the Earth system to discover how it is changing and the consequences for life on Earth; and (2) Applications—expand and accelerate the realization of economic and societal benefits from Earth science information and technology; with Earth System Science and Earth Science Applications as the corresponding budget themes.

Within Earth System Science, NASA works with the science community to identify questions on the frontiers of science that have profound societal importance, and to which remote sensing of the Earth can make a defining contribution. These science questions become the foundation of a research strategy, which defines requirements for scientific observations, and a roadmap for combining the technology, observations, modeling efforts, basic research, and partnerships needed to answer the questions over time. We are responding to the scientific community's call for comprehensive observation of the Earth's major components using the Earth Observing System (EOS). NASA uses the global view from space to contribute to the U.S. Government's Global Change Research Program (USGCRP) and Climate Change Research Initiative (CCRI). We have identified key areas of investment that will enable us to do more, and do it more rapidly, with a targeted investment in observations, research, and modeling of uncertainties surrounding the forces acting on the climate system.

Within Earth Science Applications, NASA enables the application of information and knowledge gained through partnerships with other federal agencies. These partnerships focus on innovative approaches for using Earth science information and knowledge to provide decision support information. This information supports myriad operational applications, as well as policy discussions, and is used to address a variety of national priorities, including economic issues and homeland security. Through the Earth Science Applications program, NASA is working with organizations with the appropriate information infrastructure to apply NASA's Earth science results to help manage coastal environments, agriculture and water resources, and aviation safety; monitor air and water quality, forest fires, and the impacts of infectious diseases and invasive species; and conduct hurricane forecasting and disaster relief efforts. The potential socioeconomic benefits of these applications are significant.

*Biological and Physical Research.*—NASA's Biological and Physical Research (BPR) Enterprise addresses the opportunities and challenges of space flight through basic and applied research on the ground and in space. The program exploits the rich opportunities of space flight in pursuit of answers to a broad set of scientific questions that support NASA's goals to explore the fundamental principles of physics, chemistry and biology through research in the unique natural laboratory of space, and to extend the duration and boundaries of human space flight to create new opportunities for scientific exploration and discovery. The major outcomes of this research include fundamental scientific progress and safer more efficient space travel. BPR includes three themes: Biological Sciences Research, Physical Sciences Research, and Research Partnerships and Flight Support.

Physical Science Research supports basic and applied research that takes advantage of the unique environment of space to expand our understanding of the fundamental laws

of nature. The theme supports NASA’s mission to explore the universe and search for life both through applied research to improve safety and performance and through exploratory research on the fundamental laws of nature. The theme supports NASA’s mission to understand and protect our home planet by producing research results that have direct application to industrial products and processes.

Biological Science Research conducts basic and applied research to enable and support a safe human presence in space in support of NASA’s mission to explore the universe and search for life. This theme includes a basic biology research component that pursues fundamental biological research questions as an integral element of understanding how space affects life at all levels, from genes to cells to organisms. This theme supports research to define and control the physiological and psychological challenges to human health associated with space flight, including research on radiation risks, risks associated with microgravity, and risks associated with prolonged isolation and small group dynamics. The theme also includes research and development to improve the reliability and performance of life support systems and spacecraft crew interfaces.

The FY 2004 budget request reflects the results of the NASA Advisory Council’s Research Maximization and Prioritization (ReMaP) Task Force recommendations. The request expands planned biomedical research and countermeasures experiments, including a new Human Research Initiative; initiates a limited flight program in high priority advanced human support technology; places additional emphasis on physical science research, including applications to human space flight; and reinstates funding for plant and animal habitats for planned centrifuge research on the International Space Station (ISS).

Implementing ReMaP in the FY 2004 budget is a crucial first step in a longer running planning and prioritization process. In the near term, research and facility development are aligned with the ReMaP priorities in the FY 04 Budget. At the same time, BPR has responded to NASA’s new strategic plan by adopting a 5-year direction consistent with overall agency vision, mission and goals. This direction has identified major research thrusts, consistent with the agency strategic plan and the management changes required to support these thrusts.

**Aeronautics.**—Aeronautics Technology addresses the Agency’s goal to “enable a safer, more secure, efficient, and environmentally friendly air transportation system” by performing research and technology to: decrease the aircraft fatal accident rate and the vulnerability of the air transportation system to threats; protect the local and global environmental quality by reducing aircraft noise and emissions; and enable more people and goods to travel faster and farther with fewer delays. NASA works closely with the Federal Aviation Administration (FAA) in setting these goals. Additionally, in support of the Agency goal “to create a more secure world and improve the quality of life by investing in technologies and to collaborate with other agencies, industry and academia,” Aeronautics Technology supports national security through aeronautical partnerships with the Department of Defense and other government agencies. Finally, this theme enables pioneering aeronautical concepts to support earth and space science missions and new commercial markets in support of the Agency goal to “enable revolutionary capabilities through new technology.”

Three research and technology programs compose the Aeronautics Technology theme. The Aviation Safety and Security Program develops and demonstrates technologies and strategies for the prevention, intervention, and mitigation of factors contributing to aviation accidents. This theme gives highest priority to the factors that are most strongly tied to accident and fatality rates, as well as those that address multiple

classes of hazards, including hazardous weather, controlled flight into terrain, accidents and incidents caused by human error, and mechanical or software malfunctions. The program develops and integrates technologies needed to build a safer aviation system, to support pilots and air traffic controllers, and to provide information to assess situations and trends that might indicate unsafe conditions before accidents occur. NASA develops, validates and transfers these advanced concepts, technologies and procedures through a partnership with the Federal Aviation Administration (FAA) and in cooperation with the U.S. aeronautics industry.

To enable increased capacity and mobility of the nation’s air transportation system, the Airspace Systems program develops and demonstrates technology for revolutionary improvements to, and modernization of, the air traffic management (ATM) system. The technology enables new ATM decision support tools and airspace concepts as well as new systems for aircraft whose operation can take advantage of the improved, modern ATM system. The resultant benefit to the traveling public will be reduced flight delays and shorter door-step-to-destination times. Users of the technologies that result from this program include: the FAA, state and local airport authorities and their systems suppliers, existing and new commercial and personal aviation operators, and the aircraft developers and their system suppliers. This program directly supports the FAA’s “Free Flight” activities and the Operational Evolution Plan (OEP) and maintains pace with a continually evolving technical environment.

The Vehicle Systems program develops breakthrough technologies to enable new capability and functionality in future aircraft. Technologies from this program are then further developed in the Aviation Safety and Security Program and the Airspace Systems program to reduce aircraft emissions and noise, enable more people and goods to travel faster and farther, and to increase air system safety and security. The Vehicle Systems program also supports development of common advanced air vehicle technologies with the DOD.

**Education.**—Since its establishment, NASA has served the Nation’s educational interests by sharing its unique mission, facilities, personnel, and research results with inquisitive minds throughout the United States and around the globe. The results have opened the minds of people of all ages, races and background to the universe, new technologies and expanded possibilities. As the 21st century begins, and new national challenges are before us, it is appropriate that NASA re-examine and re-energize the Agency’s education mission and organization. To that end, a NASA Education Office has been established as a new, mission-focused organization that will aggregate NASA’s education programs, management and staff. This Office will position NASA to more effectively leverage its resources to encourage student interest in math, science, and technology education—to inspire the next generation of explorers, as only NASA can.

The NASA Education Office will work toward achieving four priorities: (1) motivating K–16+ students to pursue careers in science, math and engineering; (2) providing educators with unique teaching tools and compelling teaching experiences; (3) seeking to ensure that we are investing the taxpayer’s resources wisely; and (4) engaging minority and underrepresented students, educators and researchers in NASA’s education program. An important and visible component of the NASA Education Office is the Minority University Research and Education Program, insuring that minority education programs are a high priority for the Agency.

**Object Classification** (in millions of dollars)

Identification code 80–0114–0–1–999	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....			789

General and special funds—Continued

SCIENCE, AERONAUTICS AND EXPLORATION—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Object Classification (in millions of dollars)—Continued

Identification code 80-0114-0-1-999	2002 actual	2003 est.	2004 est.
11.3 Other than full-time permanent .....			16
11.5 Other personnel compensation .....			15
11.8 Special personal services payments .....			8
11.9 Total personnel compensation .....			828
12.1 Civilian personnel benefits .....			199
21.0 Travel and transportation of persons .....			32
22.0 Transportation of things .....			6
23.1 Rental payments to GSA .....			14
23.3 Communications, utilities, and miscellaneous charges .....			73
24.0 Printing and reproduction .....			4
25.1 Advisory and assistance services .....			134
25.2 Other services .....			671
25.3 Other purchases of goods and services from Government accounts .....			261
25.4 Operation and maintenance of facilities .....			238
25.5 Research and development contracts .....		3,209	
25.7 Operation and maintenance of equipment .....			81
26.0 Supplies and materials .....			154
31.0 Equipment .....			101
32.0 Land and structures .....			186
41.0 Grants, subsidies, and contributions .....			1,085
99.0 Direct obligations .....			7,276
99.0 Reimbursable obligations .....			617
99.9 Total new obligations .....			7,893

Personnel Summary

Identification code 80-0114-0-1-999	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....			9,184
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....			63

SPACE FLIGHT CAPABILITIES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses, not otherwise provided for, in the conduct and support of space flight capabilities research and development activities, including research, development, operations, support and services; maintenance; construction of facilities including repair, rehabilitation, revitalization and modification of facilities, construction of new facilities and additions to existing facilities, facility planning and design, and acquisition or condemnation of real property, as authorized by law; environmental compliance and restoration; space flight, spacecraft control and communications activities including operations, production, and services; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; travel expenses; purchase and hire of passenger motor vehicles; not to exceed \$24,000 for official reception and representation expenses; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, \$7,782,100,000, to remain available until September 30, 2005, of which amounts as determined by the Administrator for salaries and benefits; training, travel and awards; facility and related costs; information technology services; science, engineering, fabricating and testing services; and other administrative services may be transferred to "Science, aeronautics and exploration" in accordance with section 312(b) of the National Aeronautics and Space Act of 1958, as amended by Public Law 106-377.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 80-0115-0-1-252	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Space flight .....			5,804
00.02 Crosscutting technology .....			1,591
09.01 Reimbursable program .....			328
10.00 Total new obligations .....			7,723
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			8,110
23.95 Total new obligations .....			-7,723
24.40 Unobligated balance carried forward, end of year .....			387
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			7,782
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....			328
70.00 Total new budget authority (gross) .....			8,110
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			7,723
73.20 Total outlays (gross) .....			-5,613
74.40 Obligated balance, end of year .....			2,110
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			5,613
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....			-272
88.40 Non-Federal sources .....			-56
88.90 Total, offsetting collections (cash) .....			-328
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			7,782
90.00 Outlays .....			5,285
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....			63
99.01 Outlays .....			63

This appropriation provides for the full costs associated with the capabilities that support Agency research, which consist of the Space Flight and Crosscutting Technology Programs. The full costs include both the direct and the indirect costs supporting these programs, and provide for all of the research; development; operations; salaries and related expenses; design, repair, rehabilitation, and modification of facilities and construction of new facilities; maintenance and operation of existing facilities; and other general and administrative activities supporting Science, Aeronautics and Exploration programs. This account includes activities that were previously funded in the Human Space Flight and Science, Aeronautics, and Technology accounts.

Performance Objectives

Detailed performance goals associated with the Enabling Capabilities activities are addressed in NASA's FY 2004 President's Budget. The Enabling Capabilities activities include Space Flight and Crosscutting Technology, and are described below.

Space Flight.—Space Flight encompasses the following themes: International Space Station (ISS), Space Shuttle Program, and Space and Flight Support.

The ISS is a complex of research laboratories in low Earth orbit (LEO) in which American, Russian, Canadian, European, and Japanese astronauts are conducting unique scientific and technological investigations in a micro-gravity environment. The objectives of the Station are to support scientific research and other activities requiring the unique attributes of humans in space, and establish a permanent

human presence in Earth orbit. Program estimates have been determined to be credible by independent assessment teams, however, concerns were raised in regard to the sufficiency of funding levels to cover risks to program performance and to expand research. To this end, the FY 2004 Budget request provides increased funding for continued development of the vehicle and for operations in support of continued assembly, logistics re-supply, crew exchange, research operations and other utilization. With fourteen U.S. assembly and logistic missions successfully completed, the budget includes funding to keep subsequent assembly missions on schedule through U.S. Core Complete (Flight 10A), currently planned for calendar year 2004, and to continue to expand research opportunities commensurate with the build-up of on-orbit utilization capabilities and resources.

The Space Shuttle Program plays a vital role in NASA's strategic goal to advance human exploration, use, and development of space by providing safe, routine access to space in support of permanent human operations in Low Earth Orbit. NASA planning assumes the Space Shuttle will need to be capable of supporting assembly and operation of the Space Station for at least this decade. Specific program investments are required in order to maintain this human transport capability through this decade. These investments are consistent with NASA's strategy of ensuring the Space Shuttle remains viable until a new transportation system is operational. The FY 2004 budget request will allow NASA to meet the intended flight rates, provide appropriate contingency planning to assure transportation and assembly support to the ISS program and include high priority projects for safety and supportability. These projects will combat obsolescence of vehicles, ground systems, and facilities, in order to maintain the program's safety and viability through this decade.

Space and Flight Support is comprised of separate "enabling capabilities" programs that provide on-going customer support for a wide range of services including environmental activities, space communications, Space Shuttle payloads processing, expendable launch vehicles, and rocket propulsion systems testing. These services are critical for the conduct of space exploration, aeronautical research and physiological research. They are provided to a wide range of customers including NASA, other U.S. federal agencies, foreign governments and commercial interests. Space and Flight Support also includes the Advanced Systems program, which will enable NASA to take a "stepping stone" approach to future NASA missions through by advanced research and technology development.

*Crosscutting Technology.*—The Aerospace Technology Enterprise includes three themes in Crosscutting Technology: Space Launch Initiative, Mission & Science Measurement Technology, and Innovative Technology Partnerships.

The Space Launch Initiative (SLI) will develop the Orbital Space Plan (OSP) to help assure safe, affordable, and reliable U.S.-based crew access and return from the Space Station. The OSP will start as a crew return vehicle, launched on an Evolved Expendable Launch Vehicle (EELV). Initially, the OSP will provide crew return capability by 2010. By 2012, the Orbital Space Plane will evolve to be flown on a human-rated EELV and will transfer crew, and possibly limited cargo, to and from the International Space Station. This capability will serve as a complement and backup to the Space Shuttle for taking crew into space. Later, the Orbital Space Plane could become the basis for a crew transfer vehicle on a new reusable launch vehicle. Funds for the OSP will support an aggressive effort to assess options and complete a preliminary design by 2005. If the Orbital Space Plane is approved for full-scale development, the program will be managed in a streamlined approach to reduce the cost of development and maintain an aggressive schedule. The Next Genera-

tion Launch Technology (NGLT) program will be responsible for making the investments relating to the next SLI goal, that focuses on making future space transportation systems safer, more affordable, and more reliable. NASA will make focused, strategic investments in key technology areas—including propulsion, structures and operations—to be applied to both reusable and expendable launch systems. The NGLT program will enable future development decisions on launch systems that support NASA's space transportation needs for the upcoming decades.

The Mission and Science Measurement Technology (MSM) theme enables revolutionary capabilities through new technology. MSM objectives are to develop science-driven architectures and technology, to create knowledge from scientific data, and to develop capabilities for assessing and managing mission risk. The advanced system concepts, fundamental technologies, and engineering tools developed by MSM are unique to NASA needs, and are applicable across many classes of missions in multiple Enterprises. These products may require many years to progress from initial concept definition to mission infusion. Three programs have been formulated to accomplish MSM objectives: the Computing, Information, and Communications Technologies (CICT) Program, that develops breakthrough information and communication systems to increase our understanding of scientific data and phenomena; the Engineering for Complex Systems (ECS) Program, that develops the capabilities to assess and manage risk in the synthesis of complex systems; and the Enabling Concepts and Technologies (ECT) Program, that defines new system concepts, and develops new technologies to enable new science measurements for the NASA Enterprises.

NASA's Innovative Technology Partnership activities consist of: Commercial Programs, Technology Transfer agents, the Enterprise Engine, and the Small Business Research programs. In FY 2004, NASA will initiate an orderly phase-out of the existing Commercial Technology Program, and a new concept—the Enterprise Engine—will be introduced. The Enterprise Engine will create partnerships between NASA, industrial firms and the venture capital community to address NASA's new technology mission needs through innovative technology development partnerships. NASA's Small Business Research programs will continue. They include the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs, which were created by Congress, and promote awards of NASA research contracts to the small business community and promote commercialization of the products of this research by the small business community. These programs help NASA develop innovative technologies by providing competitive research contracts to U.S. owned small businesses.

**Object Classification** (in millions of dollars)

Identification code 80-0115-0-1-252	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1			780
11.3			16
11.5			15
11.8			7
11.9			818
12.1			196
21.0			31
22.0			6
23.1			1
23.3			59
24.0			5
25.1			39
25.2			360
25.3			
			102
25.4			2,499

**General and special funds—Continued**

**SPACE FLIGHT CAPABILITIES—Continued**  
(INCLUDING TRANSFER OF FUNDS)—Continued

**Object Classification (in millions of dollars)—Continued**

Identification code 80-0115-0-1-252	2002 actual	2003 est.	2004 est.
25.5 Research and development contracts .....			2,848
25.7 Operation and maintenance of equipment .....			46
26.0 Supplies and materials .....			169
31.0 Equipment .....			96
32.0 Land and structures .....			100
41.0 Grants, subsidies, and contributions .....			20
99.0 Direct obligations .....			7,395
99.0 Reimbursable obligations .....			328
99.9 Total new obligations .....			7,723

**Personnel Summary**

Identification code 80-0115-0-1-252	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....			9,422
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....			24

**HUMAN SPACE FLIGHT**

**Program and Financing (in millions of dollars)**

Identification code 80-0111-0-1-252	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Space station .....	1,752	1,573	75
00.02 Payload and ELV support .....	96	92	4
00.03 Investments and support .....	1,001	1,233	31
00.04 Space shuttle .....	3,290	3,117	160
00.05 Space communications and data systems .....	444	162	6
00.07 Safety, mission assurance & engineering .....	46	49	2
09.01 Reimbursable program .....	277	346	
10.00 Total new obligations .....	6,906	6,572	278

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	171	373	278
22.00 New budget authority (gross) .....	7,063	6,477	
22.10 Resources available from recoveries of prior year obligations .....	45		
23.90 Total budgetary resources available for obligation	7,279	6,850	278
23.95 Total new obligations .....	-6,906	-6,572	-278
24.40 Unobligated balance carried forward, end of year .....	373	278	

**New budget authority (gross), detail:**

40.00 Discretionary:			
Appropriation .....	6,988	6,131	
40.73 Reduction pursuant to P.L. 107-206 .....	-5		
41.00 Transferred to other accounts .....	-210		
43.00 Appropriation (total discretionary) .....	6,773	6,131	
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	267	346	
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	23		
68.90 Spending authority from offsetting collections (total discretionary) .....	290	346	
70.00 Total new budget authority (gross) .....	7,063	6,477	

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	1,468	1,697	1,773
73.10 Total new obligations .....	6,906	6,572	278
73.20 Total outlays (gross) .....	-6,608	-6,496	-1,821
73.40 Adjustments in expired accounts (net) .....	-1		
73.45 Recoveries of prior year obligations .....	-45		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-23		

74.10 Change in uncollected customer payments from Federal sources (expired) .....	-1		
74.40 Obligated balance, end of year .....	1,697	1,773	230

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	5,086	4,515	
86.93 Outlays from discretionary balances .....	1,522	1,981	1,821
87.00 Total outlays (gross) .....	6,608	6,496	1,821

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-244	-312	
88.40 Non-Federal sources .....	-27	-34	
88.90 Total, offsetting collections (cash) .....	-271	-346	
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-23		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	4		

**Net budget authority and outlays:**

89.00 Budget authority .....	6,773	6,131	
90.00 Outlays .....	6,336	6,150	1,821

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	39	44	
99.01 Outlays .....	39	44	

NASA's "Human Space Flight" (HSF) account included the International Space Station; Space Shuttle; Payload and ELV Support; Human Exploration and Development of Space (HEDS) Investments and Support; Space Communications and Data Systems; and Safety, Mission Assurance and Engineering (SMA&E). With the exception of SMA&E, these activities, along with the Crosscutting portion of Aerospace Technology, will be included under the "Enabling Capabilities" account. Beginning in FY 2004, SMA&E is allocated as an indirect charge to all programs. This account shows spending from balances prior to the account restructuring.

**Object Classification (in millions of dollars)**

Identification code 80-0111-0-1-252	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	500	569	
11.3 Other than full-time permanent .....	8	5	
11.5 Other personnel compensation .....	12	16	
11.8 Special personal services payments .....	8	13	
11.9 Total personnel compensation .....	528	603	
12.1 Civilian personnel benefits .....	125	131	
21.0 Travel and transportation of persons .....	21	23	
22.0 Transportation of things .....	6	6	
23.1 Rental payments to GSA .....	1	1	
23.3 Communications, utilities, and miscellaneous charges .....	56	51	3
24.0 Printing and reproduction .....	5	5	
25.1 Advisory and assistance services .....	37	34	2
25.2 Other services .....	340	312	16
25.3 Other purchases of goods and services from Government accounts .....	96	88	4
25.4 Operation and maintenance of facilities .....	2,357	2,170	110
25.5 Research and development contracts .....	2,646	2,430	125
25.6 Medical care .....	5		
25.7 Operation and maintenance of equipment .....	43	39	2
26.0 Supplies and materials .....	159	146	7
31.0 Equipment .....	91	84	4
32.0 Land and structures .....	94	86	4
41.0 Grants, subsidies, and contributions .....	19	17	1
99.0 Direct obligations .....	6,629	6,226	278
99.0 Reimbursable obligations .....	277	346	
99.9 Total new obligations .....	6,906	6,572	278

**Personnel Summary**

Identification code 80-0111-0-1-252	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	6,531	6,912	.....
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	26	30	.....

**SCIENCE, AERONAUTICS AND TECHNOLOGY**

**Program and Financing (in millions of dollars)**

Identification code 80-0110-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Space science .....	2,863	3,428	161
00.02 Biological and physical research .....	816	882	37
00.03 Earth science .....	1,616	1,734	74
00.04 Aerospace technology .....	2,539	2,803	118
00.06 Academic programs .....	212	176	24
09.01 Reimbursable program .....	455	642	.....
10.00 Total new obligations .....	8,501	9,665	414
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	448	593	414
22.00 New budget authority (gross) .....	8,616	9,486	.....
22.10 Resources available from recoveries of prior year obligations .....	30	.....	.....
23.90 Total budgetary resources available for obligation	9,094	10,079	414
23.95 Total new obligations .....	-8,501	-9,665	-414
24.40 Unobligated balance carried forward, end of year .....	593	414	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	7,890	8,844	.....
40.76 Reduction pursuant to P.L. 107-206 .....	-5	.....	.....
42.00 Transferred from other accounts .....	210	.....	.....
43.00 Appropriation (total discretionary) .....	8,095	8,844	.....
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	587	642	.....
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-66	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	521	642	.....
70.00 Total new budget authority (gross) .....	8,616	9,486	.....
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3,360	3,748	4,494
73.10 Total new obligations .....	8,501	9,665	414
73.20 Total outlays (gross) .....	-8,130	-8,917	-4,048
73.40 Adjustments in expired accounts (net) .....	-37	.....	.....
73.45 Recoveries of prior year obligations .....	-30	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	66	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired) .....	18	.....	.....
74.40 Obligated balance, end of year .....	3,748	4,494	861

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4,805	5,241	.....
86.93 Outlays from discretionary balances .....	3,325	3,676	4,048
87.00 Total outlays (gross) .....	8,130	8,917	4,048

<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-562	-551	.....
88.40 Non-Federal sources .....	-36	-91	.....
88.90 Total, offsetting collections (cash) .....	-598	-642	.....
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	66	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	11	.....	.....

**Net budget authority and outlays:**

89.00 Budget authority .....	8,095	8,844	.....
90.00 Outlays .....	7,532	8,275	4,048

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	72	75	.....
99.01 Outlays .....	72	75	.....

NASA's "Science, Aeronautics and Technology" (SAT) account included Space Science, Biological and Physical Research, Earth Science, Aerospace Technology, and Academic Programs. Beginning in 2004, Space Science, Biological and Physical Research, Earth Science, the Aeronautics portion of Aerospace Technology, and Academic Programs (which, beginning in FY 2004, is renamed Education Programs), will be included under the "Science, Aeronautics and Exploration" (SAE) account. This account shows spending from balances prior to the account restructuring.

**Object Classification (in millions of dollars)**

Identification code 80-0110-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	921	949	.....
11.3 Other than full-time permanent .....	18	17	.....
11.5 Other personnel compensation .....	20	26	.....
11.8 Special personal services payments .....	1	2	.....
11.9 Total personnel compensation .....	960	994	.....
12.1 Civilian personnel benefits .....	212	219	.....
21.0 Travel and transportation of persons .....	33	36	.....
22.0 Transportation of things .....	7	8	.....
23.1 Rental payments to GSA .....	15	17	.....
23.3 Communications, utilities, and miscellaneous charges .....	80	91	5
24.0 Printing and reproduction .....	5	6	.....
25.1 Advisory and assistance services .....	147	167	9
25.2 Other services .....	734	834	44
25.3 Other purchases of goods and services from Government accounts .....	286	325	17
25.4 Operation and maintenance of facilities .....	260	295	16
25.5 Research and development contracts .....	3,551	4,035	216
25.7 Operation and maintenance of equipment .....	89	101	5
26.0 Supplies and materials .....	169	192	10
31.0 Equipment .....	111	126	7
32.0 Land and structures .....	203	231	12
41.0 Grants, subsidies, and contributions .....	1,184	1,346	73
99.0 Direct obligations .....	8,046	9,023	414
99.0 Reimbursable obligations .....	455	642	.....
99.9 Total new obligations .....	8,501	9,665	414

**Personnel Summary**

Identification code 80-0110-0-1-999	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	11,835	11,832	.....
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	79	63	.....

**MISSION SUPPORT**

**Program and Financing (in millions of dollars)**

Identification code 80-0112-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Safety, mission assurance, engineering, and advanced concepts .....	5	.....	.....
00.02 Research and program management .....	41	.....	.....
00.03 Construction of facilities .....	70	47	.....
01.00 Total direct program .....	116	47	.....
09.01 Reimbursable program .....	4	.....	.....
10.00 Total new obligations .....	120	47	.....

**General and special funds—Continued**

**MISSION SUPPORT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 80-0112-0-1-999	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	146	47	
22.00 New budget authority (gross)	5		
22.10 Resources available from recoveries of prior year obligations	7		
22.22 Unobligated balance transferred from other accounts	10		
23.90 Total budgetary resources available for obligation	168	47	
23.95 Total new obligations	-120	-47	
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	47		

**New budget authority (gross), detail:**

Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	15		
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-10		
68.90 Spending authority from offsetting collections (total discretionary)	5		

**Change in obligated balances:**

72.40 Obligated balance, start of year	623	187	89
73.10 Total new obligations	120	47	
73.20 Total outlays (gross)	-556	-145	-89
73.40 Adjustments in expired accounts (net)	-10		
73.45 Recoveries of prior year obligations	-7		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	10		
74.10 Change in uncollected customer payments from Federal sources (expired)	8		
74.40 Obligated balance, end of year	187	89	

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	5		
86.93 Outlays from discretionary balances	551	145	89
87.00 Total outlays (gross)	556	145	89

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-15		
88.40 Non-Federal sources	-7		
88.90 Total, offsetting collections (cash)	-22		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	10		
88.96 Portion of offsetting collections (cash) credited to expired accounts	7		

**Net budget authority and outlays:**

89.00 Budget authority			
90.00 Outlays	534	145	89

NASA's "Mission Support" account included Research and Program Management (R&PM) and Construction of Facilities (CoF), which have not been included in a separate appropriation since 2001. Instead, those "Mission Support" activities are budgeted as part of the full costs associated with projects in the Science, Aeronautics and Exploration account or the Enabling Capabilities account (except for environmental activities, which had previously been included in CoF, and is now budgeted separately under Enabling Capabilities). This account shows spending from balances prior to the account restructuring.

**Object Classification (in millions of dollars)**

Identification code 80-0112-0-1-999	2002 actual	2003 est.	2004 est.
Direct obligations:			
23.1 Rental payments to GSA	4		
24.0 Printing and reproduction	1		

25.1 Advisory and assistance services	1		
25.2 Other services	28		
25.3 Other purchases of goods and services from Government accounts	5		
25.4 Operation and maintenance of facilities	6		
25.5 Research and development contracts	8		
25.7 Operation and maintenance of equipment	5		
26.0 Supplies and materials	3		
31.0 Equipment	2		
32.0 Land and structures	52	47	
41.0 Grants, subsidies, and contributions	1		
99.0 Direct obligations	116	47	
99.0 Reimbursable obligations	4		
99.9 Total new obligations	120	47	

**CONSTRUCTION OF FACILITIES**

**Program and Financing (in millions of dollars)**

Identification code 80-0107-0-1-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Construction of facilities	-5		
10.00 Total new obligations (object class 32.0)	-5		

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	5		
22.21 Unobligated balance transferred to other accounts	-10		
23.90 Total budgetary resources available for obligation	-5		
23.95 Total new obligations	5		

**Change in obligated balances:**

72.40 Obligated balance, start of year	6		
73.10 Total new obligations	-5		
73.20 Total outlays (gross)	-2		

**Outlays (gross), detail:**

86.93 Outlays from discretionary balances	2		
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**Net budget authority and outlays:**

89.00 Budget authority			
90.00 Outlays	2		

Beginning in 2004, NASA's Construction of Facilities (CoF) activities will be performed in the Science, Aeronautics and Exploration or Enabling Capabilities accounts. From 1995 to 2003, CoF facilities activities were included in Human Space Flight; Science, Aeronautics and Technology; and Mission Support. This account shows spending from balances prior to the account restructuring.

**OFFICE OF INSPECTOR GENERAL**

*For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$26,300,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 80-0109-0-1-252	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	23	25	26
10.00 Total new obligations	23	25	26

**Budgetary resources available for obligation:**

22.00 New budget authority (gross)	24	25	26
23.95 Total new obligations	-23	-25	-26

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation	24	25	26

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	3	3	3
73.10	Total new obligations .....	23	25	26
73.20	Total outlays (gross) .....	-24	-25	-26
74.40	Obligated balance, end of year .....	3	3	3
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	21	22	23
86.93	Outlays from discretionary balances .....	3	3	3
87.00	Total outlays (gross) .....	24	25	26
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	24	25	26
90.00	Outlays .....	24	25	26
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	1	1	1
99.01	Outlays .....	1	1	1

The mission of the Office of Inspector General is to conduct audits and investigations of agency activities. The Inspector General keeps the Administrator informed of problems and deficiencies in agency programs and operations.

**Object Classification** (in millions of dollars)

Identification code 80-0109-0-1-252	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	16	18	19
12.1 Civilian personnel benefits .....	5	5	5
21.0 Travel and transportation of persons .....	1	1	1
26.0 Supplies and materials .....	1	1	1
99.9 Total new obligations .....	23	25	26

**Personnel Summary**

Identification code 80-0109-0-1-252	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	200	213	213

**Trust Funds**

**SCIENCE, SPACE, AND TECHNOLOGY EDUCATION TRUST FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 80-8978-0-7-503	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.40 Earnings on investments; Science, Space and Technology Education, Trust Fu .....	1	1	1
<b>Appropriations:</b>			
05.00 Science, space, and technology education trust fund .....	-1	-1	-1
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 80-8978-0-7-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1	1	1
10.00 Total new obligations (object class 41.0) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	15	15	15
22.00 New budget authority (gross) .....	1	1	1
23.90 Total budgetary resources available for obligation .....	16	16	16
23.95 Total new obligations .....	-1	-1	-1
24.40 Unobligated balance carried forward, end of year .....	15	15	15
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	1	1	1

Identification code 80-8977-0-7-252	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	14	14	15
92.02 Total investments, end of year: Federal securities:			
Par value .....	14	15	15

**NATIONAL SPACE GRANT PROGRAM**

**Program and Financing** (in millions of dollars)

Identification code 80-8977-0-7-252	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		3	
10.00 Total new obligations (object class 41.0) .....		3	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	3	
23.95 Total new obligations .....		-3	
24.40 Unobligated balance carried forward, end of year .....	3		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		3	
73.20 Total outlays (gross) .....		-3	
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....		3	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		3	

**ADMINISTRATIVE PROVISIONS**

*Notwithstanding the limitation on the availability of funds appropriated for "Science, aeronautics and exploration", or "Space flight capabilities" by this appropriations Act, when any activity has been initiated by the incurrence of obligations for construction of facilities as authorized by law, such amount available for such activity shall remain available until expended. This provision does not apply to the amounts appropriated for institutional minor revitalization and construction of facilities, and institutional facility planning and design.*

*Notwithstanding the limitation on the availability of funds appropriated for "Science, aeronautics and exploration", or "Space flight capabilities" by this appropriations Act, the amounts appropriated for construction of facilities shall remain available until September 30, 2006.*

*From amounts made available in this Act for these activities, the Administration may transfer amounts between aeronautics of the "Science, Aeronautics and Exploration" account and crosscutting technologies of the "Space flight capabilities" account.*

*Funds for announced prizes otherwise authorized shall remain available, without fiscal year limitation, until the prize is claimed or the offer is withdrawn.*

*The unexpired balances of prior appropriations to NASA for activities for which funds are provided under this Act may be transferred to the new account established for the appropriation that provides such activity under this Act. Balances so transferred may be merged with funds in the newly established account and thereafter may be accounted for as one fund under the same terms and conditions.*



# NATIONAL SCIENCE FOUNDATION

## NATIONAL SCIENCE FOUNDATION

### Federal Funds

#### General and special funds:

#### RESEARCH AND RELATED ACTIVITIES

*For necessary expenses in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880–1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of aircraft; \$4,106,360,000, of which not to exceed \$375,000,000 shall remain available until expended for Polar research and operations support, and for reimbursement to other Federal agencies for operational and science support and logistical and other related activities for the United States Antarctic program; the balance to remain available until September 30, 2005: Provided, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation and used for authorized purposes of this account.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 49–0100–0–1–999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Biological sciences .....	510	526	562
00.02 Computer and information science and engineering .....	515	527	584
00.03 Engineering .....	471	490	537
00.05 Geosciences .....	610	691	688
00.06 Mathematical and physical sciences .....	920	942	1,061
00.07 Social, behavioral and economic sciences .....	184	196	212
00.09 U.S. Polar research programs .....	231	236	262
00.10 U.S. Antarctic logistical support activities .....	70	68	68
00.11 Integrative activities .....	106	111	132
09.01 Reimbursable programs .....	80	100	100
10.00 Total new obligations .....	3,696	3,886	4,206
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	3	.....
22.00 New budget authority (gross) .....	3,693	3,883	4,206
22.10 Resources available from recoveries of prior year obligations .....	7	.....	.....
23.90 Total budgetary resources available for obligation .....	3,702	3,886	4,206
23.95 Total new obligations .....	–3,696	–3,886	–4,206
23.98 Unobligated balance expiring or withdrawn .....	–3	.....	.....
24.40 Unobligated balance carried forward, end of year .....	3	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3,599	3,783	4,106
42.00 Transferred from other accounts .....	14	.....	.....
43.00 Appropriation (total discretionary) .....	3,613	3,783	4,106
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	85	100	100
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	–5	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	80	100	100
70.00 Total new budget authority (gross) .....	3,693	3,883	4,206
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3,979	4,441	4,717
73.10 Total new obligations .....	3,696	3,886	4,206
73.20 Total outlays (gross) .....	–3,216	–3,610	–3,832

73.40 Adjustments in expired accounts (net) .....	–21	.....	.....
73.45 Recoveries of prior year obligations .....	–7	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	5	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired) .....	5	.....	.....
74.40 Obligated balance, end of year .....	4,441	4,717	5,091
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	757	1,109	1,196
86.93 Outlays from discretionary balances .....	2,459	2,501	2,636
87.00 Total outlays (gross) .....	3,216	3,610	3,832
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	–90	–100	–100
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	5	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	5	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,613	3,783	4,106
90.00 Outlays .....	3,126	3,510	3,732

The research and related activities appropriation enables the United States to provide leadership and promote progress across the expanding frontiers of scientific and engineering research and education. This appropriation provides resources for NSF to achieve the following goals for strategic outcomes: enabling discovery across the frontier of science and engineering, connected to learning, innovation and service of society; development of a diverse, internationally competitive and globally-engaged workforce of scientists, engineers and well-prepared citizens; and providing broadly accessible, state-of-the-art research and education tools. Research activities will contribute to the achievement of these goals through development of intellectual capital, integration of research and education, and promotion of partnerships. This appropriation supports NSF's active development of performance indicators.

The major research program activities of the Foundation are:

*Biological sciences.*—This activity promotes scientific progress in biology through support of research ranging from the study of molecules, through cells and organisms, to studies of ecosystems. This activity also supports a comprehensive research initiative on plant genomes, including research on economically significant crops.

*Computer and information sciences and engineering.*—Research is directed at “information technology” in the broadest sense of the term, ranging from fundamental theory to systems engineering.

*Engineering.*—Research supported by this activity aims to increase U.S. engineering capability and strength, and focus that capability and strength on areas which are relevant to national problems and long-term needs. This activity also includes small business innovation research.

*Geosciences.*—This research advances knowledge of the properties and dynamics of the planet Earth.

*Mathematical and physical sciences.*—Research in this activity is directed at increasing understanding of natural laws and phenomena. It includes research in mathematical sciences, astronomy, physics, chemistry, and materials science.

*Social, behavioral and economic sciences.*—This activity supports research in social, behavioral and economic sciences,

**General and special funds—Continued**

**RESEARCH AND RELATED ACTIVITIES—Continued**

facilitates international scientific cooperation, and funds science resources studies.

*U.S. polar research programs.*—This activity supports Arctic and Antarctic research and operational science support and other related activities for the United States polar research programs. This activity includes funding for the expenses of the Arctic Research Commission.

*U.S. Antarctic logistical support activities.*—This activity provides funding for reimbursing Federal agencies for logistical and other related activities for the United States Antarctic program.

*Integrative activities.*—This activity supports emerging cross-disciplinary research efforts and major research instrumentation. This activity also provides support for the Science and Technology Policy Institute.

**Object Classification (in millions of dollars)**

Identification code 49-0100-0-1-999	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons .....	6	7	7
25.1 Advisory and assistance services .....	26	26	26
25.2 Other services .....	20	20	20
25.3 Other purchases of goods and services from Government accounts .....	7	7	7
25.4 Operation and maintenance of facilities .....	202	202	202
25.5 Research and development contracts .....	9	9	9
31.0 Equipment .....	4	4	4
41.0 Grants, subsidies, and contributions .....	3,342	3,511	3,831
99.0 Direct obligations .....	3,616	3,786	4,106
99.0 Reimbursable obligations .....	80	100	100
99.9 Total new obligations .....	3,696	3,886	4,206

**Personnel Summary**

Identification code 49-0100-0-1-999	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	4	4	4

**ACADEMIC RESEARCH INFRASTRUCTURE**

**Program and Financing (in millions of dollars)**

Identification code 49-0150-0-1-251	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5		
73.20 Total outlays (gross) .....	-5		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	5		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	5		

The academic research infrastructure facilities activity has been terminated. A program to support the acquisition of major research instrumentation has been funded through the research and related activities appropriation since 1997. This account shows spending from balances prior to the account restructuring.

**MAJOR RESEARCH EQUIPMENT AND FACILITIES CONSTRUCTION**

*For necessary expenses for the acquisition, construction, commissioning, and upgrading of major research equipment, facilities, and other such capital assets pursuant to the National Science Foundation Act of 1950, as amended, \$202,330,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 49-0551-0-1-251	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	115	223	202
10.00 Total new obligations .....	115	223	202
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	73	97	
22.00 New budget authority (gross) .....	139	126	202
23.90 Total budgetary resources available for obligation .....	212	223	202
23.95 Total new obligations .....	-115	-223	-202
24.40 Unobligated balance carried forward, end of year .....	97		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	139	126	202
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	159	137	175
73.10 Total new obligations .....	115	223	202
73.20 Total outlays (gross) .....	-137	-185	-162
74.40 Obligated balance, end of year .....	137	175	215
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	48	19	30
86.93 Outlays from discretionary balances .....	89	166	132
87.00 Total outlays (gross) .....	137	185	162
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	139	126	202
90.00 Outlays .....	137	185	162

The major research equipment and facilities construction activity supports the construction and procurement of unique national research platforms and major research equipment. Performance is measured against established construction schedules, costs and milestones.

**Object Classification (in millions of dollars)**

Identification code 49-0551-0-1-251	2002 actual	2003 est.	2004 est.
25.5 Research and development contracts .....	17	6	1
41.0 Grants, subsidies, and contributions .....	98	217	201
99.9 Total new obligations .....	115	223	202

**SALARIES AND EXPENSES**

*For salaries and expenses necessary in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed \$9,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; rental of conference rooms in the District of Columbia; reimbursement of the General Services Administration for security guard services; \$225,700,000: Provided, That contracts may be entered into under "Salaries and expenses" in fiscal year 2004 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 49-0180-0-1-251	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Administration and management .....	170	203	226

09.01	Reimbursable programs .....	4	6	6
10.00	Total new obligations .....	174	209	232
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	174	209	232
23.95	Total new obligations .....	-174	-209	-232
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	170	203	226
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	4	6	6
70.00	Total new budget authority (gross) .....	174	209	232
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	23	24	
73.10	Total new obligations .....	174	209	232
73.20	Total outlays (gross) .....	-172	-210	-230
73.40	Adjustments in expired accounts (net) .....	-1	-23	
74.40	Obligated balance, end of year .....	24		2
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	155	186	207
86.93	Outlays from discretionary balances .....	17	24	23
87.00	Total outlays (gross) .....	172	210	230
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-4	-6	-6
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	170	203	226
90.00	Outlays .....	168	204	224
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	6	7	8
99.01	Outlays .....	6	7	8

This account provides funds to administer and manage NSF programs. NSF continually devises and refines performance measures for development and monitoring of programs.

**Object Classification** (in millions of dollars)

Identification code 49-0180-0-1-251		2002 actual	2003 est.	2004 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent .....	88	97	97
11.3	Other than full-time permanent .....	7	7	7
11.5	Other personnel compensation .....	4	5	6
11.8	Special personal services payments .....	1	1	1
11.9	Total personnel compensation .....	100	110	111
12.1	Civilian personnel benefits .....	21	23	23
21.0	Travel and transportation of persons .....	5	6	6
23.1	Rental payments to GSA .....	16	17	19
23.3	Communications, utilities, and miscellaneous charges .....	2	3	3
25.1	Advisory and assistance services .....	3	6	10
25.2	Other services .....	4	7	8
25.3	Other purchases of goods and services from Government accounts .....	1	1	2
25.7	Operation and maintenance of equipment .....	6	13	14
26.0	Supplies and materials .....	2	3	3
31.0	Equipment .....	10	14	27
99.0	Direct obligations .....	170	203	226
99.0	Reimbursable obligations .....	4	6	6
99.9	Total new obligations .....	174	209	232

**Personnel Summary**

Identification code 49-0180-0-1-251		2002 actual	2003 est.	2004 est.
1001	Total compensable workyears: Civilian full-time equivalent employment .....	1,188	1,217	1,200

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General as authorized by the Inspector General Act of 1978, as amended, \$8,770,000, to remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 49-0300-0-1-251		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	7	8	9
10.00	Total new obligations .....	7	8	9
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	7	8	9
23.95	Total new obligations .....	-7	-8	-9
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	7	8	9
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	2	2	1
73.10	Total new obligations .....	7	8	9
73.20	Total outlays (gross) .....	-7	-9	-9
74.40	Obligated balance, end of year .....	2	1	1
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	6	7	8
86.93	Outlays from discretionary balances .....	1	2	1
87.00	Total outlays (gross) .....	7	9	9
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	7	8	9
90.00	Outlays .....	7	9	9

This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement consistent with the Inspector General Act of 1978, as amended (5 U.S.C. App. 3).

**Object Classification** (in millions of dollars)

Identification code 49-0300-0-1-251		2002 actual	2003 est.	2004 est.
Direct obligations:				
11.1	Personnel compensation: Full-time permanent .....	4	5	6
12.1	Civilian personnel benefits .....	1	1	1
25.1	Advisory and assistance services .....	1	1	2
99.0	Direct obligations .....	6	7	9
99.5	Below reporting threshold .....	1	1	
99.9	Total new obligations .....	7	8	9

**Personnel Summary**

Identification code 49-0300-0-1-251		2002 actual	2003 est.	2004 est.
1001	Total compensable workyears: Civilian full-time equivalent employment .....	51	53	60

EDUCATION AND HUMAN RESOURCES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), including services as authorized by 5 U.S.C. 3109, and rental of conference rooms in the District of Columbia, \$938,040,000, to remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

**General and special funds—Continued**

**EDUCATION AND HUMAN RESOURCES—Continued**

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 49-0106-0-1-251	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
Obligations by program activity:				
Direct program:				
Appropriated activities:				
00.01	Educational system reform .....	45	40	.....
00.02	EPSCoR .....	91	75	75
00.03	Elementary, secondary and informal education .....	166	171	195
00.04	Undergraduate education .....	143	155	142
00.05	Graduate education .....	106	128	157
00.06	Human resource development .....	97	90	103
00.07	Research, evaluation and communication .....	69	67	66
00.08	Math and science partnership .....	150	210	200
00.91	Subtotal appropriated activities .....	867	936	938
H-1B non-immigrant petitioner fee activities:				
01.01	Computer science, engineering, and mathematics scholarships (CSEMS) .....	34	59	.....
01.02	Grants for mathematics, engineering, or science enrichment courses .....	6	.....	.....
01.03	Systemic reform activities .....	4	.....	.....
01.04	Private-public partnerships in K-12 .....	13	72	.....
01.91	Subtotal H-1B non-immigrant petitioner fee activities .....	57	131	.....
02.00	Total direct obligations .....	924	1,067	938
09.01	Reimbursable programs .....	1	10	10
10.00	Total new obligations .....	925	1,077	948
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	60	93	.....
22.00	New budget authority (gross) .....	956	984	948
22.10	Resources available from recoveries of prior year obligations .....	2	.....	.....
23.90	Total budgetary resources available for obligation .....	1,018	1,077	948
23.95	Total new obligations .....	-925	-1,077	-948
24.40	Unobligated balance carried forward, end of year .....	93	.....	.....
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	894	908	938
Mandatory:				
60.20	Appropriation (special fund) .....	61	66	.....
Discretionary:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	1	10	10
70.00	Total new budget authority (gross) .....	956	984	948
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1,301	1,499	1,662
73.10	Total new obligations .....	925	1,077	948
73.20	Total outlays (gross) .....	-715	-914	-948
73.40	Adjustments in expired accounts (net) .....	-10	.....	.....
73.45	Recoveries of prior year obligations .....	-2	.....	.....
74.40	Obligated balance, end of year .....	1,499	1,662	1,662
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	97	110	113
86.93	Outlays from discretionary balances .....	592	703	757
86.97	Outlays from new mandatory authority .....	4	7	.....
86.98	Outlays from mandatory balances .....	22	94	78
87.00	Total outlays (gross) .....	715	914	948
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-1	-10	-10
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	955	974	938
90.00	Outlays .....	714	904	938

Education and human resources (EHR) activities provide a comprehensive set of programs that further NSF's goal of ensuring a diverse, internationally competitive and globally-engaged workforce of scientists, engineers and well-prepared citizens. At the pre-kindergarten through grade 12 (pre K-12) level, EHR catalyzes reform of science, technology, engineering and mathematics (STEM) education through the development of public-private partnerships. Its pre K-12 programs provide new instructional materials and pedagogical techniques that incorporate the latest advances in teaching, learning, and educational technologies. It also supports training activities for pre-service and in-service STEM teachers. Undergraduate programs improve curricula, strengthen laboratory course offerings, enhance faculty, and lead reform efforts in STEM disciplines. Programs for advanced technological education strengthen education for students preparing to enter the high-technology workforce. Graduate level support is directed primarily to fellowships and traineeships to sustain the U.S. world leadership in science and technology. All EHR programming focuses on broadening participation of groups underrepresented in STEM fields including activities focused on the improvement of infrastructure and academic programs at minority-serving institutions. The Experimental Program to Stimulate Competitive Research (EPSCoR) broadens participation of States and regions in science and engineering by helping institutions expand their research capacity and competitiveness. EHR supports research that advances STEM education, as well as development and effective implementation of learning technologies. Evaluation and communications activities ensure accountability by developing indicators that measure program impact and inform the education community of best practices and relevant information. Also included within EHR are funds resulting from the collection and use of H-1B non-immigrant fees, for undergraduate and graduate scholarships in computer science, mathematics, and engineering and private-public partnerships in K-12 for STEM education. This appropriation also supports NSF's active development of performance indicators.

**Object Classification** (in millions of dollars)

Identification code 49-0106-0-1-251	2002 actual	2003 est.	2004 est.	
Direct obligations:				
21.0	Travel and transportation of persons .....	4	4	4
25.1	Advisory and assistance services .....	17	19	20
41.0	Grants, subsidies, and contributions .....	903	1,044	914
99.0	Direct obligations .....	924	1,067	938
99.0	Reimbursable obligations .....	1	10	10
99.9	Total new obligations .....	925	1,077	948

**Trust Funds**

**DONATIONS**

**Unavailable Collections** (in millions of dollars)

Identification code 49-8960-0-7-251	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....	.....	.....	.....
Receipts:				
02.00	Donations to the National Science Foundation .....	33	41	27
Appropriations:				
05.00	Donations .....	-33	-41	-27
07.99	Balance, end of year .....	.....	.....	.....

**Program and Financing** (in millions of dollars)

Identification code 49-8960-0-7-251	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Ocean drilling programs .....	15	17	8
00.02	Gemini telescope .....	10	14	14

00.03	Taiwan rocket (NCAR) .....	3	8	3
00.04	NATO—fellowships .....	1	1	1
00.05	Other .....	1	1	1
10.00	Total new obligations .....	30	41	27
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	18	21	21
22.00	New budget authority (gross) .....	33	41	27
23.90	Total budgetary resources available for obligation .....	51	62	48
23.95	Total new obligations .....	-30	-41	-27
24.40	Unobligated balance carried forward, end of year .....	21	21	21
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.26	Appropriation (trust fund) .....	33	41	27
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	12	11	11
73.10	Total new obligations .....	30	41	27
73.20	Total outlays (gross) .....	-31	-41	-27
74.40	Obligated balance, end of year .....	11	11	11
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	31	41	27

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	33	41	27
90.00	Outlays .....	31	41	27

This account consists of contributions from foreign governments, organizations and individuals to fund various cooperative efforts in science, research and education. These efforts include major international projects, such as operation of the GEMINI telescope, and the NSF Ocean drilling program. Other smaller activities supported include cooperative research, joint seminars, exchange of senior scientists, short-term research development visits, international conferences, and support for certain special functions of NSF and the National Science Board. These funds are not otherwise available.

<b>Object Classification</b> (in millions of dollars)				
Identification code 49-8960-0-7-251	2002 actual	2003 est.	2004 est.	
25.4	Operation and maintenance of facilities .....	15	17	8
41.0	Grants, subsidies, and contributions .....	15	24	19
99.9	Total new obligations .....	30	41	27



# OFFICE OF PERSONNEL MANAGEMENT

## Federal Funds

### General and special funds:

#### SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

*For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, \$118,748,000, of which \$2,000,000 shall remain available until expended for the cost of the enterprise human resources integration project, \$2,500,000 shall remain available until expended for the cost of leading the government-wide initiative to modernize federal payroll systems and service delivery, and \$2,500,000 shall remain available through September 30, 2005 to coordinate and conduct program evaluation and performance measurement; and in addition \$135,914,000 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of which \$36,700,000 shall remain available until expended for the cost of automating the retirement recordkeeping systems: Provided, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B) and 9004(f)(1)(A), and (2)(A) of title 5, United States Code: Provided further, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2004, accept donations of money, property, and personal services in connection with the development of a publicity brochure to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 24-0100-0-1-805	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 HR program development .....	33	48	31
00.02 Agency merit systems accountability and human capital .....	30	39	41
00.03 HR products and services .....	114	142	143
00.04 Management services .....	46	54	62
00.05 Executive services .....	10	10	10
09.01 Reimbursable program .....	3	24	24
10.00 Total new obligations .....	236	317	311
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	7	7	.....
22.00 New budget authority (gross) .....	263	317	311
23.90 Total budgetary resources available for obligation	270	324	311
23.95 Total new obligations .....	-236	-317	-311
23.98 Unobligated balance expiring or withdrawn .....	-27	-7	.....

24.40 Unobligated balance carried forward, end of year .....	7	.....	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	99	129	119
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	164	188	192
70.00 Total new budget authority (gross) .....	263	317	311
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	18	22	23
73.10 Total new obligations .....	236	317	311
73.20 Total outlays (gross) .....	-231	-316	-311
74.40 Obligated balance, end of year .....	22	23	22
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	231	300	296
86.93 Outlays from discretionary balances .....	.....	16	15
87.00 Total outlays (gross) .....	231	316	311
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-164	-188	-192
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	99	129	119
90.00 Outlays .....	68	128	119
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	5	5	6
99.01 Outlays .....	5	5	6

The Office of Personnel Management (OPM) has responded to President George W. Bush's charge to assume greater responsibility for the strategic management of human capital government-wide by crafting a new Strategic Plan.

This plan holds OPM accountable for Federal agencies adopting human resources management systems that use effective merit-based human capital strategies that, in turn, improve their ability to build and maintain successful, high performance organizations, with a rewarding work environment, that help agencies to accomplish their missions and goals.

To better meet these responsibilities, OPM is undertaking in FY 2003 a major restructuring that will align its efforts to the goals in the Strategic Plan. This restructuring will eliminate stovepipes and significantly reduce the number of offices, resulting in a delayered agency better able to serve its customers. FY 2004 will be the first full year OPM will be operating in its new structure. Concurrently, with the adoption of the new goals of the Strategic Plan and restructuring, OPM will develop a more robust performance evaluation program in FY 2003 to be deployed in FY 2004.

The functions and objectives of the restructured OPM are: *Human Resources Program Development (HRPD).*—This new organization will develop policies and programs in an integrated manner. HRPD will: (1) Develop policies that support agencies efforts to develop and maintain the capacity of their workforce to continue to meet and improve their strategic performance targets; (2) Support the establishment of the Department of Homeland Security (DHS) by developing policies and regulations consistent with the DHS bill; (3) Provide the Federal Government with a modern compensation system that is performance-oriented, market-sensitive, and assists Federal agencies in meeting their strategic goals; and (4) Increase the effectiveness and efficiency of the Federal hiring process and make Federal employment attractive to

**General and special funds—Continued**

## SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFER OF TRUST FUNDS)—Continued

high-quality applicants of diverse backgrounds. This function also includes two of 24 Government-wide e-Government projects: the e-Payroll project, which reduces the number of payroll providers from 22 to 4 resulting in planned savings of at least \$1.2 billion over the next 10 years, and the Enterprise Human Resources Integration project, which will develop and establish a repository for electronic employee records to enable electronic transfer of data between agencies.

*Program performance.*—OPM will continue to survey the Senior Executive Service (SES), Human Resources Directors, Human Resources Specialists, and the general workforce to assess and address the impact of policies affecting recruitment, performance, retention, human resource development programs, and their satisfaction with them. The 2001 HR Directors' Customer Satisfaction Survey showed that the percentage of Human Resources Directors who were satisfied with OPM's policy leadership were as follows; 91 percent in pay and leave administration, 80 percent in performance management, 82 percent in position classification and position management, and 74 percent in the Federal Wage System. OPM will deploy in FY 2004 a new evaluation strategy that will assess the value and impact of OPM programs. This strategy will measure effectiveness of OPM programs in how they help agencies strategically improve their human capital practices in support of their missions. Deployment will result in the establishment of baselines and improvement targets for FY 2004 accomplishments.

*Agency Merit Systems Accountability and Human Capital Programs.*—OPM established this organization to create agency-focused teams to explore, promote and help agencies adopt the best human capital practices that generate results and meet agencies' unique needs. This organization will: (1) Ensure that agencies implement flexible and customized human capital practices that will attract and retain a diverse, high quality, well motivated workforce that is able to tackle the complex issues of today and tomorrow; (2) Provide advice to agencies and promote best practices on solutions, actions and strategies to meet both their immediate and long term human capital management needs; (3) Monitor and assess Federal agencies' effectiveness in implementing merit-based human capital strategies that support their missions; (4) Work with agencies and constituent groups to improve the Senior Executive Service hiring process and address other leadership issues; and (5) Provide advice and assistance in establishing the Department of Homeland Security and ensure that human capital needs for the homeland security community are met. In FY 2002 and FY 2003, OPM took a lead role in establishing the human resource systems of the Department. For the remainder of FY 2003 and throughout FY 2004, OPM will lead in establishing the human capital practices that will help give the 170,000 employees the skills, tools and motivation to achieve the new Department's mission, goals and objectives.

*Program performance.*—OPM will develop an index that will allow an assessment of merit systems and human capital practices across Federal agencies as well as how those human capital practices help agencies better fulfill their missions, thereby establishing a link between human capital strategies and the results Americans expect from the Federal Government. In addition, OPM will track Government-wide data and trends through centralized data sources such as the Central Personnel Data File (CPDF), the Government-wide Survey (GWS) and other appropriate metrics to assess human capital progress and help agencies improve. In support of the President's Management Agenda, the GWS provides a managerially useful indicator of the views of responding Fed-

eral employees, who work in 27 member agencies of the President's Management Council, about agency human capital management practices. The 2002 GWS provided baseline data that can be used to measure and help understand changes in survey results over time.

*HR Products and Services.*—Under this new organization, OPM has consolidated functions and activities that: (1) Provide cost-effective, relevant and useful human capital products and services to agencies; (2) Make the transition from active employment to retirement seamless and expeditious, facilitating retirement income security for Federal employees; and (3) Give Federal employees, annuitants and their families choices of quality and fiscally responsible carriers for addressing their specific insurance needs.

Products and services include security and suitability personnel investigations, support to the department of Justice for the Voting Rights program, automated employment information needed to recruit and hire the federal workforce, and administration of earned employee benefits—the retirement and insurance programs—for federal employees, retirees, and their families.

*Program performance.*—OPM establishes annual performance goals and objectives designed to achieve long-term strategic goals. Customer service is measured through OPM's Customer Satisfaction Survey, surveys of attendees at conferences, workshops, and/or seminars, and feedback from users of the OPM website and email. Progress is monitored through program performance indicators and output measures.

The Retirement Systems Modernization (RSM) project is OPM's central strategy for meeting its long term retirement program customer service, financial management, business process, and workforce performance goals. OPM is moving from a paper-based record keeping system to program-wide electronic data and transactions. The on-going project is being implemented in phases, reaching full capability in 2010.

During FY 2003, RSM will begin a large-scale data effort to convert masses of hardcopy paper records for current employees to electronic data that will be available to program administrators via the Internet, and will automatically populate OPM's retirement benefits calculator and coverage determination tools. Additionally, OPM will begin providing web-enabled member self-service to facilitate electronic filing of benefits applications. Outcomes include faster, cheaper and more accurate claims processing, increased customer satisfaction and a significant decrease in the amount of space needed to house paper records, reducing storage costs.

In FY 2004, OPM will begin receiving recurring employee data from agencies through the Enterprise Human Resource (HR) Integration project, an OPM-led e-Government initiative, which will minimize the HR data that agencies must send to OPM. Other planned work packages will improve retirement benefits counseling, make claims processing real-time for a significant number of retiring federal employees, and reduce the manual data entry required for claims processing.

On average, OPM processes 170,000 Civil Service and Federal Employees' Retirement System (CSRS and FERS) annuity and survivor claims annually. Since FY 2000, the processing time for interim annuity payments has been reduced from five days to two days, and, in FY 2002, more than 56 percent of interim payments were authorized within one day. As OPM leveraged technology investments to increase its claims processing capacity and efficiency, FERS claims processing times dropped from 185 days in FY 2000 to 70 days in FY 2002, while customer satisfaction about the timeliness of the first annuity payment has remained at or near 80 percent since FY 1997.

OPM's continuing focus is to develop a comprehensive and competitive benefits package for the Federal workforce that offers choices comparable to the private sector, and which

supports our human capital efforts to recruit and retain an effective workforce. To mitigate the effects of rising health insurance premiums, OPM implemented premium conversion in FY 2001, which allows Federal employees to deduct their share of health insurance premiums from their taxable income, thereby reducing their taxes and making health coverage more affordable. In addition, OPM is implementing a Flexible Spending Account (FSA) program. These accounts allow employees to set aside a part of their salary by pre-tax withholdings and use the pretax dollars to pay for some medical, dental, vision and dependent-care expenses. FSAs are scheduled to be available to Federal employees beginning July 1, 2003.

The Administration will work with stakeholders to better coordinate the Medicare and Federal Employees Health Benefits programs and look to the practices of the private sector to ensure high quality, cost-conscious choices for retirees. These important programs jointly finance health insurance for about 2.1 million Federal retirees and their dependents.

**Management Services.**—Includes: OPM human resources, equal employment opportunity, security, facilities, telecommunications, publishing, acquisitions, information resources management, and financial management to support all of OPM's goals. As mentioned previously, this organization will include the new evaluation function that will facilitate the deployment of a new evaluation strategy in FY 2004. It is being developed and piloted during FY 2003 to assess the use and impact of OPM programs and create an index that will allow an assessment of merit systems and human capital practices across Federal agencies. This organization will also coordinate strategic planning and program performance reporting across the agency.

**Executive Services.**—Includes: executive direction, legal advice and representation, public affairs, legislative activities, and the operating expenses of the President's Commission on White House Fellows.

**Reimbursable Programs.**—OPM provides administrative, information resources management, and executive services to other OPM accounts on a reimbursable basis. OPM also performs a small amount of reimbursable work under the Economy Act at the request of other agencies.

Object Classification (in millions of dollars)			
Identification code 24-0100-0-1-805	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	109	111	117
11.3 Other than full-time permanent .....	5	5	7
11.5 Other personnel compensation .....	4	4	4
11.9 Total personnel compensation .....	118	120	128
12.1 Civilian personnel benefits .....	27	28	30
21.0 Travel and transportation of persons .....	3	3	3
23.1 Rental payments to GSA .....	17	17	17
23.3 Communications, utilities, and miscellaneous charges .....	10	11	10
24.0 Printing and reproduction .....	2	2	2
25.2 Other services .....	48	104	89
26.0 Supplies and materials .....	3	3	3
31.0 Equipment .....	5	5	5
99.0 Direct obligations .....	233	293	287
99.0 Reimbursable obligations .....	3	24	24
99.9 Total new obligations .....	236	317	311

Personnel Summary			
Identification code 24-0100-0-1-805	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,908	2,032	2,087

Reimbursable:			
2001	Total compensable workyears: Civilian full-time equivalent employment .....	141	141
		141	141

HUMAN CAPITAL PERFORMANCE FUND  
(Legislative proposal, not subject to PAYGO)

*For the Human Capital Performance Fund established under section 639 of this Act, \$500,000,000: Provided, That such amounts as are determined by the Director of the Office of Personnel Management may be transferred to Federal agencies to carry out the purposes of this Fund.*

Program and Financing (in millions of dollars)			
Identification code 24-0700-2-1-805	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Human capital performance fund .....			500
10.00 Total new obligations (object class 11.1) .....			500
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			500
23.95 Total new obligations .....			-500
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			500
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			500
73.20 Total outlays (gross) .....			-500
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			500
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			500
90.00 Outlays .....			500

The Human Capital Performance Fund is designed to create performance-driven pay systems for employees and reinforce the value of employee performance management systems. The Administration proposes providing additional pay over and above any annual, across-the-board pay raise to certain civilian employees based on individual or organizational performance and/or other critical agency human capital needs. Ninety percent of funds appropriated would be distributed to agencies on a pro rata basis, upon OPM approval of an agency's plan. The remainder, and any amount withheld from agencies due to inadequate plans, would be allocated at the discretion of OPM.

The current GS system would remain unchanged; individual employees would remain at their existing GS levels and on schedule for all routine pay raises such as a within-grade increase. Any pay increase received from the Fund would be treated as increases to base pay for retirement and other purposes and would stay with an employee throughout his/her career.

The Administration plans to transmit a detailed legislative proposal to Congress in the near future.

OFFICE OF INSPECTOR GENERAL  
SALARIES AND EXPENSES  
(INCLUDING TRANSFER OF TRUST FUNDS)

*For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$1,498,000; and in addition, not to exceed \$14,427,000 for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds*

**General and special funds—Continued**

**OFFICE OF INSPECTOR GENERAL—Continued**

**SALARIES AND EXPENSES—Continued**

of the Office of Personnel Management, as determined by the Inspector General: Provided, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 24-0400-0-1-805	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	11	12	16
10.00 Total new obligations .....	11	12	16
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	11	12	16
23.95 Total new obligations .....	-11	-12	-16
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	1	1
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	10	11	15
70.00 Total new budget authority (gross) .....	11	12	16
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-5	-3	
73.10 Total new obligations .....	11	12	16
73.20 Total outlays (gross) .....	-11	-12	-16
74.10 Change in uncollected customer payments from Federal sources (expired) .....		3	
74.40 Obligated balance, end of year .....	-3		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	11	12	16
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-10	-11	-15
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....		1	1
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

This appropriation provides agency-wide audit, investigative, evaluation, inspection, and administrative sanction functions to identify management and administrative deficiencies that may create conditions for fraud, waste, and mismanagement. The audits function provides internal agency audit, insurance audit, contract audit, and information systems audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal agency audits review and evaluate all facets of agency operations, including financial statements. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. Information systems audits review both general controls and application controls for the agency's systems and programs. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. Administrative sanctions debar from participation in the health insurance program those health care providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees.

These Inspector General activities resulted in positive financial impacts of approximately \$116 million, 24 criminal convictions, and 3,827 administrative sanctions in 2002.

Additional resources in 2004 will finance more audit staff, special agent criminal investigators, associated analytical staff, and improved information systems. OPM expects to reduce the audit cycle from 5 years to 3.6 years for community-related carriers. Recoveries are expected to increase by \$16 million annually as a result.

**Object Classification (in millions of dollars)**

Identification code 24-0400-0-1-805	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	6	7	9
12.1 Civilian personnel benefits .....	2	2	4
23.1 Rental payments to GSA .....	1	1	1
25.2 Other services .....	1	1	1
99.0 Direct obligations .....	10	11	15
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	11	12	16

**Personnel Summary**

Identification code 24-0400-0-1-805	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	89	102	125
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....		1	1

**GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS**

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, such sums as may be necessary.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 24-0206-0-1-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Government contribution for annuitants benefits (1959 Act) .....	6,069	6,754	7,454
00.02 Government contribution for annuitants benefits (1960 Act) .....	2	2	2
10.00 Total new obligations (object class 13.0) .....	6,071	6,756	7,456
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	6,071	6,756	7,456
23.95 Total new obligations .....	-6,071	-6,756	-7,456
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	6,071	6,756	7,456
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	550	606	654
73.10 Total new obligations .....	6,071	6,756	7,456
73.20 Total outlays (gross) .....	-6,015	-6,707	-7,414
74.40 Obligated balance, end of year .....	606	654	695
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	5,465	6,101	6,760
86.98 Outlays from mandatory balances .....	550	606	654
87.00 Total outlays (gross) .....	6,015	6,707	7,414
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	6,071	6,756	7,456

90.00	Outlays .....	6,016	6,707	7,414
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This appropriation covers: (1) the Government's share of the cost of health insurance for annuitants as defined in sections 8901 and 8906 of title 5, United States Code; (2) the Government's share of the cost of health insurance for annuitants (who were retired when the Federal employees health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960; and (3) the Government's contribution for payment of administrative expenses incurred by the Office of Personnel Management in administration of the Act.

The budget authority for this account recognizes the amounts being remitted by the U.S. Postal Service (USPS) to finance a portion of its post-1971 annuitants' health benefit costs.

	2002 actual	2003 est.	2004 est.
Annuitants:			
FEHB .....	1,857,014	1,871,000	1,910,000
(USPS non-add) .....	427,000	427,000	426,000
REHB .....	2,877	2,388	1,982
Total, annuitants .....	1,859,891	1,873,388	1,911,982

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 24-0500-0-1-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	33	34	35
10.00 Total new obligations (object class 25.2) .....	33	34	35
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	33	34	35
23.95 Total new obligations .....	-33	-34	-35
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	34	34	35
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	4	4
73.10 Total new obligations .....	33	34	35
73.20 Total outlays (gross) .....	-33	-34	-35
74.40 Obligated balance, end of year .....	4	4	4
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	31	31	32
86.98 Outlays from mandatory balances .....	3	3	3
87.00 Total outlays (gross) .....	33	34	35
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	33	34	35
90.00 Outlays .....	33	34	35

This appropriation finances the Government's share of premiums, which is one-third the cost, for Basic life insurance for annuitants retiring after December 31, 1989, and who are less than 65 years old.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: Provided, That annuities authorized by the Act of May 29, 1944, as amended, and the Act of August 19, 1950, as amended (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 24-0200-0-1-805	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Payment of Government share of retirement costs .....	9,615	9,715	9,915
00.03 Transfers for interest on unfunded liability and payment of military service annuities .....	12,426	12,700	12,800
00.05 Spouse equity payment .....	67	69	72
10.00 Total new obligations .....	22,108	22,484	22,787
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	22,108	22,484	22,787
23.95 Total new obligations .....	-22,108	-22,484	-22,787
<b>New budget authority (gross), detail:</b>			
Mandatory:			
Appropriation:			
60.00 Appropriation .....	12,426	12,700	12,800
60.00 Appropriation .....	9,682	9,784	9,987
62.50 Appropriation (total mandatory) .....	22,108	22,484	22,787
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	22,108	22,484	22,787
73.20 Total outlays (gross) .....	-22,108	-22,484	-22,787
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	22,108	22,484	22,787
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	22,108	22,484	22,787
90.00 Outlays .....	22,108	22,484	22,787

Summary of Budget Authority and Outlays

	(in millions of dollars)		
Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	22,108	22,484	22,787
Outlays .....	22,108	22,484	22,787
Legislative proposal, not subject to PAYGO:			
Budget Authority .....		2,059	2,085
Outlays .....		2,059	2,085
Total:			
Budget Authority .....	22,108	24,543	24,872
Outlays .....	22,108	24,543	24,872

Payment of Government share of retirement costs.—This payment amortizes increases in the static unfunded liability created since October 20, 1969 by any statute which authorizes new or liberalized benefits, an extension of retirement coverage, or pay increases.

Transfers for interest on static unfunded liability and payment of military service annuities.—This transfer covers interest on the static unfunded liability and annuity disbursements attributable to military service.

Payments for spouse equity.—This payment provides survivor annuities to eligible former spouses of annuitants who died between September 1978 and May 1986 and who did not elect survivor coverage.

**General and special funds—Continued**

**PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued**

Object Classification (in millions of dollars)			
Identification code 24-0200-0-1-805	2002 actual	2003 est.	2004 est.
12.1 Civilian personnel benefits .....	9,682	9,784	9,987
13.0 Benefits for former personnel .....	12,426	12,700	12,800
99.9 Total new obligations .....	22,108	22,484	22,787

**PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND  
(Legislative proposal, not subject to PAYGO)**

Program and Financing (in millions of dollars)			
Identification code 24-0200-2-1-805	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 Transfers for interest on unfunded liability and payment of military service annuities .....		2,059	2,085
10.00 Total new obligations (object class 13.0) .....		2,059	2,085
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		2,059	2,085
23.95 Total new obligations .....		-2,059	-2,085
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....		2,059	2,085
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		2,059	2,085
73.20 Total outlays (gross) .....		-2,059	-2,085
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		2,059	2,085
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		2,059	2,085
90.00 Outlays .....		2,059	2,085

The budget includes a legislative proposal that corrects for an anticipated USPS overfunding of Civil Service Retirement System (CSRS) retirement benefits. This anticipated overfunding is due to a number of factors, including higher than expected past pension investment yields and overly prescriptive and inflexible statutory language. While the legislative proposal would reduce USPS payments to the Retirement Fund, it ensures that USPS meets its pension obligations so that no employee or retiree would lose any benefits. The proposal is consistent with the structure and financing of the Federal Employees' Retirement System as well as the Administration's legislative proposal to fully fund the CSRS liabilities for non-USPS employees and retirees.

**Intragovernmental funds:**

**REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 24-4571-0-4-805	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Government services .....	86	86	90
09.02 Investigations .....	447	629	678
09.03 Training and development .....	33	35	35
10.00 Total new obligations .....	566	750	803
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	161	110	110
22.00 New budget authority (gross) .....	516	750	803

23.90 Total budgetary resources available for obligation	677	860	913
23.95 Total new obligations .....	-566	-750	-803
24.40 Unobligated balance carried forward, end of year .....	110	110	110

**New budget authority (gross), detail:**

Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	563	750	803
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-47		
68.90 Spending authority from offsetting collections (total discretionary) .....	516	750	803
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-126	26	26
73.10 Total new obligations .....	566	750	803
73.20 Total outlays (gross) .....	-460	-750	-803
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	47		
74.40 Obligated balance, end of year .....	26	26	26

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	460	750	803
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-563	-750	-803
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	47		

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....	-102		
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

OPM's Revolving Fund supports the President's Management Agenda by fully or partially funding three e-Government projects: e-Clearance; e-Training; and Recruitment One-Stop. The Revolving Fund also provides financing on a reimbursable basis for several products and services to Federal agencies.

**Government Services.**—OPM provides assistance to Government agencies in managing the development of training and human resources management solutions that meet their specific short-term and long-range objectives. This is accomplished through an expedited contracting process, which is managed by an experienced team of HR and contracting professionals. Much of the Training Management Assistance (TMA) workload supports development of training programs for anti-terrorism, emergency preparedness, and intelligence activities at the U.S. Customs Service, Department of Defense (DOD), U.S. Air Force, Federal Aviation Administration, Federal Emergency Management Agency, and the Immigration and Naturalization Service. About 250 programs are managed annually.

OPM delivers employment information, testing and recruiting services, automated staffing, and related human resource management services to Federal agencies nationwide. Nationwide testing involves work planning, scheduling, and administration of written examinations upon request from agencies including the DOD and the Department of Homeland Security.

**Investigations.**—Through a contract with a private company, OPM conducts National Agency Check and Inquiry cases and background security investigations for Federal agencies on a reimbursable basis. When OPM is required to pay a fee to the Federal Bureau of Investigation (FBI) for name and fingerprint checks, agencies are required to reimburse OPM for such fees through the Revolving Fund.

In FY 2002, a significant part of OPM's business came from the DOD, for which OPM helped reduce a backlog of reinvestigations for civilian and military personnel. When it was necessary, OPM sent teams of OPM employees and con-

tractor staff to assist with special hiring needs, for the Transportation Security Administration (TSA) and the Federal Aviation Administration (FAA). OPM provided these agencies with onsite assistance to complete investigative forms and used portable live-scan equipment to digitize and transmit fingerprints to the FBI for quicker applicant screening. OPM will continue to work closely with its contractor to provide useful, cost-effective products and services in support of Homeland Security.

**Training and Development.**—OPM conducts residential and nonresidential programs for Federal executives and managers to improve the effectiveness and efficiency of Federal programs.

**WORKLOAD COUNT**

	2002 actual	2003 est.	2004 est.
Participant training days .....	95,802	95,051	94,560
Background security investigations processed .....	92,634	73,000	70,000
National and special agency check and inquiry cases closed ..	526,672	270,000	270,000
Special agreement checks closed .....	1,184,585	700,000	700,000

**Object Classification (in millions of dollars)**

Identification code 24-4571-0-4-805	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	22	23	23
11.3 Other than full-time permanent .....	5	5	5
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	29	30	30
12.1 Civilian personnel benefits .....	8	10	10
21.0 Travel and transportation of persons .....	3	3	3
23.1 Rental payments to GSA .....	7	7	7
23.3 Communications, utilities, and miscellaneous charges .....	5	5	5
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	496	672	725
26.0 Supplies and materials .....	7	10	10
31.0 Equipment .....	10	12	12
99.9 Total new obligations .....	566	750	803

**Personnel Summary**

Identification code 24-4571-0-4-805	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	626	669	669

**Trust Funds**

**CIVIL SERVICE RETIREMENT AND DISABILITY FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 24-8135-0-7-602	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	538,520	569,487	598,151
<b>Receipts:</b>			
02.00 Employee contributions .....	3,998	3,930	3,858
02.01 District of Columbia contributions .....	61	52	46
02.02 Employee deposits, redeposits and other contributions .....	477	494	520
02.40 Agency contributions .....	10,731	9,975	10,739
<b>Offsetting receipts (intragovernmental):</b>			
02.41 Postal Service agency contributions .....	2,888	2,985	3,080
02.41 Postal Service agency contributions, legislative proposal subject to PAYGO .....		551	1,049
<b>Offsetting receipts (intragovernmental):</b>			
02.42 Postal Service supplemental contributions .....	3,875	4,041	4,141
02.42 Postal Service supplemental contributions, legislative proposal subject to PAYGO .....		-4,041	-3,707
02.43 Federal Financing Bank interest .....	1,337	403	
<b>Offsetting receipts (intragovernmental):</b>			
02.44 Treasury interest .....	34,565	36,863	38,768
02.44 Treasury interest, legislative proposal not subject to PAYGO .....		24	-50
<b>Offsetting receipts (intragovernmental):</b>			
02.45 General fund payment to the Civil Service Retirement and Disability fund .....	22,108	22,484	22,787

02.45 General fund payment, legislative proposal not subject to PAYGO .....		2,059	2,085
02.46 Re-employed annuitants salary offset .....	29	29	30
02.99 Total receipts and collections .....	80,069	79,849	83,346
04.00 Total: Balances and collections .....	618,589	649,336	681,497
<b>Appropriations:</b>			
<b>Appropriations:</b>			
05.00 Civil service retirement and disability fund .....	-49,102	-51,185	-52,845
05.00 Proposed legislation, subject to PAYGO .....			-3
05.99 Total appropriations .....	-49,102	-51,185	-52,848
07.99 Balance, end of year .....	569,487	598,151	628,649

**Program and Financing (in millions of dollars)**

Identification code 24-8135-0-7-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Annuities .....	48,668	50,756	52,416
00.02 Refunds and death claims .....	300	290	284
00.03 OPM administration .....	131	136	145
00.04 Transfer to MSPB .....	3	3	
10.00 Total new obligations .....	49,102	51,185	52,845

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	49,102	51,185	52,845
23.95 Total new obligations .....	-49,102	-51,185	-52,845

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.26 Appropriation (trust fund) .....	103	108	122
<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....	79,966	81,079	83,644
60.45 Portion precluded from obligation .....	-30,967	-30,002	-30,921
62.50 Appropriation (total mandatory) .....	48,999	51,077	52,723
70.00 Total new budget authority (gross) .....	49,102	51,185	52,845

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	4,119	4,251	4,445
73.10 Total new obligations .....	49,102	51,185	52,845
73.20 Total outlays (gross) .....	-48,970	-50,991	-52,599
74.40 Obligated balance, end of year .....	4,251	4,445	4,691

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	103	108	122
86.97 Outlays from new mandatory authority .....	44,748	46,632	48,094
86.98 Outlays from mandatory balances .....	4,119	4,251	4,383
87.00 Total outlays (gross) .....	48,970	50,991	52,599

**Net budget authority and outlays:**

89.00 Budget authority .....	49,102	51,185	52,845
90.00 Outlays .....	48,970	50,991	52,599

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value .....	542,637	573,713	602,591
92.02 Total investments, end of year: Federal securities:			
Par value .....	573,713	602,591	633,339

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	5	5	5
99.01 Outlays .....	5	5	5

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Enacted/requested:</b>			
Budget Authority .....	49,102	51,185	52,845
Outlays .....	48,970	50,991	52,599
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority .....			3
Outlays .....			3
<b>Total:</b>			
Budget Authority .....	49,102	51,185	52,848
Outlays .....	48,970	50,991	52,602

CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued

This fund: (1) pays annuities to retired employees or their survivors; (2) makes refunds to separated employees for amounts withheld and to beneficiaries of employees who died before retirement or before annuities equaled the amount withheld; and (3) pays expenses of the Office of Personnel Management for administering the program.

The fund covers two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS).

CSRS is basically a defined benefit plan, covering Federal employees hired prior to 1984. CSRS participants do not participate in the Social Security system. FERS is a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a thrift savings plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS.

	2002 actual	2003 est.	2004 est.
Active employees .....	2,601,563	2,596,763	2,596,763
Annuitants:			
Employees .....	1,748,920	1,768,337	1,812,286
Survivors .....	634,130	631,640	633,640
<b>Total, annuitants .....</b>	<b>2,383,050</b>	<b>2,399,977</b>	<b>2,445,926</b>

Status of Funds (in millions of dollars)

Identification code 24-8135-0-7-602	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100 Treasury balance .....	31	26	8
Federal securities:			
0101 Par value .....	542,608	573,713	602,591
0102 Unrealized discounts .....	-3	-2	-4
0199 Total balance, start of year .....	542,639	573,738	602,596
Cash income during the year:			
Current law:			
Receipts:			
1200 Employee contributions, Civil Service Retirement and Disability Fund .....	3,998	3,930	3,858
1201 District of Columbia contributions .....	61	52	46
1202 Employee deposits, redeposits, and voluntary contributions .....	477	494	520
Offsetting receipts (intragovernmental):			
1240 Agency contributions, Civil Service Retirement and Disability Fund .....	10,731	9,975	10,739
1241 Postal Service agency contributions, Civil Service Retirement and Disability Fund .....	2,888	2,985	3,080
1242 Postal Service supplemental contributions, Civil Service Retirement and Disability Fund .....	3,875	4,041	4,141
1243 Federal Financing Bank interest, Civil Service Retirement and Disability Fund .....	1,337	403	
1244 Treasury interest, Civil Service Retirement and Disability Fund .....	34,565	36,863	38,768
1245 General fund payment to the Civil Service Retirement and Disability Fund .....	22,108	22,484	22,787
1246 Re-employed annuitant salary offset, Civil Service Retirement and Disability Fund .....	29	29	30
1299 Income under present law .....	80,069	81,256	83,969
Proposed legislation:			
Offsetting receipts (intragovernmental):			
2241 Postal Service agency contributions, legislative proposal subject to PAYGO .....		551	1,049
2242 Postal Service supplemental contributions, legislative proposal subject to PAYGO .....		-4,041	-3,707
2244 Treasury interest, legislative proposal not subject to PAYGO .....		24	-50
2245 General fund payment, legislative proposal not subject to PAYGO .....		2,059	2,085
2299 Income under proposed legislation .....		-1,407	-623
3299 Total cash income .....	80,069	79,849	83,346
Cash outgo during year:			
Current law:			
Cash outgo during the year (-):			
4500 Payment of claims to retired employees .....	-40,758	-42,475	-43,667
4500 Payment of alternative annuity refunds .....	-6	-4	-4
4500 Payment of claims to survivor annuitants .....	-7,790	-8,086	-8,497

4500 Lump sum payments to estates or beneficiaries of deceased annuitants and employees .....	-150	-163	-169
4500 Refunds to living separated employees .....	-135	-127	-114
4500 Administration .....	-131	-136	-148
4599 Outgo under current law (-) .....	-48,970	-50,991	-52,599
Proposed legislation:			
5500 Proposed legislation, subject to PAYGO .....			-3
6599 Total cash outgo (-) .....	-48,970	-50,991	-52,602
Unexpended balance, end of year:			
8700 Uninvested balance .....	26	8	8
Federal securities:			
8701 Par value .....	573,713	602,591	633,339
8702 Unrealized discounts .....	-2	-4	-4
8799 Total balance, end of year .....	573,738	602,596	633,340

Object Classification (in millions of dollars)

Identification code 24-8135-0-7-602	2002 actual	2003 est.	2004 est.
25.2 Other services .....	134	136	145
42.0 Insurance claims and indemnities .....	48,668	50,759	52,416
44.0 Refunds and death claims .....	300	290	284
99.9 Total new obligations .....	49,102	51,185	52,845

CIVIL SERVICE RETIREMENT AND DISABILITY FUND  
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 24-8135-4-7-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Annuities .....			3
10.00 Total new obligations (object class 42.0) .....			3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			3
23.95 Total new obligations .....			-3
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....			3
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			3
73.20 Total outlays (gross) .....			-3
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			3
90.00 Outlays .....			3

The Administration will propose legislation to simplify the computation of annuities under the Civil Service Retirement System for individuals with part-time service. The change would eliminate an unintended adverse effect on employees who perform part-time service at the end of their careers, and provide agencies increased flexibility to recruit and retain personnel.

In addition, the budget includes a legislative proposal, a portion of which scores PAYGO, that corrects for an anticipated USPS over-funding of Civil Service Retirement System (CSRS) retirement benefits. This anticipated over-funding is due to a number of factors, including higher than expected past pension investment yields and overly prescriptive and inflexible statutory language. While the legislative proposal would reduce USPS payments to the Retirement Fund, it ensures that USPS meets its pension obligations so that no employee or retiree would lose any benefits. The proposal is consistent with the structure and financing of the Federal Employees' Retirement System as well as the Administra-

tion's legislative proposal to fully fund the CSRS liabilities for non-USPS employees and retirees.

**EMPLOYEES LIFE INSURANCE FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 24-8424-0-8-602	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.80 Employees life insurance fund, offsetting collections	3,501	3,570	3,678
Appropriations:			
05.00 Employees life insurance fund	-3,501	-3,570	-3,678
05.99 Total appropriations	-3,501	-3,570	-3,678
07.99 Balance, end of year			

**Program and Financing** (in millions of dollars)

Identification code 24-8424-0-8-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Regular program premiums	1,157	1,268	1,288
09.02 Optional program premiums	841	922	1,002
09.03 Beneficial program premiums	2	2	2
09.04 Administration	2	2	2
09.05 Long term care administration	1	1	1
10.00 Total new obligations (object class 25.2)	2,003	2,195	2,295

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	23,134	24,603	25,992
22.00 New budget authority (gross)	3,472	3,584	3,688
23.90 Total budgetary resources available for obligation	26,606	28,187	29,680
23.95 Total new obligations	-2,003	-2,195	-2,295
24.40 Unobligated balance carried forward, end of year	24,603	25,992	27,385

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	2
<b>Mandatory:</b>			
69.00 Offsetting collections (cash)	3,499	3,568	3,676
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-29	14	10
69.90 Spending authority from offsetting collections (total mandatory)	3,470	3,582	3,686
70.00 Total new budget authority (gross)	3,472	3,584	3,688

**Change in obligated balances:**

72.40 Obligated balance, start of year	131	202	213
73.10 Total new obligations	2,003	2,195	2,295
73.20 Total outlays (gross)	-1,961	-2,170	-2,254
74.00 Change in uncollected customer payments from Federal sources (unexpired)	29	-14	-10
74.40 Obligated balance, end of year	202	213	244

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	2	2	2
86.97 Outlays from new mandatory authority	1,959	2,168	2,252
87.00 Total outlays (gross)	1,961	2,170	2,254

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Agency contributions	-420	-461	-482
88.20 Interest on Federal securities	-1,366	-1,325	-1,331
<b>Non-Federal sources:</b>			
88.40 Regular program	-666	-702	-740
88.40 Optional program	-1,049	-1,082	-1,125
88.90 Total, offsetting collections (cash)	-3,501	-3,570	-3,678
<b>Against gross budget authority only:</b>			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	29	-14	-10

**Net budget authority and outlays:**

89.00 Budget authority			
------------------------	--	--	--

90.00 Outlays	-1,540	-1,400	-1,424
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value	23,690	24,603	25,992
92.02 Total investments, end of year: Federal securities:			
Par value	24,603	25,992	27,385

This fund finances payments to private insurance companies for Federal employees' group life insurance and expenses of the Office of Personnel Management in administering the program.

**Budget program.**—The status of the basic (regular and optional) life insurance program on September 30 is as follows:

Life insurance in force (in billions of dollars):	2002 actual	2003 est.	2004 est.
On active employees	550	560	570
On retired employees	54	56	58
Total	604	616	628

**Number of participants (in thousands):**

Active employees	2,399	2,380	2,372
Annuitants	1,585	1,590	1,595
Total	3,984	3,970	3,967

**Financing.**—Non-Postal Service employees and all retirees under 65 pay two-thirds of the premium costs for Basic coverage; agencies pay the remaining third. Optional and certain post-retirement Basic coverages are paid entirely by enrollees. The status of the reserves at the end of the year is as follows:

Status of Reserves	2002 actual	2003 est.	2004 est.
<b>Held in reserve (in millions of dollars):</b>			
Contingency reserve	100	100	100
Beneficial association program reserve	1	1	1
U.S. Treasury reserve	25,350	24,471	25,779
Total reserves	25,451	24,572	25,880

**EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS**

**Unavailable Collections** (in millions of dollars)

Identification code 24-9981-0-8-551	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.80 Employees and retired employees health benefits fund, offsetting collections	23,610	26,820	29,468
Appropriations:			
05.00 Employees and retired employees health benefits fund	-23,610	-26,820	-29,468
05.99 Total appropriations	-23,610	-26,820	-29,468
07.99 Balance, end of year			

**Program and Financing** (in millions of dollars)

Identification code 24-9981-0-8-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Benefit payments	22,667	26,185	28,581
09.02 Payments from OPM contingency reserve	125	250	250
09.03 Government payment for annuitants (1960 Act)	2	2	2
09.04 Administration	24	24	27
10.00 Total new obligations (object class 25.6)	22,820	26,461	28,859

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	4,418	5,341	5,827
22.00 New budget authority (gross)	23,742	26,947	29,582
23.90 Total budgetary resources available for obligation	28,161	32,288	35,409
23.95 Total new obligations	-22,820	-26,461	-28,859
24.40 Unobligated balance carried forward, end of year	5,341	5,827	6,551

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	24	24	27

**EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS—  
Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 24-9981-0-8-551	2002 actual	2003 est.	2004 est.
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	23,586	26,796	29,441
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	133	127	114
69.90 Spending authority from offsetting collections (total mandatory) .....	23,719	26,923	29,556
70.00 Total new budget authority (gross) .....	23,742	26,947	29,583
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,235	2,215	2,368
73.10 Total new obligations .....	22,820	26,461	28,859
73.20 Total outlays (gross) .....	-22,707	-26,181	-28,726
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-133	-127	-114
74.40 Obligated balance, end of year .....	2,215	2,368	2,388
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	24	24	27
86.97 Outlays from new mandatory authority .....	21,786	25,127	27,542
86.98 Outlays from mandatory balances .....	897	1,030	1,157
87.00 Total outlays (gross) .....	22,707	26,181	28,726
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Agency contributions .....	-9,896	-11,364	-12,327
88.00 Government contributions for annuitants .....	-7,009	-7,871	-8,711
88.20 Interest on Federal securities .....	-210	-302	-379
Non-Federal sources:			
88.40 Employee salary withholdings .....	-3,371	-3,811	-4,178
88.40 Annuity withholdings .....	-3,059	-3,392	-3,785
88.40 Contributions from D.C. Government .....	-65	-80	-88
88.90 Total, offsetting collections (cash) .....	-23,610	-26,820	-29,468
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-133	-127	-114
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-1		
90.00 Outlays .....	-903	-639	-742
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	6,651	7,554	8,202
92.02 Total investments, end of year: Federal securities:			
Par value .....	7,554	8,202	8,944
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

**Status of Funds (in millions of dollars)**

Identification code 24-9981-0-8-551	2002 actual	2003 est.	2004 est.
<b>Unexpended balance, start of year:</b>			
0100 Treasury balance .....	16	11	5
<b>Federal securities:</b>			
0101 Par value .....	6,651	7,554	8,202
0102 Unrealized discounts .....	-14	-10	-11
0199 Total balance, start of year .....	6,653	7,556	8,195
<b>Cash income during the year:</b>			
<b>Current law:</b>			
<b>Offsetting collections:</b>			
<b>Offsetting governmental receipts:</b>			
1280 Contributions from Employing Agencies .....	6,234	7,207	7,811
1280 Contributions from Postal Service for Active Employees .....	3,662	4,157	4,516
1280 Contributions from Postal Service for Annuity annuitants .....	993	1,164	1,296
1280 Government Payment for Annuity Health Benefits .....	6,016	6,707	7,415

1280 Interest Earned .....	210	302	379
1280 Contributions from DC Government .....	65	80	88
1280 Contributions from Active Employees .....	3,371	3,811	4,178
1280 Contributions from Annuitants .....	3,059	3,391	3,786
1299 Income under present law .....	23,610	26,820	29,468
<b>Cash outgo during year:</b>			
<b>Current law:</b>			
<b>Cash outgo during the year (-):</b>			
4500 Benefit Payments (-) .....	-22,557	-25,907	-28,449
4500 Payments to Carriers from OPM Contingency Reserves (-) .....	-125	-250	-250
4500 Administration (-) .....	-25	-24	-27
4599 Outgo under current law (-) .....	-22,707	-26,181	-28,726
<b>Unexpended balance, end of year:</b>			
8700 Uninvested balance .....	11	5	5
<b>Federal securities:</b>			
8701 Par value .....	7,554	8,202	8,944
8702 Unrealized discounts .....	-10	-11	-12
8799 Total balance, end of year .....	7,556	8,195	8,939

This display combines the Federal Employees Health Benefits (FEHB) fund and the Retired Employees Health Benefits (REHB) fund.

The FEHB fund provides for the cost of health benefits for: (1) active employees; (2) employees who retired after June 1960, or their survivors; (3) those annuitants transferred from the REHB program as authorized by Public Law 93-246; and (4) the related expenses of the Office of Personnel Management (OPM) in administering the program.

The REHB fund, created by the Retired Federal Employees Health Benefits Act of 1960, provides for: (1) the cost of health benefits for retired employees and survivors who enroll in a Government-sponsored uniform health benefits plan; (2) the contribution to retired employees and survivors who retain or purchase private health insurance; and (3) expenses of OPM in administering the program.

**Budget program.**—The balance of the FEHB fund is available for payments without fiscal year limitation. Numbers of participants at the end of each fiscal year are as follows:

	2002 actual	2003 est.	2004 est.
Active employees .....	2,189,131	2,186,000	2,182,000
Annuity annuitants .....	1,857,014	1,871,000	1,910,000
Total .....	4,046,145	4,057,000	4,092,000

In determining a biweekly subscription rate to cover program costs, one percent is added for administrative expenses and three percent is added for a contingency reserve held by OPM for each carrier. OPM is authorized to transfer unused administrative reserve funds to the contingency reserve.

The REHB fund is available without fiscal year limitation. The amounts contributed by the Government are paid into the fund from annual appropriations. The number of participants at the end of each fiscal year are as follows:

	2002 actual	2003 est.	2004 est.
Uniform plan .....	747	620	515
Private plans .....	2,130	1,768	1,467
Total .....	2,877	2,388	1,982

**Financing.**—The funds are financed by: (1) withholdings from active employees and annuitants; (2) agency contributions for active employees; (3) Government contributions for annuitants appropriated to OPM; and (4) contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508 and Public Law 103-66.

**Operating results.**—Funds made available to carriers but not used to pay claims in the current period are carried forward as special reserves for use in subsequent periods.

OPM maintains a contingency reserve, funded by employee and Government contributions, that may be used to defray future cost increases or provide increased benefits. OPM

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makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause such as unexpected claims experience or variations from expected community rates.



## SMALL BUSINESS ADMINISTRATION

For 2004, the Small Business Administration (SBA) budget requests \$797.9 million in new budget authority. SBA's continuing operations will provide over \$20 billion in new loans to small businesses, funding for non-credit programs, and funding for the disaster loan program. SBA has revised its 7(a) loan subsidy model to more accurately reflect the costs of the program.

### Federal Funds

#### General and special funds:

##### SALARIES AND EXPENSES

*For necessary expenses, not otherwise provided for, of the Small Business Administration as authorized by Public Law 105-135, including hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344, and not to exceed \$3,500 for official reception and representation expenses, \$360,155,000: Provided, That the Administrator is authorized to charge fees to cover the cost of publications developed by the Small Business Administration, and certain loan servicing activities: Provided further, That, notwithstanding 31 U.S.C. 3302, revenues received from all such activities shall be credited to this account, to be available for carrying out these purposes without further appropriations: Provided further, That \$88,000,000 shall be available to fund grants for performance in fiscal year 2004 or fiscal year 2005 as authorized by section 21 of the Small Business Act, as amended. In addition to amounts otherwise available from collections, 5 percent of such collections, not to exceed \$3,000,000, for qualified expenses of delinquent non-tax debt collection.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 73-0100-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Government contracting and minority enterprise development	31	32	32
00.02 Disaster assistance	121	134	108
00.04 Management and administration	111	114	116
00.05 Executive direction	4	4	5
00.06 General counsel	8	8	9
00.07 Congressional and legislative affairs	1	1	1
00.08 Hearings and appeals	1	1	1
00.09 Communications and publications	3	3	3
00.11 Advocacy	5	7	8
00.12 Field operations	2	1	1
00.13 Equal employment opportunity and civil rights compliance	2	2	2
00.14 Regional and district offices	140	150	152
00.15 Chief financial officer	9	9	9
00.16 Capital Access	55	79	48
00.17 Entrepreneurial development	116	115	114
00.18 Small disadvantaged businesses	1	2	2
00.19 Veteran's Business Development	1	1	1
10.00 Total new obligations	611	663	612
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	41	56	1
22.00 New budget authority (gross)	632	608	612
23.90 Total budgetary resources available for obligation	673	664	613
23.95 Total new obligations	-611	-663	-612
23.98 Unobligated balance expiring or withdrawn	-6		
24.40 Unobligated balance carried forward, end of year	56	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	338	353	360
42.00 Transferred from other accounts	3		
43.00 Appropriation (total discretionary)	341	353	360

68.00	Spending authority from offsetting collections: Offsetting collections (cash)	291	255	252
70.00	Total new budget authority (gross)	632	608	612

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	311	292	390
73.10	Total new obligations	611	663	612
73.20	Total outlays (gross)	-628	-565	-607
73.40	Adjustments in expired accounts (net)	-3		
74.40	Obligated balance, end of year	292	390	395

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	499	449	450
86.93	Outlays from discretionary balances	129	116	157
87.00	Total outlays (gross)	628	565	607

<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Payments from business loan program account	-129	-129	-129
88.00	Payments from disaster loan program account	-157	-121	-118
88.00	Federal sources	-4	-2	-2
88.40	Non-Federal sources	-3	-3	-3
88.90	Total, offsetting collections (cash)	-293	-255	-252
Against gross budget authority only:				
88.96	Portion of offsetting collections (cash) credited to expired accounts	2		

<b>Net budget authority and outlays:</b>				
89.00	Budget authority	341	353	360
90.00	Outlays	334	310	355

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority	9	9	9
99.01	Outlays	9	9	9

The appropriation for this account is necessary to cover the administrative expenses for headquarters and non-credit programs.

#### Object Classification (in millions of dollars)

Identification code 73-0100-0-1-376	2002 actual	2003 est.	2004 est.	
<b>Personnel compensation:</b>				
11.1	Full-time permanent	179	192	200
11.3	Other than full-time permanent	8	8	8
11.5	Other personnel compensation	4	3	3
11.9	Total personnel compensation	191	203	211
12.1	Civilian personnel benefits	45	50	49
21.0	Travel and transportation of persons	4	5	4
22.0	Transportation of things		3	
23.1	Rental payments to GSA	31	32	36
23.3	Communications, utilities, and miscellaneous charges	4	4	6
24.0	Printing and reproduction	1	1	1
25.2	Other services	42	72	67
Other purchases of goods and services from Government accounts:				
25.3	Other purchases of goods and services from Government accounts (disaster loan making)	94	104	80
25.3	Other purchases of goods and services from Government accounts (disaster loan serv)	27	30	28
26.0	Supplies and materials	2		
31.0	Equipment	2		
41.0	Grants, subsidies, and contributions	168	159	130
99.9	Total new obligations	611	663	612

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Personnel Summary**

Identification code 73-0100-0-1-376	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	3,843	3,802	3,802

*Note.*—The personnel summary includes regular (non-disaster) full-time equivalents (FTEs) of 2761, 2634, and 2634 in 2002, 2003, and 2004 respectively.

**OFFICE OF INSPECTOR GENERAL**

*For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App.), \$14,500,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 73-0200-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 General Office .....	1	1	1
00.02 Audit .....	5	6	6
00.03 Investigations .....	5	7	7
00.04 Management / Legal Counsel / Inspection and Evaluation .....	1	1	1
10.00 Total new obligations .....	12	15	15
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	12	15	15
23.95 Total new obligations .....	-12	-15	-15
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	11	14	14
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	12	15	15
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	12	15	15
73.20 Total outlays (gross) .....	-12	-14	-15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	12	14	14
86.93 Outlays from discretionary balances .....			1
87.00 Total outlays (gross) .....	12	14	15
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Payments from disaster loan program account .....	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	11	14	14
90.00 Outlays .....	13	13	14
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The budget proposes \$14.5 million in new budget authority and \$500 thousand transferred from the Disaster Loans Program account for a total of \$15.0 million for the Office of Inspector General (OIG) for 2004. This appropriation provides funds for agency-wide audit, investigative, and inspection/evaluation functions to promote economy and efficiency in agency operations and to prevent and detect fraud, waste, and abuse.

**Object Classification (in millions of dollars)**

Identification code 73-0200-0-1-376	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	8	9	9
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	9	10	10
12.1 Civilian personnel benefits .....	2	2	2
25.1 Advisory and assistance services .....	1	3	3
99.9 Total new obligations .....	12	15	15

**Personnel Summary**

Identification code 73-0200-0-1-376	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	108	125	125

**Public enterprise funds:**

**SURETY BOND GUARANTEES REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 73-4156-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable obligations .....	6	9	11
10.00 Total new obligations (object class 42.0) .....	6	9	11
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	26	26	23
22.00 New budget authority (gross) .....	6	6	7
23.90 Total budgetary resources available for obligation .....	32	32	30
23.95 Total new obligations .....	-6	-9	-11
24.40 Unobligated balance carried forward, end of year .....	26	23	20
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	6	6	7
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	6	9	11
73.20 Total outlays (gross) .....	-6	-9	-10
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	6	6	7
86.93 Outlays from discretionary balances .....		3	3
87.00 Total outlays (gross) .....	6	9	10
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-6	-6	-7
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-1	3	3

SBA is authorized to issue bond guarantees to surety companies for construction, service, and supply contracts that do not exceed \$2,000,000 and to reimburse these sureties up to 90 percent of the losses sustained if the contractor defaults. SBA's guarantees provide the incentive necessary for sureties to issue bonds to small contractors who could not otherwise compete in the contracting industry.

In 2004, the budget proposes a \$1.7 billion program level that is anticipated to be sufficient to accommodate demand from prior-approval and preferred sureties. This program does not require a subsidy appropriation.

Statement of Operations (in millions of dollars)

Identification code 73-4156-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue	3	6	6	7
0102 Expense	-10	-6	-9	-11
0105 Net income or loss (-)	-7		-3	-4

Balance Sheet (in millions of dollars)

Identification code 73-4156-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury	26	27	25	24
Investments in US securities:				
1106 Receivables, net	6	5	5	6
1999 Total assets	32	32	30	30
<b>LIABILITIES:</b>				
2201 Non-Federal liabilities: Accounts payable	14	16	17	15
2999 Total liabilities	14	16	17	15
<b>NET POSITION:</b>				
3100 Appropriated capital	293	289	332	333
3300 Cumulative results of operations	-275	-273	-319	-318
3999 Total net position	18	16	13	15
4999 Total liabilities and net position	32	32	30	30

Credit accounts:

BUSINESS LOANS PROGRAM ACCOUNT

For the cost of direct loans, \$1,910,000, to be available until expended; and for the cost of guaranteed loans, \$94,860,000, as authorized by 15 U.S.C. 631 note, of which \$45,000,000 shall remain available until September 30, 2005: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That during fiscal year 2004 commitments to guarantee loans under section 503 of the Small Business Investment Act of 1958, as amended (the Act), shall not exceed \$4,500,000,000: Provided further, That during fiscal year 2004 commitments to guarantee loans for debentures and participating securities under section 303(b) of the Act shall not exceed the levels established by section 20(i)(1)(C) of the Small Business Act: Provided further, That during fiscal year 2004 guarantees of trust certificates authorized by section 5(g) of the Small Business Act shall not exceed a principal amount of \$10,000,000,000.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$129,000,000, which may be transferred to and merged with the appropriations for Salaries and Expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 73-1154-0-1-376	2002 actual	2003 est.	2004 est.
0102 Negative subsidies/subsidy reestimates	389	258	

Program and Financing (in millions of dollars)

Identification code 73-1154-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy	1	4	3
00.02 Guaranteed loan subsidy	129	85	95
00.05 Reestimate of direct loan	1	2	
00.06 Interest on direct loan reestimation		2	
00.07 Reestimate of loan guarantee subsidy	72	526	
00.08 Interest on reestimates of loan guarantee subsidy	19	163	
00.09 Administrative expenses	129	129	129
10.00 Total new obligations	351	911	227
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	54	73	73

22.00 New budget authority (gross)	370	911	226
23.90 Total budgetary resources available for obligation	424	984	299
23.95 Total new obligations	-351	-911	-227
24.40 Unobligated balance carried forward, end of year	73	73	72

New budget authority (gross), detail:

<b>Discretionary:</b>			
Appropriation:			
40.00 Appropriation	209	218	226
40.00 Appropriation (terrorism)	75		
40.36 Unobligated balance rescinded	-6		
43.00 Appropriation (total discretionary)	278	218	226
<b>Mandatory:</b>			
60.00 Appropriation	92	693	
70.00 Total new budget authority (gross)	370	911	226

Change in obligated balances:

72.40 Obligated balance, start of year	93	98	78
73.10 Total new obligations	351	911	227
73.20 Total outlays (gross)	-346	-933	-223
74.40 Obligated balance, end of year	98	78	82

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	146	137	142
86.93 Outlays from discretionary balances	108	103	81
86.97 Outlays from new mandatory authority	92	693	
87.00 Total outlays (gross)	346	933	223

Net budget authority and outlays:

89.00 Budget authority	370	911	226
90.00 Outlays	346	933	223

Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority	4	4	4
99.01 Outlays	4	4	4

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 73-1154-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Micro loans	16	27	20
115901 Total direct loan levels	16	27	20
<b>Direct loan subsidy (in percent):</b>			
132001 Micro loans	6.78	13.05	9.55
132901 Weighted average subsidy rate	6.78	13.05	9.55
<b>Direct loan subsidy budget authority:</b>			
133001 Micro loans	1	4	2
133901 Total subsidy budget authority	1	4	2
<b>Direct loan subsidy outlays:</b>			
134001 Micro loans	1	2	1
134901 Total subsidy outlays	1	2	1
<b>Direct loan upward reestimate subsidy budget authority:</b>			
135001 Micro loans	1	4	
135901 Total upward reestimate budget authority	1	4	
<b>Direct loan upward reestimate subsidy outlays:</b>			
136001 Micro loans	1	4	
136901 Total upward reestimate outlays	1	4	
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 Micro loans	-4	-2	
137901 Total downward reestimate budget authority	-4	-2	
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 Micro loans	-4	-2	
138901 Total downward reestimate subsidy outlays	-4	-2	
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Microloan guarantees	2	2	2
215002 General business—7(a)	9,287	4,850	9,300
215002 General business—7(a)—terrorist response	1,779	2,544	
215003 General business—7(a) DELTA	1	20	
215004 Section 504	2,467	4,500	4,500

Credit accounts—Continued

BUSINESS LOANS PROGRAM ACCOUNT—Continued

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program  
(in millions of dollars)—Continued

Identification code 73-1154-0-1-376	2002 actual	2003 est.	2004 est.
215005 Section 504 DELTA .....		3	
215006 SBIC debentures .....	411	3,000	3,000
215007 SBIC participating securities .....	1,300	4,000	4,000
215008 New Market Venture Capital .....	19	64	
215009 7(a) secondary market .....			
215901 Total loan guarantee levels .....	15,266	18,983	20,802
Guaranteed loan subsidy (in percent):			
232001 Microloan guarantees .....	8.17	8.42	8.66
232002 General business—7(a) .....	1.07	1.76	1.02
232002 General business—7(a) — terrorist response .....	1.67	1.78	0.00
232003 General business—7(a) DELTA .....	1.73	2.40	1.56
232004 Section 504 .....	0.00	0.00	0.00
232005 Section 504 DELTA .....	0.84	0.88	0.86
232006 SBIC debentures .....	0.00	0.00	0.00
232007 SBIC participating securities .....	0.00	0.00	0.00
232008 New Market Venture Capital .....	14.47	15.46	16.05
232009 7(a) secondary market .....	0.00	0.00	66.04
232901 Weighted average subsidy rate .....	0.86	0.45	0.46
Guaranteed loan subsidy budget authority:			
233001 Microloan guarantees .....			
233002 General business—7(a) .....	99	85	95
233002 General business—7(a) — terrorist response .....	30		
233003 General business—7(a) DELTA .....			
233004 Section 504 .....			
233005 Section 504 DELTA .....			
233006 SBIC debentures .....			
233007 SBIC participating securities .....			
233008 New Market Venture Capital .....	3		
233009 7(a) secondary market .....			
233901 Total subsidy budget authority .....	132	85	95
Guaranteed loan subsidy outlays:			
234001 Microloan guarantees .....			
234002 General business—7(a) .....	96	81	86
234002 General business—7(a) — terrorist response .....	24	16	
234003 General business—7(a) DELTA .....	1	1	1
234004 Section 504 .....			
234005 Section 504 DELTA .....			
234006 SBIC debentures .....			
234007 SBIC participating securities .....			
234008 New Market Venture Capital .....	3	9	7
234009 7(a) secondary market .....			
234901 Total subsidy outlays .....	124	107	94
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Microloan guarantees .....			
235002 General business—7(a) .....	5	189	
235003 General business—7(a) DELTA .....			
235004 Section 504 .....	23	146	
235005 Section 504 DELTA .....			
235006 SBIC debentures .....	10	27	
235007 SBIC participating securities .....	53	327	
235901 Total upward reestimate budget authority .....	91	689	
Guaranteed loan upward reestimate subsidy outlays:			
236001 Microloan guarantees .....			
236002 General business—7(a) .....	5	189	
236003 General business—7(a) DELTA .....			
236004 Section 504 .....	23	146	
236005 Section 504 DELTA .....			
236006 SBIC debentures .....	10	27	
236007 SBIC participating securities .....	53	327	
236901 Total upward reestimate subsidy outlays .....	91	689	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Microloan guarantees .....			
237002 General business—7(a) .....	-182	-158	
237003 General business—7(a) DELTA .....			
237004 Section 504 .....	-112	-10	
237005 Section 504 DELTA .....			
237006 SBIC debentures .....	-52	-34	
237007 SBIC participating securities .....	-38	-54	
237901 Total downward reestimate subsidy budget authority .....	-384	-256	
Guaranteed loan downward reestimate subsidy outlays:			
238001 Microloan guarantees .....			

238002 General business—7(a) .....	-182	-158	
238003 General business—7(a) DELTA .....			
238004 Section 504 .....	-112	-10	
238005 Section 504 DELTA .....			
238006 SBIC debentures .....	-52	-34	
238007 SBIC participating securities .....	-38	-54	
238901 Total downward reestimate subsidy outlays .....	-384	-256	
Administrative expense data:			
351001 Budget authority .....	129	129	129
358001 Outlays from balances .....			
359001 Outlays from new authority .....	129	129	129

As required by the Federal Credit Reform Act of 1990, as amended, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

For 2004, the budget proposes \$225.8 million in new budget authority for the Business Loans Program account. This amount will be used to administer the loan programs and support 7(a) loans and the Microloan Direct program. For all other loan programs, borrowers fees are sufficient to cover subsidy obligations.

The Section 7(a) program provides general business credit assistance. The requested program level for 2004 is \$9.3 billion. The Section 504 CDC Program is for long-term fixed rate financing and will require a program level of \$4.5 billion in 2004. The Small Business Investment Companies (SBIC) program provides debt and equity capital. The budget proposes a program level of \$4 billion for SBIC Participating Securities and \$3 billion for SBIC Debentures. The Microloan Direct program provides loans of \$35,000 or less through intermediaries.

The Master Reserve Fund (MRF) is maintained by the SBA's fiscal agent as part of its Administration of the 7(a) secondary market program. The MRF provides for the pooling of loans having terms that vary with a range prescribed by SBA, while the secondary investors have a fixed term for their investment that is the term of the longest loan in the pool. The balances include the principal portion of the borrowers' first payment for pooled loans and float on borrowers' payments received prior to their disbursement to the secondary holders. The earnings on the balances are used to fund the SBA's guarantee of the timely payment of principal and interest owed to the 7(a) secondary market holders and to pay expenses of the MRF trustee and investment advisor.

To improve financial management of the MRF, SBA will budget for the 7(a) secondary market program in accordance with the Federal Credit Reform Act. SBA will refine its subsidy estimates and account for loans in both financing and liquidating accounts. The 7(a) secondary market has approximately \$12 billion of currently outstanding investments held by 7(a) secondary holders.

Object Classification (in millions of dollars)

Identification code 73-1154-0-1-376	2002 actual	2003 est.	2004 est.
25.2 Other services .....	129	129	129
41.0 Grants, subsidies, and contributions .....	222	782	98
99.9 Total new obligations .....	351	911	227

**BUSINESS DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 73-4148-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans	16	27	20
00.02 Interest on Treasury borrowing	29	35	33
00.91 Direct Program by Activities—Subtotal (1 level)	45	62	53
08.02 Payment of downward reestimate to a receipt account	3	1	
08.04 Payment of interest on downward reestimate to a receipt account	1	1	
08.91 Direct Program by Activities—Subtotal (1 level)	4	2	
10.00 Total new obligations	49	64	53
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	317	309	
22.00 New financing authority (gross)	55	98	74
22.10 Resources available from recoveries of prior year obligations	3		
22.60 Portion applied to repay debt	-17	-341	-21
23.90 Total budgetary resources available for obligation	358	66	53
23.95 Total new obligations	-49	-64	-53
24.40 Unobligated balance carried forward, end of year	309		
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow	24	23	17
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	69	75	57
68.10 Change in receivables from program account	-38		
68.90 Spending authority from offsetting collections (total discretionary)	31	75	57
70.00 Total new financing authority (gross)	55	98	74
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	39	23	8
73.10 Total new obligations	49	64	53
73.20 Total financing disbursements (gross)	-100	-80	-61
73.45 Recoveries of prior year obligations	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	38		
74.40 Obligated balance, end of year	23	8	
87.00 Total financing disbursements (gross)	100	80	61

<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Federal sources: Payments from program account	-1	-2	-1
88.00 Upward reestimate	-1	-2	
88.00 Interest on reestimate	-2		
88.25 Interest on uninvested funds	-12	-13	-14
Non-Federal sources:			
88.40 Repayments of principal, net	-16	-17	-18
88.40 Misc. fees	-1		
88.40 Interest received on loans	-2	-4	-3
88.40 Other income	-36	-35	-21
88.90 Total, offsetting collections (cash)	-69	-75	-57
Against gross financing authority only:			
88.95 Change in receivables from program accounts	38		

<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority	24	23	17
90.00 Financing disbursements	31	5	4

**Status of Direct Loans** (in millions of dollars)

Identification code 73-4148-0-3-376	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	16	27	20
1150 Total direct loan obligations	16	27	20

Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	107	119	122
1231 Disbursements: Direct loan disbursements	25	18	19
1251 Repayments: Repayments and prepayments	-13	-10	-11
1263 Write-offs for default: Direct loans		-5	-6
1290 Outstanding, end of year	119	122	124

As required by the Federal Credit Reform Act of 1990, as amended, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 73-4148-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury	305	333	339	346
Investments in US securities:				
1106 Receivables, net	41	4	6	8
Non-Federal assets:				
1206 Receivables, net	30	1	2	3
1207 Advances and prepayments		1		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	107	119	122	124
1405 Allowance for subsidy cost (-)	-3	-10	-12	-14
1499 Net present value of assets related to direct loans	104	109	110	110
1504 Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Foreclosed property				
1999 Total assets	480	448	457	467
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable	43	1	3	5
2103 Debt	437	443	451	459
2207 Non-Federal liabilities: Other		4	3	3
2999 Total liabilities	480	448	457	467
4999 Total liabilities and net position	480	448	457	467

**BUSINESS GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 73-4149-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Default claims	1,253	1,390	995
00.05 Other Expenses	5	10	13
00.91 Direct Program by Activities—Subtotal (1 level)	1,258	1,400	1,008
08.02 Payment of downward reestimate to receipt account	298	222	
08.03 Payment to liquidating account to purchase loan assets (73-4154)	19		
08.04 Payment of interest on downward reestimate to receipt account	86	34	
08.91 Direct Program by Activities—Subtotal (1 level)	403	256	
10.00 Total new obligations	1,661	1,656	1,008
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	136	183	292
22.00 New financing authority (gross)	1,708	1,764	931
23.90 Total budgetary resources available for obligation	1,844	1,947	1,223
23.95 Total new obligations	-1,661	-1,656	-1,008
24.40 Unobligated balance carried forward, end of year	183	292	215
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow	850	150	250
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	872	1,614	681

**Credit accounts—Continued**

**BUSINESS GUARANTEED LOAN FINANCING ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 73-4149-0-3-376	2002 actual	2003 est.	2004 est.
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	- 14		
68.90 Spending authority from offsetting collections (total discretionary) .....	858	1,614	681
70.00 Total new financing authority (gross) .....	1,708	1,764	931
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	- 8	69	98
73.10 Total new obligations .....	1,661	1,656	1,008
73.20 Total financing disbursements (gross) .....	- 1,598	- 1,627	- 907
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	14		
74.40 Obligated balance, end of year .....	69	98	199
87.00 Total financing disbursements (gross) .....	1,598	1,627	907
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Payments from program account .....	- 124	- 107	- 94
88.00 Upward reestimate .....	- 72	- 526	
88.00 Interest on reestimate .....	- 19	- 163	
88.25 Interest on uninvested funds .....	- 45	- 48	- 48
Non-Federal sources:			
88.40 Fees .....	- 314	- 300	- 35
88.40 Recoveries .....	- 209	- 279	- 302
88.40 Proceeds from loan asset sales .....	- 53		
88.40 Other .....	- 36	- 191	- 202
88.90 Total, offsetting collections (cash) .....	- 872	- 1,614	- 681
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	14		
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	850	150	250
90.00 Financing disbursements .....	726	13	226

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 73-4149-0-3-376	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	15,266	18,983	20,802
2150 Total guaranteed loan commitments .....	15,266	18,983	20,802
2199 Guaranteed amount of guaranteed loan commitments .....	12,213	15,186	16,642
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	35,107	40,023	41,933
2231 Disbursements of new guaranteed loans .....	12,342	10,111	10,741
2251 Repayments and prepayments .....	- 7,427	- 7,481	- 8,138
Adjustments:			
2261 Terminations for default that result in loans receivable .....	- 922	- 684	- 698
2264 Other adjustments, net .....	923	- 36	- 37
2290 Outstanding, end of year .....	40,023	41,933	43,801
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	32,018	33,546	35,041
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	966	1,304	1,556
2331 Disbursements for guaranteed loan claims .....	922	684	698
2351 Repayments of loans receivable .....	- 212	- 218	- 223
2361 Write-offs of loans receivable .....	- 105	- 74	- 75
2364 Other adjustments, net .....	- 267	- 140	- 143
2390 Outstanding, end of year .....	1,304	1,556	1,813

As required by the Federal Credit Reform Act of 1990, as amended, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet (in millions of dollars)**

Identification code 73-4149-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	924	253	360	490
Investments in US securities:				
1106 Receivables, net .....	179	669	799	700
Non-Federal assets:				
1206 Receivables, net .....		61	76	61
1207 Advances and prepayments .....	245		2	
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross .....	966	1,304	1,556	1,813
1505 Allowance for subsidy cost (-) .....	- 32	- 36	- 90	- 95
1599 Net present value of assets related to defaulted guaranteed loans .....	934	1,268	1,466	1,718
1901 Other Federal assets: Public and other .....	238	377	143	
1999 Total assets .....	2,520	2,628	2,846	2,969
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....		73	89	75
2103 Debt .....		850	875	900
2105 Other .....		251	238	338
Non-Federal liabilities:				
2201 Accounts payable .....		103	115	147
2204 Liabilities for loan guarantees .....	2,520	1,358	1,455	1,458
2207 Other .....		- 7	74	51
2999 Total liabilities .....	2,520	2,628	2,846	2,969
4999 Total liabilities and net position .....	2,520	2,628	2,846	2,969

**BUSINESS LOAN FUND LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 73-4154-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Interest Expense to Treasury .....	15	8	5
00.03 Msc. program expenses .....	45	85	60
00.05 Guaranteed loan default claims .....	414	147	85
10.00 Total new obligations .....	474	240	150
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	289	257	
22.00 New budget authority (gross) .....	175	113	85
22.10 Resources available from recoveries of prior year obligations .....	647		76
22.40 Capital transfer to general fund .....	- 350	- 115	
22.60 Portion applied to repay debt to FFB .....	- 30	- 15	- 11
23.90 Total budgetary resources available for obligation .....	731	240	150
23.95 Total new obligations .....	- 474	- 240	- 150
24.40 Unobligated balance carried forward, end of year .....	257		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	171	113	85
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	4		
69.90 Spending authority from offsetting collections (total mandatory) .....	175	113	85
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	388	109	259
73.10 Total new obligations .....	474	240	150
73.20 Total outlays (gross) .....	- 102	- 90	- 68

73.45	Recoveries of prior year obligations .....	-647		-76
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-4		
74.40	Obligated balance, end of year .....	109	259	265
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	102	90	68
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Loan repayments:				
Non-Federal sources:				
88.40	Financing programs-principal .....	-44	-32	-24
88.40	Investment programs-principal .....	-20	-11	-8
88.40	Interest Income-Business .....	-5	-4	-3
88.40	Interest income-Investment .....	-3	-2	-1
88.40	collection on FFB loans .....	-30	-15	-11
88.40	Other Income-both Business and Investment .....	-50	-49	-38
88.40	Asset sale proceeds .....	-19		
88.90	Total, offsetting collections (cash) .....	-171	-113	-85
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-4		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	-68	-23	-17

**Status of Direct Loans (in millions of dollars)**

Identification code 73-4154-0-3-376	2002 actual	2003 est.	2004 est.	
<b>Business Loan Fund, Direct Loans</b>				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	204	148	113
1232	Disbursements: Purchase of loans assets from the public .....	7	11	10
Repayments:				
1251	Repayments and prepayments .....	-44	-35	-32
1252	Proceeds from loan asset sales to the public or discounted .....	-6		
1262	Adjustments: Discount on loan asset sales to the public or discounted .....			
1263	Write-offs for default: Direct loans .....	-13	-11	-9
1290	Outstanding, end of year .....	148	113	82
<b>Small Business Investment Company, Direct Loans</b>				
<b>Section 503 Development Company, Direct Loans</b>				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	133	103	88
1251	Repayments: Repayments and prepayments .....	-30	-15	-11
1290	Outstanding, end of year .....	103	88	77

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 73-4154-0-3-376	2002 actual	2003 est.	2004 est.	
<b>Business Loan Fund, Loan Guarantees</b>				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	1,501	1,067	812
2251	Repayments and prepayments .....	-418	-244	-191
Adjustments:				
2261	Terminations for default that result in loans receivable .....	-11	-11	-10
2264	Other adjustments, net .....	-5		
2290	Outstanding, end of year .....	1,067	812	611
<b>Memorandum:</b>				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	938	715	538

**Addendum:**

Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	378	357	328
2331	Disbursements for guaranteed loan claims .....	11	11	10
2351	Repayments of loans receivable .....	-18	-24	-19
2361	Write-offs of loans receivable .....	-6	-11	-8
2364	Other adjustments, net .....	-8	-5	-4

2390	Outstanding, end of year .....	357	328	307
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As required by the Federal Credit Reform Act of 1990, as amended, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

**Statement of Operations (in millions of dollars)**

Identification code 73-4154-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.	
0101	Revenue .....	24	26	20	15
0102	Expense .....	-154	-22	-16	-10
0105	Net income or loss (-) .....	-130	4	4	5

**Balance Sheet (in millions of dollars)**

Identification code 73-4154-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	676	365	254	225
Investments in US securities:					
1104	Agency securities, par .....	490			
1106	Receivables, net .....		5	4	3
1107	Advances and prepayments .....	3	4	2	1
Non-Federal assets:					
1206	Receivables, net .....	50	12	59	49
1207	Advances and prepayments .....	8		2	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	337	251	202	160
1603	Allowance for estimated uncollectible loans and interest (-) .....	-26	-74	-30	-8
1699	Value of assets related to direct loans .....	311	177	172	152
Other Federal assets:					
Other assets:					
1901	Other assets .....	88	207	30	13
1901	Other assets 7(a) secondary market .....		296	296	296
1999	Total assets .....	1,626	1,066	819	739
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....	27	19	15	39
2102	Interest payable .....		73	62	50
2103	Debt to the FFB .....	133	29	15	11
2105	Other Liabilities .....	987	380	156	146
Non-Federal liabilities:					
2201	Accounts payable .....	4	233	35	25
Liabilities for loan guarantees:					
2204	Liabilities for loan guarantees .....			12	6
2204	Liabilities for 7(a) secondary market .....		314	314	314
2207	Other Liabilities .....	475	36	228	166
2999	Total liabilities .....	1,626	1,084	837	757
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....		-18	-18	-18
3999	Total net position .....		-18	-18	-18
4999	Total liabilities and net position .....	1,626	1,066	819	739

**Object Classification (in millions of dollars)**

Identification code 73-4154-0-3-376	2002 actual	2003 est.	2004 est.	
42.0	Insurance claims and indemnities .....	459	232	145
43.0	Interest and dividends .....	15	8	5
99.9	Total new obligations .....	474	240	150

**Credit accounts—Continued**

**DISASTER LOANS PROGRAM ACCOUNT**

For the cost of direct loans authorized by section 7(b) of the Small Business Act, as amended, \$79,109,000, to remain available until expended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended.

In addition, for administrative expenses to carry out the direct loan program, \$118,354,000, which may be transferred to and merged with appropriations for Salaries and Expenses, of which \$500,000 is for the Office of Inspector General of the Small Business Administration for audits and reviews of disaster loans and the disaster loan program and shall be transferred to and merged with appropriations for the Office of Inspector General; of which \$108,000,000 is for direct administrative expenses of loan making and servicing to carry out the direct loan program; and of which \$9,854,000 is for indirect administrative expenses: Provided, That any amount in excess of \$9,854,000 to be transferred to and merged with appropriations for Salaries and Expenses for indirect administrative expenses shall be treated as a re-programming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 73-1152-0-1-453	2002 actual	2003 est.	2004 est.
0102 Disaster loans program, downward reestimates of subsidies .....	14	42	

**Program and Financing (in millions of dollars)**

Identification code 73-1152-0-1-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	217	76	79
00.05 Upward reestimate of direct loans .....		305	
00.06 Interest on upward reestimates of direct loans .....		163	
00.09 Administrative expense .....	157	122	118
00.91 Direct Program by Activities—Subtotal (1 level) .....	374	666	197
08.03 Gain sharing to Salaries .....		3	
10.00 Total new obligations .....	374	669	197
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	131	71	73
22.00 New budget authority (gross) .....	282	665	198
22.10 Resources available from recoveries of prior year obligations .....	32	6	
23.90 Total budgetary resources available for obligation .....	445	742	271
23.95 Total new obligations .....	-374	-669	-197
24.40 Unobligated balance carried forward, end of year .....	71	73	74

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
<b>Appropriation:</b>			
40.00 Appropriation .....	210	194	198
40.00 Appropriation-Terrorism .....	75		
41.00 Transferred to other accounts .....	-3		
43.00 Appropriation (total discretionary) .....	282	194	198
<b>Mandatory:</b>			
60.00 Appropriation .....		468	
<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		3	
70.00 Total new budget authority (gross) .....	282	665	198

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	68	38	12
73.10 Total new obligations .....	374	669	197
73.20 Total outlays (gross) .....	-372	-689	-198
73.45 Recoveries of prior year obligations .....	-32	-6	
74.40 Obligated balance, end of year .....	38	12	11

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	217	151	152
86.93 Outlays from discretionary balances .....	155	70	46
86.97 Outlays from new mandatory authority .....		468	
87.00 Total outlays (gross) .....	372	689	198

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....		-3	

**Net budget authority and outlays:**

89.00 Budget authority .....	282	662	198
90.00 Outlays .....	372	686	198

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 73-1152-0-1-453	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Disaster Loan .....	844	544	760
115001 EIDL Terrorist Attack .....	375	169	
115001 PHY Terrorist Attack .....	43	18	
115901 Total direct loan levels .....	1,262	731	760
<b>Direct loan subsidy (in percent):</b>			
132001 Direct loan levels .....	14.67	13.98	11.72
132001 Direct Loans — EIDL Terrorist attack .....	23.16	23.20	0.00
132001 PHY Terrorist Attack .....	14.67	13.98	0.00
132901 Weighted average subsidy rate .....	17.19	16.14	10.39
<b>Direct loan subsidy budget authority:</b>			
133001 Direct loan levels .....	124	76	79
133001 Direct Loans — EIDL Terrorist attack .....	87	39	
133001 PHY Terrorist Attack .....	6	3	
133901 Total subsidy budget authority .....	217	118	79
<b>Direct loan subsidy outlays:</b>			
134001 Direct loan levels .....	124	89	76
134001 Direct Loans — EIDL Terrorist attack .....	87	12	
134001 Direct loan — PHY Terrorist attack .....	6		
134901 Total subsidy outlays .....	217	101	76
<b>Direct loan upward reestimate subsidy budget authority:</b>			
135001 Direct loan levels .....		468	
135901 Total upward reestimate budget authority .....		468	
<b>Direct loan upward reestimate subsidy outlays:</b>			
136001 Direct loan levels .....		468	
136901 Total upward reestimate outlays .....		468	
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 Disaster Loan .....	-14	-42	
137901 Total downward reestimate budget authority .....	-14	-42	
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 Disaster Loan .....	-14	-42	
138901 Total downward reestimate subsidy outlays .....	-14	-42	
<b>Administrative expense data:</b>			
351001 Budget authority .....	101	122	118
351001 Budget authority for terrorists attack .....			
359001 Outlays from new authority .....	101	122	118
359001 Outlays from new authority for terrorist attack .....			

As required by the Federal Credit Reform Act of 1990, as amended, this account records, for loans made pursuant to section 7(b) of the Small Business Act, as amended, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Disaster loans made pursuant to Section 7(b) of the Small Business Act are the primary form of Federal assistance for non-farm, private sector disaster losses. For this reason, the program is the only form of SBA assistance not limited to small businesses. Through this program, SBA helps homeowners, renters, businesses of all sizes, and non-profit organizations pay for the cost of rebuilding. Pursuant to the Small Business Act, the government subsidizes borrowers who have incurred uninsured losses or economic injury as the result of a natural disaster.

For 2004, SBA will rely on anticipated carry-over balances of \$0 million from 2003 plus \$10 million in recoveries to support \$760 million in loans. The subsidy rate is 11.72 percent.

**Object Classification** (in millions of dollars)

Identification code 73-1152-0-1-453	2002 actual	2003 est.	2004 est.
25.2 Other services .....	157	122	118
41.0 Grants, subsidies, and contributions .....	217	547	79
99.9 Total new obligations .....	374	669	197

**DISASTER DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 73-4150-0-3-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	1,236	1,110	1,331
00.02 Interest on Treasury borrowing .....	683	696	705
00.91 Direct Program by Activities—Subtotal (1 level) .....	1,919	1,806	2,036
08.02 Payment of downward reestimate to a receipt account .....	14	39	
08.03 Payment to liquidating account to purchase loan assets (73 4153) .....	80	70	7
08.04 Payment of interest on downward reestimate to a receipt account .....		3	
08.91 Direct Program by Activities—Subtotal (1 level) .....	94	112	7
10.00 Total new obligations .....	2,013	1,918	2,043
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5,684	5,468	
22.00 New financing authority (gross) .....	3,100	3,480	3,175
22.10 Resources available from recoveries of prior year obligations .....	182		
22.60 Portion applied to repay debt .....	-1,485	-7,030	-1,132
23.90 Total budgetary resources available for obligation .....	7,481	1,918	2,043
23.95 Total new obligations .....	-2,013	-1,918	-2,043
24.40 Unobligated balance carried forward, end of year .....	5,468		
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow .....	1,294	788	1,175
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	2,093	2,692	2,000
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-287		
68.90 Spending authority from offsetting collections (total discretionary) .....	1,806	2,692	2,000
70.00 Total new financing authority (gross) .....	3,100	3,480	3,175
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	612	204	42
73.10 Total new obligations .....	2,013	1,918	2,043
73.20 Total financing disbursements (gross) .....	-2,526	-2,080	-2,043
73.45 Recoveries of prior year obligations .....	-182		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	287		
74.40 Obligated balance, end of year .....	204	42	42
87.00 Total financing disbursements (gross) .....	2,526	2,080	2,043

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00	Payments from program account .....	-217	-101 -76
88.00	Upward reestimate .....		-305
88.00	Interest on upward reestimate .....		-163
88.25	Interest on uninvested funds .....	-436	-445 -465
Non-Federal sources:			
88.40	Repayments of principal, net .....	-490	-498 -508
88.40	Collection of misc. receivables .....	-162	-165 -168
88.40	Interest received on loans .....	-79	-84 -88
88.40	Proceeds from loan sales .....	-709	-931 -695
88.90	Total, offsetting collections (cash) .....	-2,093	-2,692 -2,000
Against gross financing authority only:			
88.95	Change in receivables from program accounts .....	287	

**Net financing authority and financing disbursements:**

89.00	Financing authority .....	1,294	788	1,175
90.00	Financing disbursements .....	433	-612	43

**Status of Direct Loans** (in millions of dollars)

Identification code 73-4150-0-3-453	2002 actual	2003 est.	2004 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....			
1131	Direct loan obligations exempt from limitation .....	1,272	795	760
1150	Total direct loan obligations .....	1,272	795	760
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	3,288	3,644	3,211
Disbursements:				
1231	Direct loan disbursements .....	1,226	713	684
1233	Purchase of loans assets from a liquidating account .....	80	116	7
Repayments:				
1251	Repayments and prepayments .....	-368	-146	-149
1252	Proceeds from loan asset sales to the public or discounted .....	-461	-863	-500
1262	Adjustments: Discount on loan asset sales to the public or discounted .....	-84	-212	-185
Write-offs for default:				
1263	Direct loans .....	-73	-41	-41
1264	Other adjustments, net .....	36		
1290	Outstanding, end of year .....	3,644	3,211	3,027

As required by the Federal Credit Reform Act of 1990, as amended, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

Identification code 73-4150-0-3-453	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	5,072	5,672	3,000	3,095
Investments in US securities:					
1106	Interest/Accounts Receivables .....	1,094	512	517	426
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross .....	5,212	3,644	3,211	3,027
1405	Allowance for subsidy cost (-) .....	-931	35	-32	-33
1499	Net present value of assets related to direct loans .....	4,281	3,679	3,179	2,994
1999	Total assets .....	10,447	9,863	6,696	6,515
<b>LIABILITIES:</b>					
Federal liabilities:					
2103	Debt .....	10,447	9,742	6,270	6,283
2105	Other .....		41	153	85
Non-Federal liabilities:					
2201	Accounts payable .....		75	188	51
2207	Other .....		5	85	96

**Credit accounts—Continued**

**DISASTER DIRECT LOAN FINANCING ACCOUNT—Continued**

**Balance Sheet (in millions of dollars)—Continued**

Identification code 73-4150-0-3-453	2001 actual	2002 actual	2003 est.	2004 est.
2999 Total liabilities .....	10,447	9,863	6,696	6,515
4999 Total liabilities and net position .....	10,447	9,863	6,696	6,515

**DISASTER LOAN FUND LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Interest expense to Treasury .....	9	4	3
01.03 Other expenses .....	14	21	8
10.00 Total new obligations .....	23	25	11

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	308	113	
22.00 New budget authority from offsetting collections (gross) .....	136	86	11
22.40 Capital transfer to general fund .....	-308	-174	
23.90 Total budgetary resources available for obligation	136	25	11
23.95 Total new obligations .....	-23	-25	-11
24.40 Unobligated balance carried forward, end of year .....	113		

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	124	86	11
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	12		
69.90 Spending authority from offsetting collections (total mandatory) .....	136	86	11

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	25	11	22
73.10 Total new obligations .....	23	25	11
73.20 Total outlays (gross) .....	-25	-14	-2
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-12		
74.40 Obligated balance, end of year .....	11	22	31

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	25	14	2

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Asset Sale Proceeds .....	-80	-70	-7
88.40 Loan repayments .....	-40	-13	-2
88.40 Interest income .....	-1	-1	-1
88.40 Other collection of Principal .....	-3	-2	-1
88.90 Total, offsetting collections (cash) .....	-124	-86	-11
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-12		

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-99	-72	-9

**Status of Direct Loans (in millions of dollars)**

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	248	100	11
Repayments:			
1251 Repayments and prepayments .....	-40	-13	-2
1252 Proceeds from loan asset sales to the public or discounted .....	-56	-73	-7
1262 Adjustments: Discount on loan asset sales to the public or discounted .....	-24		

1263 Write-offs for default: Direct loans .....	-28	-3	-1
1290 Outstanding, end of year .....	100	11	1

As required by the Federal Credit Reform Act of 1990, as amended, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

**Statement of Operations (in millions of dollars)**

Identification code 73-4153-0-3-453	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	2	8	5	3
0102 Expense .....	-82	-48	-30	-15
0105 Net income or loss (-) .....	-80	-40	-25	-12

**Balance Sheet (in millions of dollars)**

Identification code 73-4153-0-3-453	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	36	124	20	10
Investments in US securities:				
1106 Receivables, net .....		12		6
1206 Non-Federal assets: Receivables, net .....	9			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	248	100	11	1
1603 Allowance for estimated uncollectible loans and interest (-) .....	-18	-11		
1699 Value of assets related to direct loans .....	230	89	11	1
1901 Other Federal assets: Other assets .....	320	16	52	
1999 Total assets .....	595	241	83	17
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	22	9	5	3
2105 Other .....	565	104	54	8
Non-Federal liabilities:				
2201 Accounts payable .....	4	127	18	5
2207 Other .....	4	1	6	1
2999 Total liabilities .....	595	241	83	17
4999 Total liabilities and net position .....	595	241	83	17

**Object Classification (in millions of dollars)**

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
25.2 Other services .....	14	21	8
43.0 Interest and dividends .....	9	4	3
99.9 Total new obligations .....	23	25	11

**POLLUTION CONTROL EQUIPMENT FUND LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 73-4147-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....		3	3
10.00 Total new obligations (object class 42.0) .....		3	3

Identification code 73-4147-0-3-376	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3	3	
22.00 New budget authority (gross) .....	3	3	3
22.40 Capital transfer to general fund .....	-3	-3	
23.90 Total budgetary resources available for obligation	3	3	3

23.95	Total new obligations .....		-3	-3
24.40	Unobligated balance carried forward, end of year .....	3		
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.00	Appropriation .....	3	3	3
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....		3	3
73.20	Total outlays (gross) .....		-3	-3
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....		3	3
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	3	3	3
90.00	Outlays .....		3	3

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 73-4147-0-3-376	2002 actual	2003 est.	2004 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	16	12	8
2251	Repayments and prepayments .....	-4	-3	-2
2261	Adjustments: Terminations for default that result in loans receivable .....		-1	-1
2290	Outstanding, end of year .....	12	8	5
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	12	8	5
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	49	49	50
2331	Disbursements for guaranteed loan claims .....		1	1
2390	Outstanding, end of year .....	49	50	51

Public Law 94-305 established this fund to alleviate the adverse impact of pollution regulations on small businesses. As a result of the elimination of tax exempt financing associated with the Pollution Control Guaranteed program, no new activity is anticipated for this program.

**Statement of Operations (in millions of dollars)**

Identification code 73-4147-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
0101	Revenue .....			
0102	Expense .....		-3	
0105	Net income or loss (-) .....		-3	

**Balance Sheet (in millions of dollars)**

Identification code 73-4147-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury .....	3	27	2
1206	Non-Federal assets: Receivables, net .....		5	
1701	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Defaulted guaranteed loans, gross .....	16		15
1999	Total assets .....	19	32	17
<b>LIABILITIES:</b>				
2104	Federal liabilities: Resources payable to Treasury .....	19		17
Non-Federal liabilities:				
2201	Accounts payable .....		1	
2207	Other .....		31	
2999	Total liabilities .....	19	32	17
<b>NET POSITION:</b>				
3300	Cumulative results of operations .....			
3999	Total net position .....			
4999	Total liabilities and net position .....	19	32	17

**ADMINISTRATIVE PROVISION—SMALL BUSINESS ADMINISTRATION**

Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Small Business Administration in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: Provided, That any transfer pursuant to this paragraph shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:			
73-272130	Disaster loan program, Downward reestimates of subsidies .....	14	42
73-272230	Business loan program, Downward reestimates of subsidies .....	389	258
General Fund	Offsetting receipts from the public .....	403	300



# SOCIAL SECURITY ADMINISTRATION

## Federal Funds

### General and special funds:

#### PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance trust funds, as provided under sections 201(m), 228(g), and 1131(b)(2) of the Social Security Act, \$21,658,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 28-0404-0-1-651	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Taxation of benefits .....	13,533	13,015	13,346
01.01 Other .....	437	31	33
10.00 Total new obligations .....	13,970	13,046	13,379
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	15	16	16
22.00 New budget authority (gross) .....	13,978	13,046	13,379
23.90 Total budgetary resources available for obligation	13,993	13,062	13,395
23.95 Total new obligations .....	-13,970	-13,046	-13,379
23.98 Unobligated balance expiring or withdrawn .....	-9	.....	.....
24.40 Unobligated balance carried forward, end of year .....	16	16	16
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	13,978	13,046	13,379
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	3	5
73.10 Total new obligations .....	13,970	13,046	13,379
73.20 Total outlays (gross) .....	-13,969	-13,046	-13,379
73.40 Adjustments in expired accounts (net) .....	-1	.....	.....
74.40 Obligated balance, end of year .....	3	5	5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	13,969	13,046	13,379
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	13,978	13,046	13,379
90.00 Outlays .....	13,969	13,046	13,379

#### Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	13,978	13,046	13,379
Outlays .....	13,969	13,046	13,379
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			628
Outlays .....			628
<b>Total:</b>			
Budget Authority .....	13,978	13,046	14,007
Outlays .....	13,969	13,046	14,007

This general fund appropriation reimburses the Social Security trust funds annually for (1) special payments for certain uninsured persons, (2) pension reform, and (3) interest on unnegotiated checks. It also includes amounts from taxation of Social Security benefits.

#### Object Classification (in millions of dollars)

Identification code 28-0404-0-1-651	2002 actual	2003 est.	2004 est.
25.2 Other services .....	11	17	17

42.0	Insurance claims and indemnities .....	13,959	13,029	13,362
99.9	Total new obligations .....	13,970	13,046	13,379

#### PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

(Legislative proposal, not subject to PAYGO)

#### Program and Financing (in millions of dollars)

Identification code 28-0404-2-1-651	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Other .....			628
10.00 Total new obligations (object class 42.0) .....			628
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			628
23.95 Total new obligations .....			-628
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....			628
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			628
73.20 Total outlays (gross) .....			-628
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			628
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			628
90.00 Outlays .....			628

The budget proposes to compensate the Old-Age and Survivors Insurance and Disability Insurance trust funds for the equivalent of payroll taxes on deemed wages posted to the Social Security earnings records of uniformed service personnel in 2000 and 2001.

#### SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, \$26,282,000,000, to remain available until expended: Provided, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury.

For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 2005, \$12,590,000,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 28-0406-0-1-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	34,262	35,891	37,376

**General and special funds—Continued**  
**SUPPLEMENTAL SECURITY INCOME PROGRAM—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 28-0406-0-1-609	2002 actual	2003 est.	2004 est.
09.01 State supplementation payments .....	3,735	3,940	4,045
09.09 Reimbursable program .....	3,735	3,940	4,045
10.00 Total new obligations .....	37,998	39,831	41,421
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2,891	613	23
22.00 New budget authority (gross) .....	35,683	39,225	41,418
22.10 Resources available from recoveries of prior year obligations .....	37	16	.....
23.90 Total budgetary resources available for obligation .....	38,611	39,854	41,441
23.95 Total new obligations .....	-37,998	-39,831	-41,421
24.40 Unobligated balance carried forward, end of year .....	613	23	20
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2,857	2,848	3,057
Mandatory:			
60.00 Appropriation .....	18,620	21,638	23,225
65.00 Advance appropriation .....	10,470	10,790	11,080
Offsetting collections (cash):			
69.00 Offsetting collections (cash) .....	3,415	3,620	3,716
69.00 Offsetting collections (cash) .....	320	329	340
69.90 Spending authority from offsetting collections (total mandatory) .....	3,735	3,949	4,056
70.00 Total new budget authority (gross) .....	35,683	39,225	41,418
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	684	1,052	1,042
73.10 Total new obligations .....	37,998	39,831	41,421
73.20 Total outlays (gross) .....	-37,592	-39,825	-41,402
73.45 Recoveries of prior year obligations .....	-37	-16	.....
74.40 Obligated balance, end of year .....	1,052	1,042	1,061
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2,432	2,498	2,742
86.93 Outlays from discretionary balances .....	14	490	310
86.97 Outlays from new mandatory authority .....	32,509	36,048	38,021
86.98 Outlays from mandatory balances .....	2,637	789	329
87.00 Total outlays (gross) .....	37,592	39,825	41,402
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-3,735	-3,949	-4,056
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	31,947	35,276	37,362
90.00 Outlays .....	33,857	35,876	37,346
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	124	140	152
99.01 Outlays .....	124	140	152

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	31,947	35,276	37,362
Outlays .....	33,857	35,876	37,346
Legislative proposal, subject to PAYGO:			
Budget Authority .....			1
Outlays .....			1
Total:			
Budget Authority .....	31,947	35,276	37,363
Outlays .....	33,857	35,876	37,347

Title XVI of the Social Security Act established a supplemental security income (SSI) program to provide monthly cash benefits as a federally guaranteed minimum income for the needy aged, blind, and disabled.

**Object Classification (in millions of dollars)**

Identification code 28-0406-0-1-609	2002 actual	2003 est.	2004 est.
Direct obligations:			
25.3 Other purchases of goods and services from Government accounts .....	2,828	2,825	3,034
41.0 Grants, subsidies, and contributions .....	31,435	33,066	34,342
99.0 Direct obligations .....	34,263	35,891	37,376
99.0 Reimbursable obligations .....	3,735	3,940	4,045
99.9 Total new obligations .....	37,998	39,831	41,421

**SUPPLEMENTAL SECURITY INCOME PROGRAM**  
**(Legislative proposal subject to PAYGO)**

**Program and Financing (in millions of dollars)**

Identification code 28-0406-4-1-609	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			1
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....			1
<b>Change in obligated balances:</b>			
73.20 Total outlays (gross) .....			-1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			1
90.00 Outlays .....			1

This schedule reflects the Administration's Supplemental Security Income (SSI) proposals. As part of the Administration's continuing effort to maintain the integrity of the SSI program, the budget proposes to review up to 25% of initial SSI disability decisions regarding an individual's eligibility before payment is made. Beginning in 2005, up to 50% of initial SSI disability decisions will be reviewed. The budget also includes proposals to simplify SSI administration and implement other elements of the SSI Corrective Action plan.

**STATE SUPPLEMENTAL FEES**

**Unavailable Collections (in millions of dollars)**

Identification code 28-5419-0-2-609	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	8	15	14
Receipts:			
02.20 State supplemental fees, SSI .....	107	111	120
04.00 Total: Balances and collections .....	115	126	134
Appropriations:			
05.00 State supplemental fees .....	-100	-112	-120
07.99 Balance, end of year .....	15	14	14

**Program and Financing (in millions of dollars)**

Identification code 28-5419-0-2-609	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	100	112	120
10.00 Total new obligations (object class 25.3) .....	100	112	120
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	100	112	120
23.95 Total new obligations .....	-100	-112	-120

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20	Appropriation (special fund) .....	100	112 120
<b>Change in obligated balances:</b>			
73.10	Total new obligations .....	100	112 120
73.20	Total outlays (gross) .....	-100	-112 -120
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	100	112 120
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	100	112 120
90.00	Outlays .....	100	112 120

The Social Security Administration collects a fee from States for costs related to administering SSI State supplementation payments on behalf of States.

**SPECIAL BENEFITS FOR CERTAIN WORLD WAR II VETERANS**

**Program and Financing (in millions of dollars)**

Identification code 28-0401-0-1-701			
<b>Obligations by program activity:</b>			
00.01	Direct program activity .....	9	12 12
09.01	State supplement payments .....	5	5 5
10.00	Total new obligations .....	14	17 17
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	14	17 17
23.95	Total new obligations .....	-14	-17 -17
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	2	2 2
Mandatory:			
60.00	(indefinite) .....	7	10 10
69.00	Offsetting collections (cash) .....	5	5 5
70.00	Total new budget authority (gross) .....	14	17 17
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	2	.....
73.10	Total new obligations .....	14	17 17
73.20	Total outlays (gross) .....	-16	-17 -17
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	2	2 2
86.93	Outlays from discretionary balances .....	2	.....
86.97	Outlays from new mandatory authority .....	12	15 15
87.00	Total outlays (gross) .....	16	17 17
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-5	-5 -5
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	9	12 12
90.00	Outlays .....	11	12 12

Public Law 106-169 established a benefit program for certain individuals who are at least 65 years old, were in the United States military forces, including veterans of the Filipino Army and Filipino Scouts, during World War II, and who were eligible for supplemental security income for the month of December 1999. To receive this benefit, these individuals must reside outside the United States, and meet other requirements for eligibility.

**Object Classification (in millions of dollars)**

Identification code 28-0401-0-1-701			
Direct obligations:			
25.2	Other services .....	2	2 2

42.0	Insurance claims and indemnities .....	7	10 10
99.0	Direct obligations .....	9	12 12
99.0	Reimbursable obligations .....	5	5 5
99.9	Total new obligations .....	14	17 17

**OFFICE OF INSPECTOR GENERAL  
(INCLUDING TRANSFER OF FUNDS)**

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$25,000,000, together with not to exceed \$65,000,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be transferred from the "Limitation on Administrative Expenses", Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: Provided, That notice of such transfers shall be transmitted promptly to the Committees on Appropriations of the House and Senate.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 28-0400-0-1-600			
<b>Obligations by program activity:</b>			
00.01	Direct program activity .....	12	21 25
09.01	Reimbursable program .....	62	62 65
10.00	Total new obligations .....	74	83 90
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	75	83 90
23.95	Total new obligations .....	-74	-83 -90
23.98	Unobligated balance expiring or withdrawn .....	-1	.....
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00	Appropriation .....	19	21 25
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash) .....	44	62 65
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	12	.....
68.90	Spending authority from offsetting collections (total discretionary) .....	56	62 65
70.00	Total new budget authority (gross) .....	75	83 90
<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	-5	-8 -8
73.10	Total new obligations .....	74	83 90
73.20	Total outlays (gross) .....	-69	-83 -90
73.40	Adjustments in expired accounts (net) .....	-2	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-12	.....
74.10	Change in uncollected customer payments from Federal sources (expired) .....	7	.....
74.40	Obligated balance, end of year .....	-8	-8 -8
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	63	78 85
86.93	Outlays from discretionary balances .....	6	5 5
87.00	Total outlays (gross) .....	69	83 90
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources .....	-50	-62 -65
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-12	.....
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	6	.....

**General and special funds—Continued**

**OFFICE OF INSPECTOR GENERAL—Continued  
(INCLUDING TRANSFER OF FUNDS)—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 28-0400-0-1-600	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	19	21	25
90.00 Outlays .....	19	21	25
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The Office of the Inspector General provides agency-wide audit and investigative functions to help find and correct operational and administrative deficiencies that create conditions for existing or potential instances of fraud, waste, and mismanagement.

**Object Classification (in millions of dollars)**

Identification code 28-0400-0-1-600	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	7	13	16
12.1 Civilian personnel benefits .....	2	4	5
23.1 Rental payments to GSA .....	1	1	1
25.2 Other services .....	1	1	1
25.3 Other purchases of goods and services from Government accounts .....	2	1	1
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	12	21	25
99.0 Reimbursable obligations .....	60	62	64
99.5 Below reporting threshold .....	2	1	1
99.9 Total new obligations .....	74	83	90

**Personnel Summary**

Identification code 28-0400-0-1-600	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	91	151	172
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	473	446	446

**Trust Funds**

**FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 20-8006-0-7-651	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	998,126	1,135,592	1,280,495
<b>Receipts:</b>			
02.00 Transfers from general fund (FICA taxes) .....	418,018	432,530	452,165
02.01 Transfers from general fund (SECA taxes) .....	23,381	23,395	24,907
02.02 Refunds .....	-858	-1,520	-1,636
02.20 Treasury offset program .....	15	15	15
02.21 Attorney fees .....	1	1	1
02.40 Federal employer contributions (FICA taxes) .....	7,591	8,115	8,568
02.41 Interest received by trust funds .....	68,105	74,028	78,753
<b>Offsetting receipts (intragovernmental):</b>			
02.42 Federal payments to the FOASI trust fund .....	12,611	12,139	12,432
02.42 Federal payments to the FOASI trust fund, legislative proposal not subject to PAYGO .....			538
02.43 Payments for military service credits .....	414		
02.80 Current law, offsetting collections .....	23	43	35
02.99 Total receipts and collections .....	529,301	548,746	575,778
04.00 Total: Balances and collections .....	1,527,427	1,684,338	1,856,273
<b>Appropriations:</b>			
05.00 Current law .....	-391,835	-403,843	-418,302

05.99 Total appropriations .....	-391,835	-403,843	-418,302
07.99 Balance, end of year .....	1,135,592	1,280,495	1,437,971

**Program and Financing (in millions of dollars)**

Identification code 20-8006-0-7-651	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	391,812	403,800	418,267
09.01 Reimbursable program .....	23	43	35
10.00 Total new obligations .....	391,835	403,843	418,302
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	391,835	403,843	418,302
23.95 Total new obligations .....	-391,835	-403,843	-418,302

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.26 Appropriation (trust fund) .....	1,903	2,120	2,271
40.76 Reduction pursuant to P.L. 107-206 .....	-1		
43.00 Appropriation (total discretionary) .....	1,902	2,120	2,271
<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....	527,376	546,583	572,934
60.45 Portion precluded from obligation .....	-137,466	-144,903	-156,938
62.50 Appropriation (total mandatory) .....	389,910	401,680	415,996
69.00 Offsetting collections (cash) .....	23	43	35
70.00 Total new budget authority (gross) .....	391,835	403,843	418,302

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	35,910	38,141	39,002
73.10 Total new obligations .....	391,835	403,843	418,302
73.20 Total outlays (gross) .....	-389,604	-402,982	-417,062
74.40 Obligated balance, end of year .....	38,141	39,002	40,242

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1,693	1,865	1,991
86.93 Outlays from discretionary balances .....	200	291	277
86.97 Outlays from new mandatory authority .....	387,711	400,826	414,794
87.00 Total outlays (gross) .....	389,604	402,982	417,062

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.40 Federal sources .....	-10	-18	-15
88.45 Offsetting governmental collections (from non-Federal sources) .....	-13	-25	-20
88.90 Total, offsetting collections (cash) .....	-23	-43	-35

**Net budget authority and outlays:**

89.00 Budget authority .....	391,812	403,800	418,267
90.00 Outlays .....	389,581	402,939	417,027

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities: Par value .....	1,034,114	1,173,759	1,319,497
92.02 Total investments, end of year: Federal securities: Par value .....	1,173,759	1,319,497	1,478,213

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	95	105	117
99.01 Outlays .....	95	105	117

The old-age and survivors insurance (OASI) program provides monthly cash benefits to retired workers and their dependents, and to survivors of deceased workers.

**Status of Funds (in millions of dollars)**

Identification code 20-8006-0-7-651	2002 actual	2003 est.	2004 est.
<b>Unexpended balance, start of year:</b>			
0100 Treasury balance .....	-78	-26	
0101 Federal securities: Par value .....	1,034,114	1,173,759	1,319,497
0199 Total balance, start of year .....	1,034,036	1,173,733	1,319,497
<b>Cash income during the year:</b>			
<b>Current law:</b>			
<b>Receipts:</b>			
1200 FICA taxes .....	418,018	432,530	452,165

1201	SECA Taxes .....	23,381	23,395	24,907
1202	Refunds .....	- 858	- 1,520	- 1,636
	Offsetting receipts (proprietary):			
1220	Treasury offset program .....	15	15	15
1221	Attorney fees .....	1	1	1
	Offsetting receipts (intragovernmental):			
1240	Federal employer contributions (FICA taxes) .....	7,591	8,115	8,568
1241	Interest received by trust fund .....	68,105	74,028	78,753
	Offsetting receipts (intragovernmental):			
1242	Individual income taxes on OASI benefits .....	12,602	12,122	12,415
1242	Pension reform .....	1	6	6
1242	Credit for unnegotiated OASI checks .....	8	11	11
1243	Federal payments for military service credits .....	414		
	Offsetting collections:			
1280	Offsetting collections .....	23	43	35
1299	Income under present law .....	529,301	548,746	575,240
	Proposed legislation:			
	Offsetting receipts (intragovernmental):			
2242	Federal payments, legislative proposal not subject to PAYGO .....			538
3299	Total cash income .....	529,301	548,746	575,778
	Cash outgo during year:			
	Current law:			
	Cash outgo during the year (-):			
4500	Benefit payments .....	- 383,970	- 396,898	- 410,896
4500	Payments to Railroad Retirement Board .....	- 3,493	- 3,672	- 3,649
4500	Administrative expenses (subject to limitation) .....	- 1,893	- 2,156	- 2,268
4500	Administrative expenses (Department of Treasury) .....	- 225	- 213	- 214
4500	Reimbursable program (-) .....	- 23	- 43	- 35
4599	Outgo under current law .....	- 389,604	- 402,982	- 417,062
	Unexpended balance, end of year:			
8700	Uninvested balance .....	- 26		
8701	Federal securities: Par value .....	1,173,759	1,319,497	1,478,213
8799	Total balance, end of year .....	1,173,733	1,319,497	1,478,213

**Object Classification (in millions of dollars)**

Identification code 20-8006-0-7-651	2002 actual	2003 est.	2004 est.
Direct obligations:			
Other purchases of goods and services from Government accounts:			
25.3 Office of the Inspector General .....	35	39	35
25.3 Portion of the limitation on administrative expenses .....	1,867	2,081	2,236
25.3 Other purchases of goods and services from Government accounts .....	225	213	214
42.0 Retirement and survivors insurance benefits .....	386,192	397,795	412,133
94.0 Financial transfers .....	3,493	3,672	3,649
99.0 Direct obligations .....	391,812	403,800	418,267
99.0 Reimbursable obligations .....	23	43	35
99.9 Total new obligations .....	391,835	403,843	418,302

**FEDERAL DISABILITY INSURANCE TRUST FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 20-8007-0-7-651	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	122,065	137,693	150,578
Receipts:			
02.00 Transfers from general fund (FICA taxes) .....	70,969	73,449	76,783
02.01 Transfers from general fund (SECA taxes) .....	3,963	3,969	4,227
02.02 Refunds .....	- 152	- 258	- 278
02.20 Treasury offset program .....	30	30	30
02.21 CMIA interest .....	1		
02.22 Attorney fees .....	36	36	37
02.40 Federal employer contributions (FICA taxes) .....	1,287	1,378	1,455
02.41 Interest received by trust funds .....	8,714	9,548	9,945
Offsetting receipts (intragovernmental):			
02.42 Federal payments to the FDI trust fund .....	942	907	947
02.42 Federal payments to the FDI trust fund, legislative proposal not subject to PAYGO .....			90
02.99 Total receipts and collections .....	85,790	89,059	93,236
04.00 Total: Balances and collections .....	207,855	226,752	243,814
Appropriations:			
05.00 Federal disability insurance trust fund .....	- 70,189	- 76,174	- 80,635

05.99 Total appropriations .....	- 70,189	- 76,174	- 80,635
06.10 Unobligated balance returned to receipts .....	27		
07.99 Balance, end of year .....	137,693	150,578	163,179

**Program and Financing (in millions of dollars)**

Identification code 20-8007-0-7-651	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	70,189	76,174	80,635
10.00 Total new obligations .....	70,189	76,174	80,635
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	70,189	76,174	80,635
22.10 Resources available from recoveries of prior year obligations .....	27		
23.90 Total budgetary resources available for obligation .....	70,216	76,174	80,635
23.95 Total new obligations .....	- 70,189	- 76,174	- 80,635
23.98 Unobligated balance expiring or withdrawn .....	- 27		

**New budget authority (gross), detail:**

Discretionary:			
40.26 Appropriation (trust fund) .....	1,606	1,717	1,986
40.76 Reduction pursuant to P.L. 107-206 .....	- 4		
43.00 Appropriation (total discretionary) .....	1,602	1,717	1,986
Mandatory:			
60.26 Appropriation (trust fund) .....	84,187	87,342	91,160
60.45 Portion precluded from obligation .....	- 15,600	- 12,885	- 12,511
62.50 Appropriation (total mandatory) .....	68,587	74,457	78,649
70.00 Total new budget authority (gross) .....	70,189	76,174	80,635

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	13,728	17,458	18,039
73.10 Total new obligations .....	70,189	76,174	80,635
73.20 Total outlays (gross) .....	- 66,432	- 75,593	- 80,330
73.45 Recoveries of prior year obligations .....	- 27		
74.40 Obligated balance, end of year .....	17,458	18,039	18,344

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	1,551	1,513	1,743
86.93 Outlays from discretionary balances .....	415	293	239
86.97 Outlays from new mandatory authority .....	64,466	73,787	78,348
87.00 Total outlays (gross) .....	66,432	75,593	80,330

**Net budget authority and outlays:**

89.00 Budget authority .....	70,189	76,174	80,635
90.00 Outlays .....	66,432	75,593	80,330

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities: Par value .....	135,842	155,287	168,616
92.02 Total investments, end of year: Federal securities: Par value .....	155,287	168,616	181,522

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	72	82	89
99.01 Outlays .....	72	82	89

The disability insurance (DI) program provides monthly cash benefits for disabled workers who have not yet attained their normal retirement age, and for their dependents.

**Status of Funds (in millions of dollars)**

Identification code 20-8007-0-7-651	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100 Treasury balance .....	- 49	- 137	
0101 Federal securities: Par value .....	135,842	155,287	168,616
0199 Total balance, start of year .....	135,793	155,151	168,617
Cash income during the year:			
Current law:			
Receipts:			
1200 FICA taxes .....	70,969	73,449	76,783
1201 SECA Taxes .....	3,963	3,969	4,227
1202 Refunds .....	- 152	- 258	- 278
Offsetting receipts (proprietary):			
1220 Treasury offset program .....	30	30	30

FEDERAL DISABILITY INSURANCE TRUST FUND—Continued

Status of Funds (in millions of dollars)—Continued

Identification code 20-8007-0-7-651	2002 actual	2003 est.	2004 est.
1221 CMIA interest .....	1		
1222 Attorney user fees .....	36	36	37
Offsetting receipts (intragovernmental):			
1240 Federal employer contributions .....	1,287	1,378	1,455
1241 Interest received by trust fund .....	8,714	9,548	9,945
Offsetting receipts (intragovernmental):			
1242 Individual income taxes on DI benefits .....	939	904	944
1242 Credit for unnegotiated DI checks .....	2	3	3
1299 Income under present law .....	85,790	89,059	93,146
Proposed legislation:			
Offsetting receipts (intragovernmental):			
2242 Federal payments, legislative proposal not subject to PAYGO .....			90
3299 Total cash income .....	85,790	89,059	93,236
Cash outgo during year:			
Current law:			
Cash outgo during the year (-):			
4500 Benefit payments .....	-64,202	-73,444	-77,950
4500 Payments to Railroad Retirement Board .....	-154	-198	-229
4500 Administrative expenses (subject to limitation) .....	-1,966	-1,806	-1,982
4500 Administrative expenses (Department of Treasury) .....	-42	-41	-42
4500 Beneficiary services .....	-67	-90	-98
4500 Demonstration projects .....	-1	-14	-29
4599 Outgo under current law .....	-66,432	-75,593	-80,330
Unexpended balance, end of year:			
8700 Uninvested balance .....	-137		
8701 Federal securities: Par value .....	155,287	168,616	181,522
8799 Total balance, end of year .....	155,151	168,617	181,523

Object Classification (in millions of dollars)

Identification code 20-8007-0-7-651	2002 actual	2003 est.	2004 est.
Other purchases of goods and services from Government accounts:			
25.3 Office of the Inspector General .....	21	23	30
25.3 Beneficiary services .....	80	90	98
25.3 Demonstration projects .....	4	23	34
25.3 Portion of the limitation on administrative expenses .....	1,581	1,694	1,956
25.3 Other purchases of goods and services from Government accounts .....	42	41	42
42.0 Disability insurance benefits .....	68,307	74,105	78,246
94.0 Financial transfers .....	154	198	229
99.0 Direct obligations .....	70,189	76,174	80,635
99.9 Total new obligations .....	70,189	76,174	80,635

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, including the hire of two passenger motor vehicles, and not to exceed \$15,000 for official reception and representation expenses, not more than \$8,410,000,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: Provided, That not less than \$1,800,000 shall be for the Social Security Advisory Board: Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year 2004 not needed for fiscal year 2004 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: Provided further, That reimbursement to the trust funds under this heading for expenditures for official time for employees of the Social Security Administration pursuant to section 7131 of title 5, United States Code, and for facilities or support services for labor organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of such title shall be made by the Secretary of the Treasury, with interest, from amounts in the general fund not otherwise

appropriated, as soon as possible after such expenditures are made.

From funds provided under the first paragraph, not less than \$1,446,000,000 shall be available for processing continuing disability reviews, non-disability redeterminations of eligibility in the Supplemental Security Income program, and overpayment workloads, under titles II and XVI of the Social Security Act.

In addition, \$120,000,000 to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such section 1616(d) or 212(b)(3) in fiscal year 2004 exceed \$120,000,000, the amounts shall be available in fiscal year 2005 only to the extent provided in advance in appropriations Acts.

From funds previously appropriated for this purpose, any unobligated balances at the end of fiscal year 2003 shall be available to continue Federal-State partnerships which will evaluate means to promote Medicare buy-in programs targeted to elderly and disabled individuals under titles XVIII and XIX of the Social Security Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 28-8704-0-7-651	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 LAE direct program .....	7,582	8,152	8,530
09.01 Reimbursable program .....	23	43	35
10.00 Total new obligations .....	7,605	8,195	8,565

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year .....	111	171	
22.00 New budget authority (gross) .....	7,599	7,980	8,565
22.10 Resources available from recoveries of prior year obligations & prior year transfers .....	134	44	
23.90 Total budgetary resources available for obligation .....	7,844	8,195	8,565
23.95 Total new obligations .....	-7,605	-8,195	-8,565
23.98 Unobligated balance expiring or withdrawn .....	-67		
24.40 Unobligated balance carried forward, end of year .....	171		

New budget authority (gross), detail:

Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	6,606	7,937	8,516
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	964		14
68.90 Spending authority from offsetting collections (total discretionary) .....	7,570	7,937	8,530
Mandatory:			
69.00 Offsetting collections (cash) .....	24	43	35
69.10 Change in uncollected customer payments from Federal sources .....	5		
69.90 Spending authority from offsetting collections (total mandatory) .....	29	43	35
70.00 Total new budget authority (gross) .....	7,599	7,980	8,565

Change in obligated balances:

72.40 Obligated balance, start of year .....	-284	-386	-466
73.10 Total new obligations .....	7,605	8,195	8,565
73.20 Total outlays (gross) .....	-7,703	-8,231	-8,551
73.40 Adjustments in expired accounts (net) .....	30		
73.45 Resources available from recoveries of prior year obligations & prior year transfers .....	-134	-44	
74.00 Change in uncollected customer payments from Federal sources (unexpired accounts) .....	-969		-14
74.10 Change in uncollected customer payments from Federal sources (expired accounts) .....	1,069		
74.40 Obligated balance, end of year .....	-386	-466	-466

Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	6,694	6,998	7,550
86.93 Outlays from discretionary balances .....	986	1,190	966
86.97 Outlays from new mandatory authority .....	23	43	35
87.00 Total outlays (gross) .....	7,703	8,231	8,551

<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Offsetting Collections, Federal .....	-7,635	-8,206	-8,531
88.00	OASI [Emergency Supplemental, P.L. 107-117] .....	-8		
88.40	Non-Federal sources .....	-13	-25	-20
88.90	Total, offsetting collections (cash) .....	-7,656	-8,231	-8,551
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-969		-14
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	1,026	251	
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	47		

The Limitation on administrative expenses account provides resources for the Social Security Administration (SSA) to administer the old-age, survivors, and disability insurance programs, the supplemental security income program, the special benefits for certain World War II veterans program and certain health insurance functions for the aged and disabled.

**Object Classification** (in millions of dollars)

Identification code 28-8704-0-7-651	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	3,188	3,455	3,605
11.3	Other than full-time permanent .....	108	143	145
11.5	Other personnel compensation .....	192	112	152
11.8	Special personal services payments .....	2	2	2
11.9	Total personnel compensation .....	3,490	3,712	3,904
12.1	Civilian personnel benefits .....	776	876	939
13.0	Benefits for former personnel .....	2	3	3
21.0	Travel and transportation of persons .....	46	58	63
22.0	Transportation of things .....	8	8	8
23.1	Rental payments to GSA .....	415	431	444
23.2	Rental payments to others .....	2	2	2
23.3	Communications, utilities, and miscellaneous charges .....	294	333	325
24.0	Printing and reproduction .....	33	45	48
25.1	Advisory and assistance services .....	22	11	12
25.2	Other services .....	1,756	1,798	1,977
25.3	Other purchases of goods and services from Government accounts .....	87	109	93
25.4	Operation and maintenance of facilities .....	185	209	233
25.5	Research and development contracts .....		2	2
25.7	Operation and maintenance of equipment .....	129	173	143
26.0	Supplies and materials .....	45	44	48
31.0	Equipment .....	224	267	231
32.0	Land and structures .....	20	25	4

41.0	Grants, subsidies, and contributions .....	27	26	28
42.0	Insurance claims and indemnities .....	18	21	22
43.0	Interest and dividends .....	3	1	1
93.0	Below the threshold .....		-2	
99.0	Direct obligations .....	7,582	8,152	8,530
99.0	Reimbursable obligations .....	23	43	35
99.9	Total new obligations .....	7,605	8,195	8,565

**Personnel Summary**

Identification code 28-8704-0-7-651	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	62,214	62,709	63,709
<b>Reimbursable:</b>				
2001	Total compensable workyears: Civilian full-time equivalent employment .....	349	300	300

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.	
<b>Offsetting receipts from the public:</b>				
75-241800	Receipts from SSI administrative fee .....	152	156	159
75-309600	Recovery of beneficiary overpayments from SSI program .....	1,881	4,294	3,734
	General Fund Offsetting receipts from the public .....	2,033	4,450	3,893

As directed by Section 104 of P.L. 103-296, the Social Security Independence and Program Improvements Act of 1994, the Commissioner of Social Security shall prepare an annual budget for the Social Security Administration (SSA), which shall be submitted by the President to the Congress without revision, together with the President's annual budget for SSA.

The Commissioner developed a multi-year Service Delivery Budget through FY 2008 to provide a context for making decisions on needed improvements in service delivery and fiscal stewardship, and the requisite staffing to accomplish both. The Commissioner's multi-year budget includes \$9,018 million for total administrative discretionary resources in FY 2004. This represents \$8,920 million for SSA administrative expenses and \$98 million for the Office of the Inspector General.



## OTHER INDEPENDENT AGENCIES

### ADVISORY COUNCIL ON HISTORIC PRESERVATION

#### Federal Funds

#### General and special funds:

##### SALARIES AND EXPENSES

*For necessary expenses of the Advisory Council on Historic Preservation (Public Law 89-665, as amended), \$4,100,000: Provided, That none of these funds shall be available for compensation of level V of the Executive Schedule or higher positions.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 95-2300-0-1-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	4	4
09.01 Reimbursable program .....	1	1	1
09.99 Total reimbursable program .....	1	1	1
10.00 Total new obligations .....	4	5	5
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	4	5	5
23.95 Total new obligations .....	-4	-5	-5
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3	4	4
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	4	5	5
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		-1	
73.10 Total new obligations .....	4	5	5
73.20 Total outlays (gross) .....	-4	-5	-5
74.40 Obligated balance, end of year .....	-1		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	5	5
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	4	4
90.00 Outlays .....	3	4	4

The Council provides independent advice to the President and the Congress relating to the national historic preservation program and manages the Federal process for protecting historic properties.

#### Object Classification (in millions of dollars)

Identification code 95-2300-0-1-303	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....	2	3	3
99.0 Reimbursable obligations: Reimbursable obligations ...	1	1	1
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	4	5	5

#### Personnel Summary

Identification code 95-2300-0-1-303	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	32	32	32
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment .....	2	2	2

### APPALACHIAN REGIONAL COMMISSION

#### Federal Funds

#### General and special funds:

##### APPALACHIAN REGIONAL COMMISSION

*For expenses necessary to carry out the programs authorized by the Appalachian Regional Development Act of 1965, as amended, for necessary expenses for the Federal Co-Chairman and the alternate on the Appalachian Regional Commission, for payment of the Federal share of the administrative expenses of the Commission, including services as authorized by 5 U.S.C. 3109, and hire of passenger motor vehicles, \$33,145,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 46-0200-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Appalachian development highway system .....	2		
01.02 Area development program .....	67	68	36
01.03 Local development district and technical assistance program .....	7	6	4
01.91 Total Appalachian regional development programs .....	76	74	40
02.01 Federal Co-chairman and staff .....	1	1	1
02.02 Administrative expenses .....	3	3	3
02.91 Total salaries and expenses .....	4	4	4
10.00 Total new obligations .....	80	78	44
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	25	20	11
22.00 New budget authority (gross) .....	71	66	33
22.10 Resources available from recoveries of prior year obligations .....	3	3	3
23.90 Total budgetary resources available for obligation .....	99	89	47
23.95 Total new obligations .....	-80	-78	-44
24.40 Unobligated balance carried forward, end of year .....	20	11	3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	71	66	33
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1		
70.00 Total new budget authority (gross) .....	72	66	33
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	205	173	152
73.10 Total new obligations .....	80	78	44
73.20 Total outlays (gross) .....	-108	-96	-69
73.45 Recoveries of prior year obligations .....	-3	-3	-3
74.40 Obligated balance, end of year .....	173	152	124
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	15	22	11

General and special funds—Continued

APPALACHIAN REGIONAL COMMISSION—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 46-0200-0-1-452	2002 actual	2003 est.	2004 est.
86.93 Outlays from discretionary balances .....	93	72	60
87.00 Total outlays (gross) .....	108	96	69
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	71	66	33
90.00 Outlays .....	108	96	69

This appropriation supports a Federal-State partnership to invest in the basic building blocks of sustainable economic development in the 410 counties which comprise the Appalachian Region. Investments made throughout this 13-State Region include the building of a 3,025-mile economic development highway system and an area development program which funds economic and community development projects at the local level with a special focus on distressed counties.

*Appalachian development highway system.*—The Appalachian development highway system (ADHS), including local access roads, is designed to improve the accessibility of Appalachia; to reduce highway transportation costs to and within Appalachia; and to provide the highway transportation facilities necessary to accelerate the overall development of Appalachia. Studies have found the ADHS to be cost-beneficial, generating significant economic impacts.

Since FY 1999, funding for the ADHS has been provided predominantly from the Highway Trust Fund. The Transportation Equity Act for the 21st Century (TEA21) authorized \$2.25 billion for the construction of the ADHS and local access road projects under Section 201 of the Appalachian Regional Development Act. TEA21 authorized \$450 million annually to be appropriated out of the Highway Trust Fund for each of fiscal years 1999 through 2003. The ARC exercises programmatic and administrative control over these funds as it did when a direct appropriation was received. The Administration highway bill will recommend continued funding for the ADHS in 2004.

The cumulative status of the system of roads follows:

	2002 actual	2003 est.*	2004 est.*
<b>Development systems miles (Prefinanced miles included) (cumulative):</b>			
Miles placed under construction .....	2,571	2,590	2,609
Miles completed .....	2,257	2,282	2,307
<b>Access Roads (cumulative):</b>			
Miles approved .....	910	917	924
Miles completed .....	883	889	895
<b>Funds committed (cumulative-in millions of dollars):</b>			
Development highway .....	6,129	6,579	7,029
Access roads .....	232	236	240
Administration and other .....	52	53	54
Totals .....	6,413	6,868	7,323
Prefinanced by States (\$ millions) .....	25	25	25
Annual obligations (\$ millions) .....	556	550	550

\*Includes TEA21 funds.

*Area development program.*—Area development funds are allocated by formula to the 13 member-States for projects that promote sustainable regional development, with assistance targeted at the most distressed and underdeveloped counties.

P.L. 107-149 requires that half of all ARC program funding must support projects benefiting economically distressed counties and areas.

Area development funds projects which advance the goals and objectives of ARC's strategic plan. This strategic plan commits ARC to achieving five goals. These goals are (1) education and skills training, (2) physical infrastructure, (3) leadership and civic capacity, (4) diversified and entrepreneurial local economies, and (5) improved health care. The Commission has taken aggressive steps to ensure that the area development program will make progress on accomplishing these goals, to better target resources to those communities with the greatest needs, and to increase flexibility in project submission.

Each Governor submits for Commission approval an annual strategy statement detailing the areas of emphasis within the Region. All project applications submitted by the Governors address these priorities and describe the goals, objectives, and projected inputs, outputs, and outcomes. In 2004, the Commission will focus on both its system of reporting on the results of projects it funds and standardization of results measurement with those of other agencies that are engaged in similar activities.

In addition to the regular allocation of area development funds, ARC also identifies regional problems and opportunities and sets aside resources for special initiatives. The ongoing entrepreneurship initiative seeks to ensure that Appalachian communities have the commitment and resources to help entrepreneurs start and expand local businesses. Regional activities are also authorized to expand access to advanced telecommunications, support education and training in new technologies, expand e-commerce in the Region, and stimulate employment in high technology sectors. In 2004, the Commission will place higher priority on regional efforts than on individual projects and focus on multi-state planning and coordinating regional investments.

The budget provides \$25 million for area development with an approximate workload as follows:

	2002 actual	2003 est.	2004 est.
Area development projects .....	401	400	200

*Local development districts and technical assistance programs.*—Multi-county local development districts (LDDs) assist local governments throughout Appalachia in planning and working together on a regional basis. LDD funding from the ARC provides a cost-share with member governments, enabling local professional staff to help plan, initiate, and implement projects at the grass roots level. Technical assistance serves to strengthen the state and local governments, LDDs and non-profit organizations in the Region. P.L. 107-149 added four new counties to the Region, for a total of 410. This increased the number of LDDs served from 71 to 72. The budget provides \$3 million for the LDDs and \$1 million for technical assistance, with the approximate approved workload as follows:

	2002 actual	2003 est.	2004 est.
Planning districts aided .....	71	72	72
Technical assistance projects .....	15	15	10

*Salaries and expenses.*—The Federal Co-Chairman represents the Federal Government on the Commission and leads in the coordination of programs serving the Appalachian Region across the Federal Government. Since 1989, the Office of the Federal Co-Chairman has included an Inspector General.

In this Federal-State partnership, the Federal Government contributes half of the expenses of a professional staff which works with the States and the Federal staff in operating the program. The other half of these non-Federal employee expenses are provided by member States. The budget provides a total of \$4 million for salaries and expenses.

**Object Classification** (in millions of dollars)

Identification code 46-0200-0-1-452	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.2 Other services .....	3	3	3
41.0 Grants, subsidies, and contributions .....	48	50	29
99.0 Direct obligations .....	52	54	33
<b>Allocation Account:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
41.0 Grants, subsidies, and contributions .....	27	23	10
99.0 Allocation account .....	28	24	11
99.9 Total new obligations .....	80	78	44
<b>Obligations are distributed as follows:</b>			
Appalachian Regional Commission .....	52	54	33
Department of Agriculture .....	17	15	7
Department of Commerce .....	3	2	1
Department of Education .....	1	2	1
Department of Health and Human Services .....	*	*	*
Department of Housing and Urban Development .....	5	3	2
Department of Transportation .....	2	*	*

\*Obligations are less than \$1 million.

**Personnel Summary**

Identification code 46-0200-0-1-452	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	9	11	10

**Trust Funds**

**MISCELLANEOUS TRUST FUNDS**

**Unavailable Collections** (in millions of dollars)

Identification code 46-9971-0-7-452	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.20 Fees for services, Appalachian Regional Commission .....	3	3	3
02.40 General fund contributions, Appalachian Regional Commission .....	3	3	3
02.99 Total receipts and collections .....	6	6	6
<b>Appropriations:</b>			
05.00 Miscellaneous trust funds .....	-6	-6	-5
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 46-9971-0-7-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	6	6	6
10.00 Total new obligations .....	6	6	6
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	1
22.00 New budget authority (gross) .....	6	6	5
23.90 Total budgetary resources available for obligation .....	7	7	6
23.95 Total new obligations .....	-6	-6	-6
24.40 Unobligated balance carried forward, end of year .....	1	1	
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....	6	6	5
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		
73.10 Total new obligations .....	6	6	6
73.20 Total outlays (gross) .....	-7	-6	-5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	6	5	5

86.98 Outlays from mandatory balances .....	1	1	1
87.00 Total outlays (gross) .....	7	6	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	6	6	5
90.00 Outlays .....	7	6	5

As authorized in the Appalachian Regional Development Act, the 13 Appalachian States share with the Federal Government the administrative expenses of the Appalachian Regional Commission.

**Object Classification** (in millions of dollars)

Identification code 46-9971-0-7-452	2002 actual	2003 est.	2004 est.
11.8 Personnel compensation: Special personal services payments .....	4	4	4
12.1 Civilian personnel benefits .....	1	1	1
23.2 Rental payments to others .....	1	1	1
99.9 Total new obligations .....	6	6	6

**ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, \$5,401,000: Provided, That notwithstanding any other provision of law, there may be credited to this appropriation funds received for publications and training expenses, to be available for the purposes of this account.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 95-3200-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	5	5	5
10.00 Total new obligations .....	5	5	5
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	5	5	5
23.95 Total new obligations .....	-5	-5	-5
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	5	5	5
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	5	5	5
73.20 Total outlays (gross) .....	-6	-6	-6
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	5	5
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	6	6	6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	5	5
90.00 Outlays .....	4	6	6

The Architectural and Transportation Barriers Compliance Board (Access Board) was established by section 502 of the Rehabilitation Act of 1973. The Access Board is responsible for developing guidelines under the Americans with Disabil-

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

ities Act, the Architectural Barriers Act, and the Telecommunications Act. These guidelines ensure that buildings and facilities, transportation vehicles, and telecommunications equipment covered by these laws are readily accessible to and usable by people with disabilities. The Board is also responsible for developing standards under section 508 of the Rehabilitation Act for accessible electronic and information technology used by Federal agencies. In addition, the Access Board enforces the Architectural Barriers Act, and provides training and technical assistance on the guidelines and standards it develops.

In 2002, the Board was given new responsibilities under the Help America Vote Act. The Board will serve on the Board of Advisors and the Technical Guidelines Development Committee, which will help the new Election Assistance Commission develop voluntary guidelines and guidance for voting systems, including accessibility for people with disabilities.

**Object Classification** (in millions of dollars)

Identification code 95-3200-0-1-751	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....	3	3	3
99.5 Below reporting threshold .....	2	2	2
99.9 Total new obligations .....	5	5	5

**Personnel Summary**

Identification code 95-3200-0-1-751	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	30	32	32

**BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION**

**Trust Funds**

**BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 95-8281-0-7-502	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.40 Interest on investments, Barry Goldwater Scholarship and Excellence in Education .....	4	4	4
Appropriations:			
05.00 Barry Goldwater Scholarship and Excellence in Education Foundation .....	-4	-4	-4
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 95-8281-0-7-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	3	3
10.00 Total new obligations (object class 41.0) .....	3	3	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	63	64	65
22.00 New budget authority (gross) .....	4	4	4
23.90 Total budgetary resources available for obligation .....	67	68	69
23.95 Total new obligations .....	-3	-3	-3
24.40 Unobligated balance carried forward, end of year .....	64	65	66

**New budget authority (gross), detail:**

Mandatory:			
60.26 Appropriation (trust fund) .....	4	4	4

**Change in obligated balances:**

73.10 Total new obligations .....	3	3	3
73.20 Total outlays (gross) .....	-3	-3	-3

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	3	3	3
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**Net budget authority and outlays:**

89.00 Budget authority .....	4	4	4
90.00 Outlays .....	3	3	3

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value .....	62	63	63
92.02 Total investments, end of year: Federal securities:			
Par value .....	63	63	63

Public Law 99-661 established the Barry Goldwater Scholarship and Excellence in Education Foundation to operate the scholarship program that is the sole permanent tribute to the former Senator from Arizona. The Foundation awards scholarships to outstanding undergraduate students who intend to pursue careers in mathematics, science and engineering. The Foundation awards approximately 300 scholarships each fiscal year.

**Personnel Summary**

Identification code 95-8281-0-7-502	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2	2	2

**BROADCASTING BOARD OF GOVERNORS**

**Federal Funds**

**General and special funds:**

**INTERNATIONAL BROADCASTING OPERATIONS**

For expenses necessary to enable the Broadcasting Board of Governors, as authorized, to carry out international communication activities, \$525,204,000, of which not to exceed one percent may remain available until expended; and of which not to exceed \$16,000 may be used for official receptions within the United States as authorized, not to exceed \$35,000 may be used for representation abroad as authorized, and not to exceed \$39,000 may be used for official reception and representation expenses of Radio Free Europe/Radio Liberty; and in addition, notwithstanding any other provision of law, not to exceed \$2,000,000 in receipts from advertising and revenue from business ventures, not to exceed \$500,000 in receipts from cooperating international organizations, and not to exceed \$1,000,000 in receipts from privatization efforts of the Voice of America and the International Broadcasting Bureau, to remain available until expended for carrying out authorized purposes.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 95-0206-0-1-154	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Broadcasting Board of Governors .....	455	484	525
01.00 Subtotal, direct obligations .....	455	484	525
09.01 Reimbursable program .....	1	3	1
10.00 Total new obligations .....	456	487	526
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	11	20	
22.00 New budget authority (gross) .....	451	469	526

22.21	Unobligated balance transferred to other accounts	.....	—2	.....
22.22	Unobligated balance transferred from other accounts	.....	15	.....
23.90	Total budgetary resources available for obligation	.....	477	487
23.95	Total new obligations	.....	—456	—487
24.40	Unobligated balance carried forward, end of year	.....	20	.....

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation	.....	445	468
42.00	Transferred from other accounts	.....	2	.....
43.00	Appropriation (total discretionary)	.....	447	468
68.10	Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired)	.....	4	1
70.00	Total new budget authority (gross)	.....	451	469

**Change in obligated balances:**

72.40	Obligated balance, start of year	.....	102	106
73.10	Total new obligations	.....	456	487
73.20	Total outlays (gross)	.....	—439	—467
73.40	Adjustments in expired accounts (net)	.....	—10	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	.....	—4	—1
74.10	Change in uncollected customer payments from Federal sources (expired)	.....	1	.....
74.40	Obligated balance, end of year	.....	106	125

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	.....	358	394
86.93	Outlays from discretionary balances	.....	81	73
87.00	Total outlays (gross)	.....	439	467

**Offsets:**

<b>Against gross budget authority only:</b>				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	.....	—4	—1

**Net budget authority and outlays:**

89.00	Budget authority	.....	447	468
90.00	Outlays	.....	439	467

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority	.....	9	10
99.01	Outlays	.....	9	10

This appropriation provides operational funding for U.S. non-military, international broadcasting programs—including, the Voice of America, Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia—and the necessary engineering and technical, program and administrative support activities. Funds are provided to initiate the Middle East Television Network, enhance radio and television programming to Indonesia, and support audience development activities.

Funding for Radio and Television Broadcasting to Cuba is provided in a separate account.

**Object Classification (in millions of dollars)**

Identification code 95-0206-0-1-154				
2002 actual      2003 est.      2004 est.				
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent	.....	124	138
11.3	Other than full-time permanent	.....	6	7
11.5	Other personnel compensation	.....	9	10
11.9	Total personnel compensation	.....	139	155
12.1	Civilian personnel benefits	.....	34	38
13.0	Benefits for former personnel	.....	.....	3
21.0	Travel and transportation of persons	.....	6	6
22.0	Transportation of things	.....	2	2
23.1	Rental payments to GSA	.....	16	18
23.2	Rental payments to others	.....	6	6
23.3	Communications, utilities, and miscellaneous charges	.....	54	65
25.2	Other services	.....	49	60
25.4	Operation and maintenance of facilities	.....	4	5
25.5	Research and development contracts	.....	7	7
25.7	Operation and maintenance of equipment	.....	3	4
26.0	Supplies and materials	.....	16	19

31.0	Equipment	.....	13	16
41.0	Grants, subsidies, and contributions	.....	106	83
99.0	Direct obligations	.....	455	484
99.0	Reimbursable obligations	.....	1	3
99.9	Total new obligations	.....	456	487

**Personnel Summary**

Identification code 95-0206-0-1-154				
2002 actual      2003 est.      2004 est.				
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment	.....	2,195	2,353

**BROADCASTING CAPITAL IMPROVEMENTS**

*For the purchase, rent, construction, and improvement of facilities for radio transmission and reception, and purchase and installation of necessary equipment for radio and television transmission and reception as authorized, \$11,395,000, to remain available until expended, as authorized.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-0204-0-1-154				
2002 actual      2003 est.      2004 est.				
<b>Obligations by program activity:</b>				
00.01	New construction	.....	16	20
00.02	Upgrade of existing relay station capabilities	.....	2	30
00.03	Maintenance, improvements, replacement and repair	.....	12	13
00.05	Satellite and terrestrial feed systems	.....	1	1
10.00	Total new obligations	.....	31	64
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year	.....	7	48
22.00	New budget authority (gross)	.....	43	14
22.10	Resources available from recoveries of prior year obligations	.....	3	.....
22.22	Unobligated balance transferred from other accounts	.....	25	2
23.90	Total budgetary resources available for obligation	.....	78	64
23.95	Total new obligations	.....	—31	—64
24.40	Unobligated balance carried forward, end of year	.....	48	.....

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
40.00	Appropriation	.....	44	14
41.00	Transferred to other accounts	.....	—1	.....
43.00	Appropriation (total discretionary)	.....	43	14

**Change in obligated balances:**

72.40	Obligated balance, start of year	.....	35	42
73.10	Total new obligations	.....	31	64
73.20	Total outlays (gross)	.....	—21	—36
73.45	Recoveries of prior year obligations	.....	—3	.....
74.40	Obligated balance, end of year	.....	42	70

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority	.....	9	4
86.93	Outlays from discretionary balances	.....	12	32
87.00	Total outlays (gross)	.....	21	36

**Net budget authority and outlays:**

89.00	Budget authority	.....	43	14
90.00	Outlays	.....	21	36

This account provides funding for maintenance and improvement of the Broadcasting Board of Governors' worldwide transmission network.

*New Construction.*—This activity funds the construction of new transmitters and transmission facilities.

*Upgrade of existing relay station capabilities.*—This activity funds the upgrade of existing transmission facilities and

**General and special funds—Continued**

**BROADCASTING CAPITAL IMPROVEMENTS—Continued**

equipment to improve transmission quality and reduce the need for future new construction.

*Maintenance, improvements, replacements and repairs.*—This activity funds the continuing repairs and improvements required to maintain existing global radio and television network, including the conversion of program production and operations to a digital domain and maintaining physical security requirements.

*Satellite and terrestrial feed systems.*—This activity provides funding for the construction and maintenance of the Satellite Interconnect System (SIS) and Television Receive Only (TVRO) earth stations.

**Object Classification (in millions of dollars)**

Identification code 95-0204-0-1-154	2002 actual	2003 est.	2004 est.
23.2 Rental payments to others .....	1	3	2
25.1 Advisory and assistance services .....	1		
25.2 Other services .....	6	15	1
25.4 Operation and maintenance of facilities .....	5	11	3
26.0 Supplies and materials .....	1	2	1
31.0 Equipment .....	17	33	4
99.9 Total new obligations .....	31	64	11

**BROADCASTING TO CUBA**

*For necessary expenses to enable the Broadcasting Board of Governors to carry out broadcasting to Cuba, including the purchase, rent, construction, and improvement of facilities for radio and television transmission and reception, and purchase, lease, and installation of necessary equipment (including aerostats) for radio and television transmission and reception, \$26,901,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-0208-0-1-154	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	25	28	27
10.00 Total new obligations .....	25	28	27
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	2	
22.00 New budget authority (gross) .....	25	26	27
23.90 Total budgetary resources available for obligation .....	27	28	27
23.95 Total new obligations .....	-25	-28	-27
24.40 Unobligated balance carried forward, end of year .....	2		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	25	26	27
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	9	11
73.10 Total new obligations .....	25	28	27
73.20 Total outlays (gross) .....	-24	-26	-27
74.40 Obligated balance, end of year .....	9	11	11
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	20	21	22
86.93 Outlays from discretionary balances .....	4	5	5
87.00 Total outlays (gross) .....	24	26	27
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	25	26	27
90.00 Outlays .....	24	26	27

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	
99.01 Outlays .....	1	1	

This account provides funding for Radio Marti and TV Marti to provide news and information to the people of Cuba.

**Object Classification (in millions of dollars)**

Identification code 95-0208-0-1-154	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	11	12	12
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	12	13	13
12.1 Civilian personnel benefits .....	3	3	3
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
25.2 Other services .....	4	5	5
31.0 Equipment .....	1	2	1
99.9 Total new obligations .....	25	28	27

**Personnel Summary**

Identification code 95-0208-0-1-154	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	155	163	163

**BUYING POWER MAINTENANCE**

**Program and Financing (in millions of dollars)**

Identification code 95-1147-0-1-154	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	4	4
24.40 Unobligated balance carried forward, end of year .....	4	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

This account provides funding to offset losses due to exchange rate and overseas wage and price fluctuations unanticipated in the budget. As authorized, gains due to fluctuations are deposited into this account to be available to offset future losses.

**Trust Funds**

**FOREIGN SERVICE NATIONAL SEPARATION LIABILITY TRUST FUND**

**Program and Financing (in millions of dollars)**

Identification code 95-8285-0-7-602	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	4	4
24.40 Unobligated balance carried forward, end of year .....	4	4	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

This fund is maintained to pay separation costs for Foreign Service National employees of the Broadcasting Board of Governors in those countries in which such pay is legally authorized. The fund, as authorized by Public Law 102-138, and amended by the Foreign Affairs Reform and Restructuring Act of 1998, is maintained by annual government contributions which are appropriated in the International Broadcasting Operations account.

**CENTRAL INTELLIGENCE AGENCY**

*Federal Funds*

**General and special funds:**

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain the proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System, **[\$222,500,000] \$226,400,000.** (*Department of Defense Appropriations Act, 2003.*)

**Program and Financing** (in millions of dollars)

Identification code 56-3400-0-1-054	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	212	223	226
10.00 Total new obligations .....	212	223	226
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	212	223	226
23.95 Total new obligations .....	-212	-223	-226
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	212	223	226
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	212	223	226
73.20 Total outlays (gross) .....	-212	-223	-226
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	212	223	226
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	212	223	226
90.00 Outlays .....	212	223	226
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	139	128	125
99.01 Outlays .....	139	128	125

The appropriation provides for payment to the Fund for: (a) interest on an unfunded liability; (b) the cost of annuity disbursements attributable to military service; (c) the amount of normal costs not met by employee and employer contributions; and (d) financing, in annual installments, the unfunded liability created by new or liberalized benefits, new groups of beneficiaries, and salary increases. The request for 2004 includes the twenty-seventh installment for the unfunded liability created by the liberalized benefits authorized by Public Law 94-522, and the appropriate annual installments for salary increases authorized in prior years.

**Object Classification** (in millions of dollars)

Identification code 56-3400-0-1-054	2002 actual	2003 est.	2004 est.
12.1 Civilian personnel benefits .....	78	76	77
13.0 Benefits for former personnel .....	134	147	149
99.9 Total new obligations .....	212	223	226

**CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD**

*Federal Funds*

**General and special funds:**

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD SALARIES AND EXPENSES

For necessary expenses in carrying out activities pursuant to section 112(r)(6) of the Clean Air Act, as amended, including hire of passenger

vehicles, uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902, and for services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376, \$8,000,000, of which \$5,500,000 is to remain available until September 30, 2004 and \$2,500,000, of which is to remain available until September 30, 2005: Provided, That the Chemical Safety and Hazard Investigation Board shall have not more than three career Senior Executive Service positions.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended), the amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 95-3850-0-1-304	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	8	8	9
10.00 Total new obligations .....	8	8	9
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	2	1	1
22.00 New budget authority (gross) .....	8	8	8
23.90 Total budgetary resources available for obligation	10	9	9
23.95 Total new obligations .....	-8	-8	-9
24.40 Unobligated balance carried forward, end of year .....	1	1	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	8	8	8
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	2	2
73.10 Total new obligations .....	8	8	9
73.20 Total outlays (gross) .....	-7	-9	-8
73.40 Adjustments in expired accounts (net) .....	1	1	1
74.40 Obligated balance, end of year .....	2	2	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	8	8
86.93 Outlays from discretionary balances .....	2	1	
87.00 Total outlays (gross) .....	7	9	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	8	8	8
90.00 Outlays .....	7	9	8

The Chemical Safety and Hazard Investigation Board, as authorized by the Clean Air Act Amendments of 1990, became operational in 1998. It is an independent, non-regulatory agency that promotes chemical safety and accident prevention through investigating chemical accidents; making recommendations for accident prevention; conducting special studies; and advising the President and Congress on key issues relating to chemical safety and on actions taken by the Environmental Protection Agency, the Department of Labor, and other Federal agencies to implement Board recommendations. As authorized by law, the Board will submit a separate request to Congress and OMB concurrently, of \$9.0 million for 2004.

**Object Classification** (in millions of dollars)

Identification code 95-3850-0-1-304	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	3	4	4
12.1 Civilian personnel benefits .....	1	1	2
23.2 Rental payments to others .....	1	1	1
25.2 Other services .....	2	2	2
99.0 Direct obligations .....	7	8	9
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	8	8	9

**General and special funds—Continued**

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD—Continued  
SALARIES AND EXPENSES—Continued

**Personnel Summary**

Identification code 95-3850-0-1-304	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	30	38	38

**CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION**

*Trust Funds*

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

**Unavailable Collections (in millions of dollars)**

Identification code 76-8187-0-7-502	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Gifts and donations .....		1	1
Appropriations:			
05.00 Christopher Columbus Fellowship Foundation .....		-1	-1
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 76-8187-0-7-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		1	1
10.00 Total new obligations (object class 41.0) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	5	4	4
22.00 New budget authority (gross) .....		1	1
23.90 Total budgetary resources available for obligation	5	5	5
23.95 Total new obligations .....	-1	-1	-1
24.40 Unobligated balance carried forward, end of year .....	4	4	4
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....		1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		1	1
90.00 Outlays .....	1	1	1
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	5	4	5
92.02 Total investments, end of year: Federal securities:			
Par value .....	4	5	5

Public Law 102-281 established the Christopher Columbus Fellowship Foundation "to encourage and support research, study, and labor designed to produce new discoveries in all fields of endeavor for the benefit of mankind." Surcharges from Christopher Columbus Quincentenary coins were placed in the Foundation's trust fund. The trust fund will be used to operate the Foundation's programs.

The Foundation will support programs totaling more than \$1 million in 2003 and 2004. The Foundation supports four competitive programs rewarding individuals and communities who develop innovative approaches to solving problems.

**Personnel Summary**

Identification code 76-8187-0-7-502	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2	1	1

**COMMISSION OF FINE ARTS**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

*For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), \$1,422,000: Provided, That the Commission is authorized to charge fees to cover the full costs of its publications, and such fees shall be credited to this account as an offsetting collection, to remain available until expended without further appropriation.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing (in millions of dollars)**

Identification code 95-2600-0-1-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1	1	1
10.00 Total new obligations (object class 99.5) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1	1	1
23.95 Total new obligations .....	-1	-1	-1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	1	1
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1

The Commission advises the President, Congress, and department heads on matters of architecture, sculpture, landscape, and other fine arts. Its primary function is to preserve and enhance the appearance of the National Capital.

**Personnel Summary**

Identification code 95-2600-0-1-451	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	6	8	8

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

*For necessary expenses as authorized by Public Law 99-190 (20 U.S.C. 956a), as amended, \$5,000,000. Provided, That under this heading in the Department of the Interior and Related Agencies Appropriations Act, 1986, as amended, delete the second paragraph and insert the following:*

*"Eligibility for grants shall be limited to not-for-profit, non-academic institutions of demonstrated national repute and is further limited to organizations having annual income, exclusive of Federal funds, in excess of \$1,000,000 but not exceeding \$15,000,000 for each of the three years prior to receipt of a grant."*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution*

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 95-2602-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	7	7	5
10.00 Total new obligations (object class 41.0) .....	7	7	5
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	7	7	5
23.95 Total new obligations .....	-7	-7	-5
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	7	7	5
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	7	7	5
73.20 Total outlays (gross) .....	-7	-7	-5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	7	7	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	7	7	5
90.00 Outlays .....	7	7	5

This program provides payments for general operating support to Washington, D.C. arts and other cultural organizations.

## COMMISSION ON CIVIL RIGHTS

### Federal Funds

#### General and special funds:

##### SALARIES AND EXPENSES

For necessary expenses of the Commission on Civil Rights, including hire of passenger motor vehicles, \$9,096,000: Provided, That not to exceed \$50,000 may be used to employ consultants: Provided further, That none of the funds appropriated in this paragraph shall be used to employ in excess of four full-time individuals under Schedule C of the Excepted Service exclusive of one special assistant for each Commissioner: Provided further, That none of the funds appropriated in this paragraph shall be used to reimburse Commissioners for more than 75 billable days, with the exception of the chairperson, who is permitted 125 billable days.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 95-1900-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	9	9	9
10.00 Total new obligations .....	9	9	9
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	9	9	9
23.95 Total new obligations .....	-9	-9	-9
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	9	9	9
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		
73.10 Total new obligations .....	9	9	9
73.20 Total outlays (gross) .....	-9	-9	-9
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	8	8	8

86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	9	9	9
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	9	9	9
90.00 Outlays .....	10	9	9

The Commission engages in studies concerning areas in which there may be denials of civil rights and reports on these matters to the President and the Congress. Hearings by the Commissioners are held to investigate and obtain information about denials of civil rights. Conferences and open meetings are held by staff and State Advisory Committees to gather data and issue reports providing information about civil rights problems. In addition, the Commission appraises and reports on Federal agencies' enforcement of civil rights laws. Complaints alleging discrimination are referred to the proper Federal agencies.

The Commission provides liaison with private groups, public groups, and the media to provide civil rights information to Government officials, organizations, and the public. The Commission issues publications and public service announcements to discourage discrimination and denial of equal protection of the laws. The Commission also provides a library resource to support civil rights research, studies, hearings, and other Commission activities, and makes this information available to the general public.

#### Object Classification (in millions of dollars)

Identification code 95-1900-0-1-751	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	5	6	6
12.1 Civilian personnel benefits .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
25.2 Other services .....	2	1	1
99.9 Total new obligations .....	9	9	9

#### Personnel Summary

Identification code 95-1900-0-1-751	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	72	76	76

## COMMISSION ON OCEAN POLICY

### Federal Funds

#### General and special funds:

##### SALARIES AND EXPENSES

Program and Financing (in millions of dollars)			
Identification code 48-2955-0-1-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		6	
10.00 Total new obligations .....	2	6	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	6	
22.00 New budget authority (gross) .....	3		
23.90 Total budgetary resources available for obligation .....	7	6	
23.95 Total new obligations .....	-2	-6	
24.40 Unobligated balance carried forward, end of year .....	6		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			1
73.10 Total new obligations .....	2	6	

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 48-2955-0-1-306	2002 actual	2003 est.	2004 est.
73.20 Total outlays (gross) .....	- 2	- 5	- 1
74.40 Obligated balance, end of year .....		1	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	2	5	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3		
90.00 Outlays .....	2	5	1

The Commission on Ocean Policy was established to make recommendations for a coordinated and comprehensive national ocean policy. Findings and recommendations are to be submitted to the President and Congress by June 20, 2003.

**Object Classification (in millions of dollars)**

Identification code 48-2955-0-1-306	2002 actual	2003 est.	2004 est.
25.1 Direct obligations: Advisory and assistance services .....		4	
99.5 Below reporting threshold .....	2	2	
99.9 Total new obligations .....	2	6	

**COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Committee for Purchase From People Who Are Blind or Severely Disabled established by Public Law 92-28, \$4,629,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-2000-0-1-505	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	5	5	5
10.00 Total new obligations .....	5	5	5

<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	5	5	5
23.95 Total new obligations .....	- 5	- 5	- 5

<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	5	5	5

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	2	
73.10 Total new obligations .....	5	5	5
73.20 Total outlays (gross) .....	- 4	- 5	- 5
73.40 Adjustments in expired accounts (net) .....	1		
74.40 Obligated balance, end of year .....	2		

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	4	4
86.93 Outlays from discretionary balances .....		1	1
87.00 Total outlays (gross) .....	4	5	5

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	5	5

90.00 Outlays .....	5	5	4
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The Committee for Purchase From People Who Are Blind or Severely Disabled administers the Javits-Wagner-O'Day (JWOD) Act of 1971, as amended. Its primary objective is to use the purchasing power of the Federal Government to provide people who are blind or have other severe disabilities with employment and training that will develop and improve job skills as well as prepare them for employment options outside the JWOD Program. In 2004, the Committee's goal is to maintain the employment of approximately 50,000 people who are blind or have other severe disabilities in over 600 nonprofit agencies. The Committee's duties include promoting the program; determining which products and services are suitable for Government procurement from qualified nonprofit agencies serving people who are blind or have other severe disabilities; maintaining a procurement list of such products and services; determining the fair market price for products and services on the procurement list; and making rules and regulations necessary to carry out the purposes of the Act. In 2004 the Committee's goal is to have sales of \$1.2 billion.

The Committee staff's responsibilities include promoting and assessing the overall programs; supervising the selection and assignment of new products and services; assisting in establishing prices; reviewing and adjusting these prices; verifying the qualifications of nonprofit agencies; and monitoring their performance. The resources proposed for 2004 would enable the Committee to continue its marketing efforts, which are essential to protecting jobs for people with disabilities involved in supplying commercial-type products such as office supplies to Federal customers under the JWOD Program. The education functions to be supported by these funds would focus on informing Federal purchase card holders about JWOD products and working with private sector distributors of those products, including e-commerce vendors.

**Object Classification (in millions of dollars)**

Identification code 95-2000-0-1-505	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....	2	2	2
99.5 Below reporting threshold .....	3	3	3
99.9 Total new obligations .....	5	5	5

**Personnel Summary**

Identification code 95-2000-0-1-505	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	29	29	29

**COMMODITY FUTURES TRADING COMMISSION**

**Federal Funds**

**General and special funds:**

**COMMODITY FUTURES TRADING COMMISSION**

For necessary expenses to carry out the provisions of the Commodity Exchange Act (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed \$25,000 for employment under 5 U.S.C. 3109, \$88,435,000, including not to exceed \$3,000 for official reception and representation expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 95-1400-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Market oversight .....	21	23	24
00.02 Enforcement .....	30	31	36
00.03 Clearing and intermediary oversight .....	13	14	15
00.04 Proceedings .....	3	3	3
00.05 General Counsel .....	7	7	8
00.06 Chief Economist .....	1	2	2
10.00 Total new obligations .....	75	80	88
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		13	13
22.00 New budget authority (gross) .....	88	80	88
23.90 Total budgetary resources available for obligation .....	88	93	101
23.95 Total new obligations .....	-75	-80	-88
24.40 Unobligated balance carried forward, end of year .....	13	13	13
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	71	80	88
40.00 Appropriation (emergency) .....	17		
43.00 Appropriation (total discretionary) .....	88	80	88
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	11	14	4
73.10 Total new obligations .....	75	80	88
73.20 Total outlays (gross) .....	-72	-90	-89
74.40 Obligated balance, end of year .....	14	4	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	63	71	78
86.93 Outlays from discretionary balances .....	9	19	11
87.00 Total outlays (gross) .....	72	90	89
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	88	80	88
90.00 Outlays .....	72	90	89

## Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	88	80	88
Outlays .....	72	90	89
Legislative proposal, not subject to PAYGO:			
Budget Authority .....		-33	
Outlays .....		-33	
Total:			
Budget Authority .....	88	47	88
Outlays .....	72	57	89

The Commodity Futures Trading Commission (CFTC) administers the Commodity Exchange Act of 1936, as amended. The purpose of the CFTC is to further the economic utility of the futures markets by encouraging their efficiency, assuring their integrity, and protecting participants against abusive trade practices, fraud, and deceit. The object of commodity futures trading regulation is to enable the markets to better serve their designated functions of providing a price discovery mechanism and a means of offsetting price risk. By properly serving these functions, the futures markets serve the public interest by contributing toward better planning, more efficient distribution and consumption, and more economical marketing. The commodity futures and options markets represent one of America's most innovative and competitive contributions to the international financial services industry.

The Administration proposes additional dollar resources above the fiscal year 2002 level for the Commission. These resources contribute to the Commission's ability to investigate and detect fraud and abuse and ensure the continued integ-

ity of the commodities markets. In addition, these funds would provide the Commission with enforcement and surveillance resources to respond to the continued growth and use of complex trading and derivative instruments.

**Market surveillance, analysis and research.**—Responsibilities under this program include daily surveillance of the market activity of large individual traders and fundamental economic market factors to insure orderly markets. Contract terms and conditions are reviewed to insure conformity with current cash marketing conditions and adequate deliverable supplies. This program also systematically investigates the functioning of markets and market users and develops better tools to assist in detecting and preventing price distortions.

	2002 actual	2003 est.	2004 est.
Trader and broker reports analyzed (thousands) .....	31,600	75,000	78,800
Market surveillance reports prepared .....	1,826	2,100	2,400

**Enforcement.**—The enforcement program is responsible for detecting, investigating, and litigating violations of the Act or regulations. These violations may include actual and attempted market manipulations, cheating and defrauding customers, and abusive trading practices such as fictitious trading, wash trading, and pre-arranged trading. This program may seek remedies through the administrative process or by injunctive actions in the Federal Courts.

Investigations:	2002 actual	2003 est.	2004 est.
Opened .....	138	138	142
Completed .....	141	142	150
Cases:			
Opened .....	60	44	48
Completed .....	35	38	40

**Trading and markets.**—This program is designed to protect customer funds, prevent and detect financial, sales practice and trading abuses, and to assure the financial integrity and fitness of firms holding customer funds. In order to assure compliance with statutory requirements, this program monitors compliance activities of designated contract markets and the National Futures Association, conducts audits and reviews of registrants, and reviews self-regulatory organizations' rules and proposed rule changes. The program also develops regulations pursuant to statutory requirements and coordinates with other domestic and international regulators relative to cross border financial services affecting futures and options products.

	2002 actual	2003 est.	2004 est.
Oversight audits of registrants .....	26	30	35
Review self-regulatory organization rules .....	390	200	375
Review adequacy of self-regulatory organization disciplinary actions .....	642	590	600
Audits of clearing organizations and firms handling customer money .....	19	18	18
Written requests for regulatory exemptive relief granted .....	424	435	435
Reparations:			
Cases pending (beginning balance) .....	64	67	70
Cases received/forwarded .....	97	100	110
Cases dismissed, settled, or disposed .....	94	100	110
Cases pending (ending balance) .....	67	67	70

**General Counsel.**—The Office of the General Counsel provides legal services and support to the Commission's program divisions, including engaging in defensive, appellate, and amicus litigation; assisting the Commission in the performance of its adjudicatory functions; drafting regulations; interpreting the Commodity Exchange Act; and providing no-action letters and opinions to the public.

## Object Classification (in millions of dollars)

Identification code 95-1400-0-1-376	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	37	44	46
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	2	1	1
11.9 Total personnel compensation .....	40	46	48

**General and special funds—Continued**

**COMMODITY FUTURES TRADING COMMISSION—Continued**

**Object Classification (in millions of dollars)—Continued**

Identification code 95-1400-0-1-376	2002 actual	2003 est.	2004 est.
12.1 Civilian personnel benefits .....	11	12	15
21.0 Travel and transportation of persons .....	1	1	1
23.2 Rental payments to others .....	8	10	11
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.2 Other services .....	9	6	7
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	3	2	3
99.9 Total new obligations .....	75	80	88

**Personnel Summary**

Identification code 95-1400-0-1-376	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	488	541	489

**COMMODITIES FUTURES TRADING COMMISSION  
(Legislative proposal, not subject to PAYGO)**

**Program and Financing (in millions of dollars)**

Identification code 95-1400-2-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct obligations .....		- 33	
09.01 Reimbursable program .....		33	
10.00 Total new obligations .....			
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		- 33	
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		33	
70.00 Total new budget authority (gross) .....			
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			
73.20 Total outlays (gross) .....			
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....		- 33	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		- 33	
90.00 Outlays .....		- 33	

*Fees on each round-turn commodities futures and options transaction.*—The Commodity Futures Trading Commission (CFTC) regulates U.S. futures and options markets. It strives to protect investors by preventing fraud and abuse and ensuring adequate disclosure information. The President's FY 2003 budget proposed a fee on each round-turn commodities futures and options transaction. This proposal recognized that market participants derive direct benefit from CFTC's oversight, which provides legal certainty and contributes to the integrity and soundness of the markets. The fee is not proposed in the FY 2004 budget and may be reconsidered after additional analysis.

**Object Classification (in millions of dollars)**

Identification code 95-1400-2-1-376	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....		- 17	
11.3 Other than full-time permanent .....		- 1	

11.9 Total personnel compensation .....	- 18		
12.1 Civilian personnel benefits .....	- 6		
23.2 Rental payments to others .....	- 4		
25.2 Other services .....	- 4		
31.0 Equipment .....	- 1		
99.0 Direct obligations .....	- 33		
99.0 Reimbursable obligations .....	33		
99.9 Total new obligations .....			

**Personnel Summary**

Identification code 95-1400-2-1-376	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....		- 220	
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....		220	

**CONSUMER PRODUCT SAFETY COMMISSION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed \$500 for official reception and representation expenses, \$60,000,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 61-0100-0-1-554	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Reducing product hazards to children and families .....	45	47	49
00.02 Identifying and researching product hazards .....	10	10	11
09.01 Reimbursable program .....	4	4	4
10.00 Total new obligations .....	59	61	64
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	59	61	64
23.95 Total new obligations .....	- 59	- 61	- 64
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	55	57	60
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	4	4	4
70.00 Total new budget authority (gross) .....	59	61	64
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	11	9
73.10 Total new obligations .....	59	61	64
73.20 Total outlays (gross) .....	- 56	- 64	- 64
74.40 Obligated balance, end of year .....	11	9	8
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	49	55	57
86.93 Outlays from discretionary balances .....	7	9	7
87.00 Total outlays (gross) .....	56	64	64
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	- 4	- 4	- 4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	55	57	60

90.00	Outlays .....	52	60	60
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	3	3	3
99.01	Outlays .....	3	3	3

The Commission addresses a number of product safety areas. These include fire and thermal burn hazards, electrical hazards, acute and chronic chemical hazards, children's and recreational product hazards, power equipment hazards, and household structural products hazards.

Object Classification (in millions of dollars)				
Identification code 61-0100-0-1-554		2002 actual	2003 est.	2004 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent .....	32	34	36
11.3	Other than full-time permanent .....	2	2	2
11.9	Total personnel compensation .....	34	36	38
12.1	Civilian personnel benefits .....	7	8	9
21.0	Travel and transportation of persons .....	1	1	1
23.1	Rental payments to GSA .....	3	4	5
23.3	Communications, utilities, and miscellaneous charges .....	1	1	1
25.2	Other services .....	4	3	3
25.3	Other purchases of goods and services from Government accounts .....	1	1	1
26.0	Supplies and materials .....	1	1	1
31.0	Equipment .....	2	1	1
99.0	Direct obligations .....	54	56	60
99.0	Reimbursable obligations .....	4	4	4
99.5	Below reporting threshold .....	1	1	.....
99.9	Total new obligations .....	59	61	64

Personnel Summary				
Identification code 61-0100-0-1-554		2002 actual	2003 est.	2004 est.
Direct:				
Total compensable workyears:				
1001	Civilian full-time equivalent employment .....	462	471	471

**CORPORATION FOR NATIONAL AND COMMUNITY SERVICE**

**Federal Funds**

**General and special funds:**

NATIONAL AND COMMUNITY SERVICE PROGRAMS  
OPERATING EXPENSES

For necessary expenses for the Corporation for National and Community Service in carrying out programs, activities, and initiatives under the National and Community Service Act of 1990 (the "Act") (42 U.S.C. 12501 et seq.), \$592,742,000, to remain available until September 30, 2005: Provided, That not more than \$2,500 shall be for official reception and representation expenses: Provided further, That not more than \$120,000,000, to remain available until expended, shall be transferred to the National Service Trust; and of which up to, \$5,000,000 shall be available for national service scholarships for high school students performing community service: Provided further, That not more than \$313,242,000 of the amount provided under this heading shall be available for grants under the National Service Trust program authorized under subtitle C of title I of the Act (42 U.S.C. 12571 et seq.) (relating to activities including the AmeriCorps program), and for grants to organizations operating projects under the AmeriCorps Education Awards Program and AmeriCorps Promise Fellows Program (without regard to the requirements of sections 121(d) and (e), 131(e), 132, and 140(a), (d), and (e) of the Act): of which not more than \$55,000,000 may be used to administer, reimburse, or support any national service program authorized under section 121(d)(2) of such Act (42 U.S.C. 12581(d)(2)): Provided further, That not more than \$10,000,000 of the funds made available under this heading shall be for the Points of Light Foundation for activities

authorized under title III of the Act (42 U.S.C. 12661 et seq.), of which not more than \$2,500,000 may be used to support an endowment fund, the corpus of which shall remain intact and the interest income from which shall be used to support activities described in title III of the Act, provided that the Foundation may invest the corpus and income in federally insured bank savings accounts or comparable interest bearing accounts, certificates of deposit, money market funds, mutual funds, obligations of the United States, and other market instruments and securities but not in real estate investments: Provided further, That no funds shall be available for national service programs run by Federal agencies authorized under section 121(b) of such Act (42 U.S.C. 12571(b)): Provided further, That not more than \$26,000,000 shall be available for quality and innovation activities authorized under subtitle H of title I of the Act (42 U.S.C. 12853 et seq.): Provided further, That not more than \$7,500,000 of the funds made available under this heading shall be made available to America's Promise—The Alliance for Youth, Inc. only to support efforts to mobilize individuals, groups, and organizations to build and strengthen the character and competence of the Nation's youth: Provided further, That not more than \$3,000,000 of the funds made available under this heading shall be for Teach for America: Provided further, That in addition to amounts otherwise transferred to the National Service Trust under this heading, the Chief Executive Officer may transfer to the Trust up to 25 percent of the amount provided under this heading upon his determination that such a transfer is necessary to support the activities of national service participants and after notice is transmitted to Congress.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)				
Identification code 95-2720-0-1-506		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	National Service Trust .....		75	120
00.02	AmeriCorps grants .....	257	364	324
00.03	Innovation assistance and other activities .....	28	26	26
00.04	Evaluation .....	4	7	7
00.05	National Civilian Community Corps .....	26	28	34
00.06	Learn and Serve America .....	43	43	43
00.07	NCSA program administration .....	30	35	36
00.08	Points of Light Foundation .....	10	10	10
00.09	America's Promise .....	8	8	8
00.10	Communities in schools, YMCA, etc. ....	9	3	3
00.11	Teacher Challenge Grants .....		10	.....
10.00	Total new obligations .....	415	609	611

Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year .....	61	48	70
22.00	New budget authority (gross) .....	402	631	593
23.90	Total budgetary resources available for obligation .....	463	679	663
23.95	Total new obligations .....	-415	-609	-611
23.98	Unobligated balance expiring or withdrawn .....	-1	.....	.....
24.40	Unobligated balance carried forward, end of year .....	48	70	52

New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation .....	402	631	593
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	1	.....	.....
70.00	Total new budget authority (gross) .....	403	631	593

Change in obligated balances:				
72.40	Obligated balance, start of year .....	553	542	635
73.10	Total new obligations .....	415	609	611
73.20	Total outlays (gross) .....	-404	-516	-659
73.40	Adjustments in expired accounts (net) .....	-22	.....	.....
74.40	Obligated balance, end of year .....	542	635	587

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority .....	80	172	162
86.93	Outlays from discretionary balances .....	324	344	497
87.00	Total outlays (gross) .....	404	516	659

General and special funds—Continued

OPERATING EXPENSES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 95-2720-0-1-506	2002 actual	2003 est.	2004 est.
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	402	631	593
90.00 Outlays	403	516	659
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority	2	2	2
99.01 Outlays	2	2	2

The Corporation for National and Community Service works with non-profits, faith-based groups, schools, and other civic organizations to engage Americans of all ages and backgrounds in community-based service which addresses the Nation's educational, human, public safety, and environmental needs, including homeland security, to achieve meaningful results. In doing so, the Corporation fosters civic responsibility, strengthens the ties that bind us together as a people, and provides educational opportunity for those who make a substantial commitment to service.

*National Service Trust.*—The Trust serves as a secure repository for educational awards set aside for eligible participants in National Service programs.

*AmeriCorps grants.*—With funds both channelled through States and provided directly to community based organizations, AmeriCorps grants enable communities to address problems they identify by using the skills of individuals serving in National Service positions.

*Innovation, assistance, and other activities.*—This activity provides support to programs receiving assistance under AmeriCorps or Learn and Serve America or to organizations or States which would like to create programs or apply to the Corporation for funding.

*Evaluation.*—This activity supports studies of the impact and effectiveness of Corporation programs.

*National Civilian Community Corps.*—This residential National Service program provides unique service opportunities for members and communities.

*Learn and Serve America.*—Through grants to State educational agencies, colleges and consortia of colleges and non-profit organizations, and other means, opportunities will be provided to students to participate in service learning activities.

*NCSA program administration.*—These funds will be provided to State Commissions to develop National Service plans and manage these activities within their States and will be used by the Corporation to administer these activities.

*Points of Light Foundation.*—A grant will be provided to this nongovernment, nonprofit 501(c)(3) entity to enable it to increase opportunities for Americans to participate in voluntary activities.

*America's Promise.*—A grant will be provided to this nongovernment, nonprofit 501(c)(3) entity to enable it to mobilize individuals, groups and organizations to build and strengthen the character and competence of the Nation's youth.

*Teach for America.*—A grant will be provided to this nongovernment, nonprofit 501(c)(3) entity to enable it to support a national teacher corps of outstanding recent college graduates of all academic majors who commit two years to teach in urban and rural schools.

Object Classification (in millions of dollars)

Identification code 95-2720-0-1-506	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent	18	20	21
11.3 Other than full-time permanent	6	8	8
11.9 Total personnel compensation	24	28	29
12.1 Civilian personnel benefits	5	6	6
21.0 Travel and transportation of persons	4	5	5
23.3 Communications, utilities, and miscellaneous charges	1	3	3
25.2 Other services	19	24	26
26.0 Supplies and materials	2	3	3
41.0 Grants, subsidies, and contributions	360	470	419
94.0 Financial transfers		70	120
99.0 Direct obligations	415	609	611
99.9 Total new obligations	415	609	611

Personnel Summary

Identification code 95-2720-0-1-506	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment	270	271	271

DOMESTIC VOLUNTEER SERVICE PROGRAMS, OPERATING EXPENSES

For expenses necessary for the Corporation for National and Community Service to carry out the provisions of the Domestic Volunteer Service Act of 1973, as amended, \$364,663,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 95-0103-0-1-506	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Volunteers in Service to America	85	94	95
00.02 Special Volunteer Programs	5	55	20
00.03 National Senior Service Corps	205	213	212
00.05 Program support	32	34	38
09.01 Reimbursable program	7	6	6
10.00 Total new obligations	334	402	371
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	335	402	371
23.95 Total new obligations	-334	-402	-371
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation	329	396	365
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash)	5	6	6
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
68.90 Spending authority from offsetting collections (total discretionary)	6	6	6
70.00 Total new budget authority (gross)	335	402	371
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	161	190	247
73.10 Total new obligations	334	402	371
73.20 Total outlays (gross)	-303	-345	-356
73.40 Adjustments in expired accounts (net)	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.10 Change in uncollected customer payments from Federal sources (expired)	2		
74.40 Obligated balance, end of year	190	247	262
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	159	190	175
86.93 Outlays from discretionary balances	144	155	180

87.00	Total outlays (gross) .....	303	345	356
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-2	-2	-2
88.40	Non-Federal sources .....	-5	-4	-4
88.90	Total, offsetting collections (cash) .....	-7	-6	-6
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	2		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	329	396	365
90.00	Outlays .....	296	339	350
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	1	1	1
99.01	Outlays .....	1	1	1

**Volunteers in Service to America.**—The AmeriCorps\*VISTA program assists communities working to resolve local poverty-related problems in areas such as illiteracy, hunger, unemployment, substance abuse, homelessness, and lack of adequate health support.

**Special volunteer programs.**—These programs help mobilize volunteers and citizens for civic purposes, including homeland security.

**National Senior Service Corps.**—These programs provide opportunities for people aged 55 and over, including those who are low-income, to volunteer their services to the community in many socially useful activities including helping children learn to read and working with the emotionally disturbed, the mentally retarded, and physically disabled, as well as the isolated and infirm elderly.

**Program support.**—Costs of program direction and administration are financed by this activity.

**Object Classification** (in millions of dollars)

Identification code 95-0103-0-1-506	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent .....	18	18	18
11.8	Special personal services payments .....	39	49	49
11.9	Total personnel compensation .....	57	67	67
12.1	Civilian personnel benefits .....	6	5	5
21.0	Travel and transportation of persons .....	6	6	6
23.1	Rental payments to GSA .....	5	4	4
23.3	Communications, utilities, and miscellaneous charges .....	1	3	3
25.2	Other services .....	21	18	18
41.0	Grants, subsidies, and contributions .....	231	293	262
99.0	Direct obligations .....	327	396	365
99.0	Reimbursable obligations .....	7	6	6
99.9	Total new obligations .....	334	402	371

**Personnel Summary**

Identification code 95-0103-0-1-506	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	304	305	305

**OFFICE OF INSPECTOR GENERAL**

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$5,000,000, to remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 95-2721-0-1-506	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	4	6	5
10.00	Total new obligations .....	4	6	5
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	1	1	
22.00	New budget authority (gross) .....	5	5	5
23.90	Total budgetary resources available for obligation .....	6	6	5
23.95	Total new obligations .....	-4	-6	-5
24.40	Unobligated balance carried forward, end of year .....	1		1
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	5	5	5
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	3	2	3
73.10	Total new obligations .....	4	6	5
73.20	Total outlays (gross) .....	-5	-5	-5
74.40	Obligated balance, end of year .....	2	3	3
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	2	3	3
86.93	Outlays from discretionary balances .....	3	2	2
87.00	Total outlays (gross) .....	5	5	5
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	5	5	5
90.00	Outlays .....	5	5	5

The Office of the Inspector General provides an independent assessment of Corporation operations, primarily through audits and investigations, with a goal of preventing fraud, waste, and abuse.

**Object Classification** (in millions of dollars)

Identification code 95-2721-0-1-506	2002 actual	2003 est.	2004 est.	
11.1	Personnel compensation: Full-time permanent .....	1	2	2
25.2	Other services .....	3	4	3
99.9	Total new obligations .....	4	6	5

**Personnel Summary**

Identification code 95-2721-0-1-506	2002 actual	2003 est.	2004 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	16	21	25

**Trust Funds**

**GIFTS AND CONTRIBUTIONS**

**Unavailable Collections** (in millions of dollars)

Identification code 95-9972-0-7-506	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....			
<b>Receipts:</b>				
02.40	Interest on investment .....	19	10	14
02.41	Payment from the general fund .....		75	120
02.80	Gifts and contributions .....	1		
02.99	Total receipts and collections .....	20	85	134
<b>Appropriations:</b>				
05.00	Gifts and contributions .....	-20	-85	-134
05.99	Total appropriations .....	-20	-85	-134

GIFTS AND CONTRIBUTIONS—Continued

Unavailable Collections (in millions of dollars)—Continued

Identification code 95-9972-0-7-506	2002 actual	2003 est.	2004 est.
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 95-9972-0-7-506	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	89	92	94
10.00 Total new obligations (object class 25.2)	89	92	94
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	298	229	222
22.00 New budget authority (gross)	20	85	134
23.90 Total budgetary resources available for obligation	318	314	356
23.95 Total new obligations	-89	-92	-94
24.40 Unobligated balance carried forward, end of year	229	222	262

New budget authority (gross), detail:

Discretionary:			
40.26 Appropriation (trust fund)		75	120
Mandatory:			
60.26 Appropriation (trust fund)	19	10	14
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1		
70.00 Total new budget authority (gross)	20	85	134

Change in obligated balances:

73.10 Total new obligations	89	92	94
73.20 Total outlays (gross)	-89	-92	-94

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	1		
86.93 Outlays from discretionary balances	84	85	84
86.97 Outlays from new mandatory authority		3	4
86.98 Outlays from mandatory balances	4	4	6
87.00 Total outlays (gross)	89	92	94

Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-1		

Net budget authority and outlays:

89.00 Budget authority	20	85	134
90.00 Outlays	88	92	94

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities: Par value	299	229	222
92.02 Total investments, end of year: Federal securities: Par value	229	222	262

The gifts and contributions account is a consolidation of two trust accounts. In one, gifts and contributions from individuals and organizations are deposited for use in furthering program goals. In the other, funds appropriated to make educational awards to individuals who successfully complete national service are maintained until such time as the individual uses those awards.

CORPORATION FOR PUBLIC BROADCASTING

Federal Funds

General and special funds:

CORPORATION FOR PUBLIC BROADCASTING

Of the amounts made available to the Corporation for Public Broadcasting for fiscal year 2004 by P.L. 107-116, up to \$80,000,000 is

available for grants associated with the transition of public broadcasting to digital broadcasting, including costs related to transmission equipment and program production, development, and distribution, to be awarded as determined by the Corporation in consultation with public radio and television licensees or permittees, or their designated representatives; and up to \$20,000,000 is available pursuant to section 396(k)(10) of the Communications Act of 1934, as amended, for replacement and upgrade of the public television interconnection system: Provided, That section 396(k)(3) shall apply only to amounts remaining after the allocations made herein.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 20-0151-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 General programming and system support	350	365	280
00.02 Digital transition	25	25	80
00.03 Interconnection			20
10.00 Total new obligations (object class 41.0)	375	390	380

Budgetary resources available for obligation:

22.00 New budget authority (gross)	375	390	380
23.95 Total new obligations	-375	-390	-380

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	25	25	
55.00 Advance appropriation—General Programming	350	365	380
70.00 Total new budget authority (gross)	375	390	380

Change in obligated balances:

73.10 Total new obligations	375	390	380
73.20 Total outlays (gross)	-375	-390	-380

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	375	390	380
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Net budget authority and outlays:

89.00 Budget authority	375	390	380
90.00 Outlays	375	390	380

General programming.—The Corporation for Public Broadcasting provides grants to qualified public television and radio stations to be used at their discretion for purposes related to program production or acquisition and general operations. The Corporation also supports the production and acquisition of radio and television programs for national distribution. In addition, the Corporation assists in the financing of several system-wide activities, including national satellite interconnection services and the payment of music royalty fees, and provides limited technical assistance, research, and planning services to improve system-wide capacity and performance. By custom, the appropriation for the Corporation has been enacted two years in advance. For 2004, appropriations of \$380 million were enacted in 2002 appropriations acts.

The Administration proposes that the Corporation receive appropriations like other programs that receive Federal assistance. Therefore, a 2006 funding request for the Corporation will be proposed in the FY 2006 President's Budget.

Public broadcasting assists in the educational and cultural development of our Nation. Funding for the Corporation facilitates the provision of universally available educational, non-commercial public telecommunications services that meet the needs of local communities across the country.

Digital transition.—In April 1997, the Federal Communications Commission issued regulations requiring broadcasters to transition from analog to digital broadcasting. Public broadcasters must convert to digital by May 1, 2003, with the possibility of extensions or waivers.

In 2004, up to \$80 million in funding for digital conversion grants is made available from within the Corporation's already-enacted 2004 appropriations of \$380 million.

**Interconnection.**—The Public Broadcasting System must begin replacing the public television interconnection system, which is the major national distribution network for public broadcasting stations. Up to \$20 million in funding is made available from within the 2004 appropriation to begin the replacement and upgrade of the interconnection system.

**UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses for the operation of the United States Court of Appeals for Veterans Claims as authorized by 38 U.S.C. 7251–7298, \$15,938,300, of which \$1,175,000 shall be for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth, under this heading in Public Law 102–229. (The appropriations proposal submitted by the United States Court of Appeals for Veterans Claims follows:)*

*For necessary expenses for the operation of the United States Court of Appeals for Veterans Claims as authorized by 38 U.S.C. 7251–7298, \$16,220,000, of which (a) \$1,175,000 shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth, under this heading in Public Law 102–229 and (b) \$281,700 shall be available for the purpose of providing security enhancements.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95–0300–0–1–705	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	13	15	16
10.00 Total new obligations .....	13	15	16
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	13	15	16
23.95 Total new obligations .....	–13	–15	–16
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	13	15	16
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	2
73.10 Total new obligations .....	13	15	16
73.20 Total outlays (gross) .....	–13	–15	–15
74.40 Obligated balance, end of year .....	2	2	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	11	14	14
86.93 Outlays from discretionary balances .....	2	1	1
87.00 Total outlays (gross) .....	13	15	15
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	13	15	16
90.00 Outlays .....	13	15	15

The Veterans' Judicial Review Act, found in part at 38 U.S.C. §§7251–7292 (1988), established the United States Court of Veterans Appeals (renamed United States Court of Appeals for Veterans Claims as of March 1, 1999, Public Law 105–368) under Article I of the United States Constitution. The Court is empowered to review decisions of the Board of Veterans Appeals and may affirm, modify, revise, or reverse a decision of the Board or to remand the matter as appro-

priate. The type of review performed by the Court is similar to that performed in Article III courts under the Administrative Procedure Act, 5 U.S.C. §§551 et seq. In actions before it, the Court has the authority to decide all relevant questions of law, to interpret constitutional, statutory, and regulatory provisions, and to determine the meaning or applicability of the terms of an action by the Secretary of Veterans Affairs. The Court, being created by an act of Congress, may issue all writs necessary or appropriate in aid of its jurisdiction, 28 U.S.C. § 1651.

The Court is empowered to: compel actions of the Secretary that are found to have been unlawfully withheld or unreasonably delayed; and set aside decisions, findings, conclusions, rules, and regulations issued or adopted by the Secretary, the Board of Veterans Appeals, or the Chairman of the Board that are found to be arbitrary or capricious. The Court may also set aside decisions that are abuses of discretion or otherwise not in accordance with the law, contrary to constitutional right, in excess of statutory jurisdiction or authority, or without observance of the procedures required by law. In cases involving benefits under the laws administered by the Department of Veterans Affairs, the Court may hold unlawful and set aside or reverse findings of material facts if the findings are clearly erroneous.

The Court's principal office location is Washington, D.C.; however, it is a national court, empowered to sit anywhere in the United States.

**Pro bono program.**—The Legal Services Corporation administers a grant program to provide pro bono representation and legal assistance to claimants who file appeals with the Court. Congress funds the grant program through the Court's appropriation. To maintain impartiality, the Court does not administer the program or comment on the program's budget estimate.

**Registration fees (formerly Practice fees).**—38 U.S.C. § 7285 as amended by Pub. L. 107–103 establishes a fund, which receives no appropriations, that will be used by the U.S. Court of Appeals for Veterans Claims for (1) conducting investigations and proceedings, including employing independent counsel, to pursue disciplinary matters; and (2) defraying the expenses of judicial conferences and other activities and program of the Court intended to support and foster communication and relationships between the Court and persons practicing before the Court or the study, understanding, public commemoration, or improvement of veterans law or of the work of the Court.

**Object Classification (in millions of dollars)**

Identification code 95–0300–0–1–705	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.3 Personnel compensation: Other than full-time permanent .....	7	7	8
12.1 Civilian personnel benefits .....	2	3	3
23.1 Rental payments to GSA .....	2	2	2
41.0 Grants, subsidies, and contributions .....	1	1	1
99.0 Direct obligations .....	12	13	14
99.5 Below reporting threshold .....	1	2	2
99.9 Total new obligations .....	13	15	16

**Personnel Summary**

Identification code 95–0300–0–1–705	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	81	93	98

**Trust Funds**

**COURT OF APPEALS FOR VETERANS CLAIMS RETIREMENT FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 95-8290-0-7-705	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	5	7	8
Receipts:			
02.40 Employing agency contributions .....	1	1	1
04.00 Total: Balances and collections .....	7	8	9
07.99 Balance, end of year .....	7	8	9

This fund, established under 38 U.S.C. § 7298 will be used to pay judges' retired pay and annuities, refunds, and allowances to surviving spouses and dependent children. Participating judges pay one percent of their salaries to cover creditable service for retirement annuity purposes for which payment is required and 2.2 percent of their salaries for survivor annuity purposes for which payment is required. Additional funds as are needed to cover the unfunded liability may be transferred from the annual appropriation of the U.S. Court of Appeals for Veterans Claims.

**COURT SERVICES AND OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA**

**Federal Funds**

**General and special funds:**

FEDERAL PAYMENT TO THE COURT SERVICES AND OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA  
(INCLUDING TRANSFER OF FUNDS)

*For salaries and expenses, including the transfer and hire of motor vehicles, of the Court Services and Offender Supervision Agency for the District of Columbia and the Public Defender Service for the District of Columbia, as authorized by the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33; 111 Stat. 712), \$166,525,000, of which not to exceed \$25,000 is for dues and assessments relating to the implementation of the Court Services and Offender Supervision Agency Interstate Supervision Act of 2002 (P.L. 107-302); of which not to exceed \$2,000 is for official receptions and representation expenses related to Community Supervision and Pretrial Services Agency Programs; of which \$103,904,000 shall be for necessary expenses of Community Supervision and Sex Offender Registration, to include expenses relating to the supervision of adults subject to protection orders or the provision of services for or related to such persons; of which \$25,210,000 shall be transferred to the Public Defender Service for the District of Columbia to include expenses relating to the provision of legal representation and including related services provided to the local courts and Criminal Justice Act bar; and of which \$37,411,000 shall be available to the Pretrial Services Agency: Provided, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies: Provided further, That notwithstanding chapter 12 of title 40, United States Code, the Director may acquire by purchase, lease, condemnation, or donation, and renovate as necessary, Building Number 17, 1900 Massachusetts Avenue, Southeast, Washington, District of Columbia to house or supervise offenders and defendants, with funds made available for this purpose in Public Law 107-96: Provided further, That the Director is authorized to accept and use gifts in the form of in-kind contributions of space and hospitality to support offender and defendant programs, and equipment and vocational training services to educate and train offenders and defendants: Provided further, That the Director shall keep accurate and detailed records of the acceptance and use of any gift or donation under the previous proviso, and shall make such records available for audit and public inspection.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-1734-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Community Supervision Program .....	81	103	110
00.02 Pretrial Services Agency .....	32	36	37
00.03 Public Defender Service .....	21	23	25
10.00 Total new obligations .....	134	162	172
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		13	6
22.00 New budget authority (gross) .....	147	155	167
23.90 Total budgetary resources available for obligation .....	147	168	173
23.95 Total new obligations .....	-134	-162	-172
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	13	6	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	147	155	167
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	27	30	41
73.10 Total new obligations .....	134	162	172
73.20 Total outlays (gross) .....	-129	-151	-172
74.40 Obligated balance, end of year .....	30	41	39
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	107	124	134
86.93 Outlays from discretionary balances .....	22	27	38
87.00 Total outlays (gross) .....	129	151	172
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	147	155	167
90.00 Outlays .....	129	151	172
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	6	6	6
99.01 Outlays .....	6	6	6

The National Capital Revitalization and Self-Government Improvement Act established the Court Services and Offender Supervision Agency for the District of Columbia as an independent Federal agency, which has assumed the District of Columbia (D.C.) pretrial services, adult probation, and parole supervision functions. The mission of the Agency is to increase public safety, prevent crime, reduce recidivism and support the fair administration of justice in close collaboration with the community. The Public Defender Service for the District of Columbia, an independent District of Columbia Agency (16 D.C. Code § 2-1601 et seq.) with a separate and distinct mission to provide legal representation services within the District of Columbia, transmits its budget with that of the Agency, as required by law.

The CSOSA appropriation supports the Community Supervision Program, the Pretrial Services Agency, and the Public Defender Service for the District of Columbia.

**Community Supervision Program.**—This activity provides supervision in the community of adult offenders on probation, parole or supervised release—consistent with a crime prevention strategy that integrates supervision, routine drug testing, treatment, and graduated sanctions. The activity also develops and provides probation and parole authorities with timely and useful information for decision-making. For 2004, \$3,104 million is requested to expand operations at the Re-entry and Sanctions Center.

**Pretrial Services Agency.**—This activity assists the trial and appellate levels of both the Federal and local courts in determining eligibility for pretrial release by providing background information on all arrestees. The background information is used to establish release conditions to ensure defendants will

return to court and will not be a danger to the community while on pretrial release. The Pretrial Services Agency is further responsible for supervising conditions of release, conducting drug testing, administering graduated sanctions, referring defendants to treatment and other social services, and reporting on defendants' compliance to the courts.

**Public Defender Service.**—This agency provides legal representation to indigent defendants and provides support in the form of training, consultation and legal reference services to members of the local bar appointed as counsel in criminal, juvenile, and mental health cases involving indigent individuals. For 2004, \$100,000 is requested to provide personnel, training, and support to meet the increased demand for Constitutionally mandated legal representation to individuals in direct appeals of court decisions and requests by the courts to serve as amicus curiae.

In 2004, the Court Services and Offender Supervision Agency will continue to work closely with all elements of the District of Columbia and Federal criminal justice, courts, corrections, and rehabilitation systems as well as the District's faith community to improve offender supervision and court services programs, policy, and practice; and the Public Defender Service for the District of Columbia will likewise continue to work with its partners to improve the delivery of legal, mental health, special education, and social services.

**Object Classification** (in millions of dollars)

Identification code 95-1734-0-1-752	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	68	74	81
12.1 Civilian personnel benefits .....	19	21	24
21.0 Travel and transportation of persons .....	1	1	2
23.2 Rental payments to others .....	11	13	14
23.3 Communications, utilities, and miscellaneous charges .....	1	1	2
25.1 Advisory and assistance services .....	2	3	
25.2 Other services .....	21	25	29
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
25.4 Operation and maintenance of facilities .....	1	1	1
26.0 Supplies and materials .....	1	2	2
31.0 Equipment .....	7	9	8
32.0 Land and structures .....	1	11	8
99.9 Total new obligations .....	134	162	172

**Personnel Summary**

Identification code 95-1734-0-1-752	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	1,075	1,266	1,357

**DEFENSE NUCLEAR FACILITIES SAFETY BOARD**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Defense Nuclear Facilities Safety Board in carrying out activities authorized by the Atomic Energy Act of 1954, as amended by Public Law 100-456, section 1441, \$19,559,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 95-3900-0-1-053	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	20	20	21

10.00 Total new obligations .....	20	20	21
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	3	2
22.00 New budget authority (gross) .....	18	19	20
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	23	22	22
23.95 Total new obligations .....	-20	-20	-21
24.40 Unobligated balance carried forward, end of year .....	3	2	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	18	19	20
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	7	5	6
73.10 Total new obligations .....	20	20	21
73.20 Total outlays (gross) .....	-20	-19	-20
73.45 Recoveries of prior year obligations .....	-2		
74.40 Obligated balance, end of year .....	5	6	7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	13	11	12
86.93 Outlays from discretionary balances .....	7	8	8
87.00 Total outlays (gross) .....	20	19	20
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	18	19	20
90.00 Outlays .....	20	19	20
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....			1
99.01 Outlays .....			1

The Defense Nuclear Facilities Safety Board, authorized by Public Law 100-456, is responsible for evaluating the content and implementation of the standards relating to the design, construction, operation, and decommissioning of defense nuclear facilities of the Department of Energy (DOE) (as defined in Public Law 100-456). The Board also reviews the design of new DOE defense nuclear facilities and periodically reviews and monitors construction of such facilities to ensure adequate protection of public and worker health and safety. In addition, the National Defense Authorization Act for 1992 and 1993 (Public Law 102-190) expanded the Board's jurisdiction to include facilities and activities involved with the assembly, disassembly, and testing of nuclear weapons. The Board is also responsible for investigating any event or practice at a defense nuclear facility which has or may adversely affect public health and safety. The Board makes specific recommendations to the Secretary of Energy on measures that should be adopted to ensure that both public and employee health and safety are adequately protected.

**Object Classification** (in millions of dollars)

Identification code 95-3900-0-1-053	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	10	11	12
12.1 Civilian personnel benefits .....	3	3	3
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	2	2	2
25.1 Advisory and assistance services .....	2	1	1
25.2 Other services .....	1	1	1
99.0 Direct obligations .....	19	19	20
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	20	20	21

**Personnel Summary**

Identification code 95-3900-0-1-053	2002 actual	2003 est.	2004 est.
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	95	98	102

**DELTA REGIONAL AUTHORITY**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Delta Regional Authority and to carry out its activities, as authorized by the Delta Regional Authority Act of 2000, as amended, notwithstanding sections 382C(b)(2), 382F(d), and 382M(b) of said Act, \$2,000,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-0750-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	29	10	3
10.00 Total new obligations (object class 41.0) .....	29	10	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	20	1	1
22.00 New budget authority (gross) .....	10	10	2
23.90 Total budgetary resources available for obligation	30	11	3
23.95 Total new obligations .....	-29	-10	-3
24.40 Unobligated balance carried forward, end of year .....	1	1	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	10	10	2
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		28	29
73.10 Total new obligations .....	29	10	3
73.20 Total outlays (gross) .....	-1	-9	-8
74.40 Obligated balance, end of year .....	28	29	24
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	1	
86.93 Outlays from discretionary balances .....		8	8
87.00 Total outlays (gross) .....	1	9	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	10	10	2
90.00 Outlays .....	1	9	8

The Delta Regional Authority (DRA), authorized by P.L. 106-554, was established to assist an eight-state, 236-county region of demonstrated distress in obtaining the transportation and basic public infrastructure, skills training, and opportunities for economic development essential to strong local economies.

The DRA was created as a Federal-State partnership modeled after other regional development agencies. DRA will focus on: basic public infrastructure in distressed counties and isolated areas of distress; transportation infrastructure facilitating the economic development of the region; business development; and job training or employment-related education. In 2004, the Delta Regional Authority will continue to focus on multi-state planning and facilitation of regional investments.

**Personnel Summary**

Identification code 95-0750-0-1-452	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2	3	6

**DENALI COMMISSION**

**Federal Funds**

**General and special funds:**

**DENALI COMMISSION**

For expenses of the Denali Commission including the purchase, construction and acquisition of plant and capital equipment as necessary and other expenses, \$9,500,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-1200-0-1-452	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Direct Program Activity .....	34	30	10
09.00 Reimbursable program .....	48	48	48
10.00 Total new obligations .....	82	78	58
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	-2	2	2
22.00 New budget authority (gross) .....	86	78	58
23.90 Total budgetary resources available for obligation	84	80	60
23.95 Total new obligations .....	-82	-78	-58
24.40 Unobligated balance carried forward, end of year .....	2	2	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	38	30	10
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	48	48	48
70.00 Total new budget authority (gross) .....	86	78	58
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	46	94	63
73.10 Total new obligations .....	82	78	58
73.20 Total outlays (gross) .....	-34	-109	-122
74.40 Obligated balance, end of year .....	94	63	-1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	11	52	39
86.93 Outlays from discretionary balances .....	23	57	83
87.00 Total outlays (gross) .....	34	109	122
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-48	-48	-48
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	38	30	10
90.00 Outlays .....	-14	61	74

The Denali Commission was established by the Denali Commission Act of 1998 (P.L. 105-277) to promote sustainable rural infrastructure development, to provide job training and other economic development services in rural communities with a focus on distressed communities, and to deliver services in the most cost-effective manner practicable in the State of Alaska. The Denali Commission is composed of 7 members with a Federal Cochairperson. The Commission is required to develop an annual work plan that ensures coordination of State and Federal agencies for cost-shared and sustainable utilities and infrastructure related projects that promote health, safety, and economic self-sufficiency throughout rural Alaska under a statutory overhead ceiling of not more than 5 percent. In 2004, the Denali Commission will further focus on planning and coordinating regional investments.

**Object Classification** (in millions of dollars)

Identification code	2002 actual	2003 est.	2004 est.
95-1200-0-1-452			
41.0 Direct obligations: Grants, subsidies, and contributions .....	34	30	10
99.0 Reimbursable obligations: Reimbursable obligations .....	48	48	48
99.9 Total new obligations .....	82	78	58

**Personnel Summary**

Identification code	2002 actual	2003 est.	2004 est.
95-1200-0-1-452			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	6	9	11

**Trust Funds**

**DENALI COMMISSION TRUST FUND**

**Program and Financing** (in millions of dollars)

Identification code	2002 actual	2003 est.	2004 est.
95-8056-0-7-452			
<b>Obligations by program activity:</b>			
01.01 Direct Program Activity .....	14	11	11
10.00 Total new obligations .....	14	11	11
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3		
22.00 New budget authority (gross) .....	11	11	11
23.90 Total budgetary resources available for obligation .....	14	11	11
23.95 Total new obligations .....	-14	-11	-11
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	11	11	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	9	21	21
73.10 Total new obligations .....	14	11	11
73.20 Total outlays (gross) .....	-2	-13	-11
74.40 Obligated balance, end of year .....	21	21	21
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		11	11
86.93 Outlays from discretionary balances .....	2	2	
87.00 Total outlays (gross) .....	2	13	11
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	11	11	11
90.00 Outlays .....	2	11	11

The Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999 (P.L. 105-277) established the annual transfer of interest from the Oil Spill Liability Trust Fund to the Denali Commission. The Denali Commission, in consultation with the Coast Guard, developed a program in which these funds are to be used to repair or replace bulk fuel storage tanks in Alaska which are not in compliance with Federal law, including the Oil Pollution Act of 1990, or State law.

**Object Classification** (in millions of dollars)

Identification code	2002 actual	2003 est.	2004 est.
95-8056-0-7-452			
41.0 Direct obligations: Grants, subsidies, and contributions .....	13	10	10
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	14	11	11

**DISTRICT OF COLUMBIA**

DISTRICT OF COLUMBIA COURTS

**Federal Funds**

**General and special funds:**

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

For salaries and expenses for the District of Columbia Courts, \$163,819,000, to be allocated as follows: for the District of Columbia Court of Appeals, \$8,775,000, of which not to exceed \$1,500 is for official reception and representation expenses; for the District of Columbia Superior Court, \$83,387,000, of which not to exceed \$1,500 is for official reception and representation expenses; for the District of Columbia Court System, \$40,006,000, of which not to exceed \$1,500 is for official reception and representation expenses; and \$31,651,000 for capital improvements for District of Columbia courthouse facilities: Provided, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration (GSA), said services to include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committee on Government Reform of the House of Representatives: Provided further, That after providing notice to the Committees on Appropriations of the Senate and House of Representatives and subject to reapportionment, the District of Columbia Courts may reallocate funds provided under this heading for the Court of Appeals, Superior Court, and Court System: Provided further, That such reallocation may increase or decrease funding for such entity by no more than 2 percent. Provided further, That funds made available for capital improvements may remain available until September 30, 2005.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code	2002 actual	2003 est.	2004 est.
95-1712-0-1-806			
<b>Obligations by program activity:</b>			
00.01 Court of Appeals .....	7	8	9
00.02 Superior Court .....	64	80	83
00.03 Court System .....	29	39	40
00.04 Capital improvements .....	6	32	32
10.00 Total new obligations (object class 41.0) .....	106	159	164
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	4	2
22.00 New budget authority (gross) .....	112	159	164
23.90 Total budgetary resources available for obligation .....	114	163	166
23.95 Total new obligations .....	-106	-159	-164
23.98 Unobligated balance expiring or withdrawn .....	-4		
24.40 Unobligated balance carried forward, end of year .....	4	2	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	112	159	164
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10	17	22
73.10 Total new obligations .....	106	159	164
73.20 Total outlays (gross) .....	-101	-154	-163
74.40 Obligated balance, end of year .....	17	22	23
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	100	142	146
86.93 Outlays from discretionary balances .....	1	12	17
87.00 Total outlays (gross) .....	101	154	163
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	112	159	164
90.00 Outlays .....	101	154	163

**General and special funds—Continued**

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS—  
Continued

Under the National Capital Revitalization and Self-Government Improvement Act of 1997, the Federal Government is required to finance the District of Columbia Courts beginning in 1998. This Federal payment to the District of Columbia Courts funds the operations of the District of Columbia Court of Appeals, Superior Court and the Court System. Beginning in 1999, the Federal Government also provides funds for capital improvements. Beginning in 2000, funding for Defender Services in the District of Columbia Courts is provided through a separate account. In 2002, funding for the Family Court was provided through a separate account. Beginning in 2003, funding for the Family Court is included in the District of Columbia Courts account.

By law, the annual budget includes estimates of the expenditures for the operations of the District of Columbia Courts prepared by the Joint Committee on Judicial Administration in the District of Columbia and the President's recommendation for funding District Courts operations. The President's recommended level of \$164 million includes: \$132 million for District of Columbia Court of Appeals, Superior Court of the District of Columbia and the District of Columbia Court System operations; and \$32 million for capital improvements for District courthouse facilities. Under a separate transmittal to Congress, the District Courts are requesting \$291 million; \$145 million for operations and \$146 million for capital improvements.

DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

*For payments authorized under section 11-2604 and section 11-2605, D.C. Official Code (relating to representation provided under the District of Columbia Criminal Justice Act), payments for counsel appointed in proceedings in the Family Division of the Superior Court of the District of Columbia under chapter 23 of title 16, D.C. Code, and payments for counsel authorized under section 21-2060, D.C. Code (relating to representation provided under the District of Columbia Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986), \$32,000,000, to remain available until expended: Provided, That the funds provided in this Act under the heading, "Federal Payment to the District of Columbia Courts" (other than the amount provided under such heading for capital improvements) may also be used for payments under this heading and such funds shall be used to make such payments for obligations incurred during any prior fiscal year, as determined by the Joint Committee on Judicial Administration in the District of Columbia: Provided further, That of the amounts provided in previous fiscal years for payments described under this heading which remain unobligated as of the date of the enactment of this Act, such sums as may be necessary shall be applied toward any increases in the maximum amounts which may be paid for representation services in the District of Columbia courts: Provided further, That funds provided under this heading shall be administered by the Joint Committee on Judicial Administration in the District of Columbia: Provided further, That notwithstanding any other provision of law, this appropriation shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration (GSA), said services to include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committee on Government Reform of the House of Representatives.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-1736-0-1-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	30	32	32
10.00 Total new obligations (object class 25.2) .....	30	32	32
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	15	19	19
22.00 New budget authority (gross) .....	34	32	32
23.90 Total budgetary resources available for obligation	49	51	51
23.95 Total new obligations .....	-30	-32	-32
24.40 Unobligated balance carried forward, end of year .....	19	19	19
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	34	32	32
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		5	5
73.10 Total new obligations .....	30	32	32
73.20 Total outlays (gross) .....	-25	-32	-32
74.40 Obligated balance, end of year .....	5	5	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	22	29	29
86.93 Outlays from discretionary balances .....	3	3	3
87.00 Total outlays (gross) .....	25	32	32
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	34	32	32
90.00 Outlays .....	25	32	32

The District of Columbia Courts appoint and compensate attorneys to represent persons who are financially unable to obtain such representation under three Defender Services programs: the Criminal Justice Act (CJA) program provides court-appointed attorneys to indigent persons who are charged with criminal offenses; the Counsel for Child Abuse and Neglect (CCAN) program provides court-appointed attorneys for family proceedings in which child neglect is alleged, or where the termination of the parent-child relationship is under consideration and the parent, guardian, or custodian of the child is indigent; the Guardianship program provides for the representation and protection of mentally incapacitated individuals and minors whose parents are deceased. In addition to legal representation, these programs provide indigent persons with services such as: transcripts of court proceedings; expert witness testimony; foreign and sign language interpretation; and investigations and genetic testing. The President's recommended funding level for Defender Services is \$32 million. Under a separate transmittal to Congress, the Courts are requesting \$43 million for Defender Services.

FEDERAL PAYMENT FOR FAMILY COURT ACT

**Program and Financing (in millions of dollars)**

Identification code 95-1760-0-1-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Family Court Reform .....	23	1	
10.00 Total new obligations (object class 41.0) .....	23	1	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	24		
23.95 Total new obligations .....	-23	-1	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	24		

<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	22	.....
73.10	Total new obligations .....	23	1
73.20	Total outlays (gross) .....	-1	-23
74.40	Obligated balance, end of year .....	22	.....

<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority .....	1	.....
86.93	Outlays from discretionary balances .....	.....	23
87.00	Total outlays (gross) .....	1	23

<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	24	.....
90.00	Outlays .....	1	23

### CRIME VICTIMS COMPENSATION FUND

#### Program and Financing (in millions of dollars)

Identification code 20-1759-0-1-806	2002 actual	2003 est.	2004 est.
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<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	18	18
24.40	Unobligated balance carried forward, end of year .....	18	18

<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	.....	.....
90.00	Outlays .....	.....	.....

The \$18 million unobligated balance remaining in the D.C. Crime Victims Compensation Fund at the end of 2000 was made available to the D.C. Courts in 2001 for direct compensation to crime victims and for other purposes.

### FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA JUDICIAL RETIREMENT AND SURVIVORS ANNUITY FUND

#### Program and Financing (in millions of dollars)

Identification code 20-1713-0-1-752	2002 actual	2003 est.	2004 est.
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<b>Obligations by program activity:</b>			
00.01	Direct program activity .....	7	7
10.00	Total new obligations (object class 13.0) .....	7	7

<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	7	7
23.95	Total new obligations .....	-7	-7

<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00	Appropriation .....	7	7

<b>Change in obligated balances:</b>			
73.10	Total new obligations .....	7	7
73.20	Total outlays (gross) .....	-7	-7

<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority .....	7	7

<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	7	7
90.00	Outlays .....	7	7

The National Capital Revitalization and Self-Government Improvement Act of 1997, as amended (the Act), requires the Secretary of the Treasury to make payments at the end of each fiscal year, beginning in 1998, from the General Fund of the Treasury into the District of Columbia Judicial Retirement and Survivors Annuity Fund (Judicial Fund). Annual payments consist of amounts necessary to amortize: the original unfunded liability over 30 years; the net experience gain or loss over 10 years; any other changes in actuarial liability over 20 years; and amounts necessary to fund the normal

cost and covered administrative expenses for the year. This account receives the annual payments from the General Fund and immediately transfers those amounts to the Judicial Fund through an expenditure transfer.

### Trust Funds

#### DISTRICT OF COLUMBIA JUDICIAL RETIREMENT AND SURVIVORS ANNUITY FUND

#### Unavailable Collections (in millions of dollars)

Identification code 20-8212-0-7-602	2002 actual	2003 est.	2004 est.
01.99	Balance, start of year .....	66	67
Receipts:			
02.00	Deductions from employees salaries .....	1	1
02.40	Interest earnings .....	5	5
02.41	Amortization payment .....	7	7
02.99	Total receipts and collections .....	13	13
04.00	Total: Balances and collections .....	79	80
Appropriations:			
05.00	District of Columbia Judicial Retirement and Survivors Annuity Fund .....	-12	-12
07.99	Balance, end of year .....	67	68

#### Program and Financing (in millions of dollars)

Identification code 20-8212-0-7-602	2002 actual	2003 est.	2004 est.
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<b>Obligations by program activity:</b>			
00.01	Retirement Payments .....	9	9
10.00	Total new obligations (object class 13.0) .....	9	9

<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance carried forward, start of year	82	85
22.00	New budget authority (gross) .....	12	12
23.90	Total budgetary resources available for obligation	94	97
23.95	Total new obligations .....	-9	-9
24.40	Unobligated balance carried forward, end of year .....	85	89

<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26	Appropriation (trust fund) .....	12	12

<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year .....	2	2
73.10	Total new obligations .....	9	9
73.20	Total outlays (gross) .....	-9	-9
74.40	Obligated balance, end of year .....	2	2

<b>Outlays (gross), detail:</b>			
86.98	Outlays from mandatory balances .....	9	9

<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	12	12
90.00	Outlays .....	9	9

<b>Memorandum (non-add) entries:</b>			
92.01	Total investments, start of year: Federal securities: Par value .....	86	89
92.02	Total investments, end of year: Federal securities: Par value .....	89	90

The National Capital Revitalization and Self-Government Improvement Act of 1997, as amended (the Act), established the District of Columbia Judicial Retirement and Survivors Annuity Fund (Judicial Fund) to pay retirement benefits for District of Columbia judges and to pay any necessary expenses to administer the fund or expenses incurred by the Secretary of the Treasury in carrying out his responsibilities regarding such retirement benefits. The Judicial Fund consists of: amounts contributed by the judges; the proceeds of accumulated pension assets transferred from the District of Columbia and liquidated, pursuant to the Act; any income

DISTRICT OF COLUMBIA JUDICIAL RETIREMENT AND SURVIVORS  
ANNUITY FUND—Continued

earned from investment of the assets in public debt securities; and amounts appropriated to the fund.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA CORRECTIONS  
TRUSTEE OPERATIONS

Program and Financing (in millions of dollars)

Identification code 95-1735-0-1-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	29		
10.00 Total new obligations (object class 41.0) .....	29		
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	30		
23.95 Total new obligations .....	-29		
23.98 Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	30		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	39	1	
73.10 Total new obligations .....	29		
73.20 Total outlays (gross) .....	-69		
73.40 Adjustments in expired accounts (net) .....	1		
74.40 Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	30		
86.93 Outlays from discretionary balances .....	39	1	
87.00 Total outlays (gross) .....	69		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	30		
90.00 Outlays .....	69		

The National Capital Revitalization and Self-Government Improvement Act requires that the adult felon population of the District of Columbia be transferred to the Federal Prison System by no later than December 31, 2001. To assist in this transition, the Act established a Corrections Trustee to provide financial oversight and assistance to the District of Columbia Department of Corrections.

The last inmates were transferred out of the Lorton Correctional Complex on November 19, 2001, and the transition of District of Columbia adult felony inmates to the Federal Bureau of Prisons was completed. With the transfers, the Federal Bureau of Prisons has approximately 7,000 District of Columbia inmates in its custody.

The remaining property at the Lorton Correctional Complex was vacated and prepared for transfer to Fairfax County in 2002. Continuing Lorton-based functions were relocated from the Lorton complex. With the completion of its mission, the Corrections Trustee terminated operations at the end of 2002.

DISTRICT OF COLUMBIA GENERAL AND SPECIAL PAYMENTS

**Federal Funds**

**General and special funds:**

FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT

For a Federal payment to the District of Columbia, to be deposited into a dedicated account, for a nationwide program to be administered by the Mayor, for District of Columbia resident tuition support, \$17,000,000, to remain available until expended: Provided, That such funds, including any interest accrued thereon, may be used on behalf of eligible District of Columbia residents to pay an amount based

upon the difference between in-State and out-of-State tuition at public institutions of higher education, or to pay up to \$2,500 each year at eligible private institutions of higher education: Provided further, That the awarding of such funds may be prioritized on the basis of a resident's academic merit, the income and need of eligible students and such other factors as may be authorized: Provided further, That the District of Columbia government shall establish a dedicated account for the Resident Tuition Support Program that shall consist of the Federal funds appropriated to the Program in this Act and any subsequent appropriations, any unobligated balances from prior fiscal years, and any interest earned in this or any fiscal year: Provided further, That the account shall be under the control of the District of Columbia Chief Financial Officer who shall use those funds solely for the purposes of carrying out the Resident Tuition Support Program: Provided further, That the Resident Tuition Support Program Office and the Office of the Chief Financial Officer shall provide a quarterly financial report to the Committees on Appropriations of the Senate and House of Representatives for these funds showing, by object class, the expenditures made and the purpose therefor: Provided further, That not more than seven percent of the total amount appropriated for this program may be used for administrative expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 20-1736-0-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	17	17	17
10.00 Total new obligations (object class 41.0) .....	17	17	17
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	17	17	17
23.95 Total new obligations .....	-17	-17	-17
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	17	17	17
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	17	17	17
73.20 Total outlays (gross) .....	-17	-17	-17
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	17	17	17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	17	17	17
90.00 Outlays .....	17	17	17

The Resident Tuition Support program equalizes postsecondary education opportunities for students from the District of Columbia by enabling them to attend any public college in the Nation at in-State tuition prices or to receive scholarships to attend private colleges in the D.C. metropolitan area.

FEDERAL SUPPORT FOR ECONOMIC DEVELOPMENT AND MANAGEMENT REFORMS IN THE DISTRICT

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR ANACOSTIA RIVERWALK AND TRAIL CONSTRUCTION

For a Federal payment to the District of Columbia, Department of Transportation, \$10,000,000, to remain available until September 30, 2005, for the design and construction of a continuous pedestrian and bicycle trail system from the Potomac River to the District's border with Maryland: Provided, That the District of Columbia will provide a report to the Committees on Appropriations of the Senate and the House of Representatives and the President, to be submitted no later than August 15, 2004, on the design plans, specifications, and estimates for the construction of the entire trail.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

For a Federal payment to the District of Columbia, Water and Sewer Authority, \$15,000,000, to remain available until expended, for priority Anacostia projects within the Combined Sewer Overflow and Long-Term Control Plan.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL

For a Federal payment to the Criminal Justice Coordinating Council, \$1,300,000, to hire necessary staff and support initiatives related to coordination of local and federal criminal justice resources in the District of Columbia, as authorized in P.L. 107-180.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 20-1707-0-1-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.07 Water and Sewer Authority .....			15
00.08 Anacostia Trailwalk .....			10
00.09 Criminal Justice Coordinating Council .....			1
00.10 Transportation Systems Management .....		1	
00.11 Public Education .....	3		
00.12 Capitol City Career Development/Education Fund .....	1		
00.13 GW Center/Child and Family Social Services .....	1		
00.14 Fire and Emergency Medical Services .....	1		
00.15 Metro improvements .....	25		
00.28 Children's Medical Center .....	6		
00.29 Food and Friends .....	2		
00.30 Southeastern University .....	1		
00.31 Wireless Interoperability Project .....	1		
00.49 Chief Financial Officer .....	8		
00.52 Washington Interfaith Network .....		1	
00.53 Thurgood Marshall Academy Charter School .....	1		
00.57 St. Coletta .....	2		
10.00 Total new obligations (object class 41.0) .....	52	2	26
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	25	1	
22.00 New budget authority (gross) .....	28	2	26
23.90 Total budgetary resources available for obligation .....	53	3	26
23.95 Total new obligations .....	-52	-2	-26
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	27	1	26
50.00 Reappropriation .....	1	1	
70.00 Total new budget authority (gross) .....	28	2	26
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	52	2	26
73.20 Total outlays (gross) .....	-52	-2	-26
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	27	1	26
86.93 Outlays from discretionary balances .....	25		
87.00 Total outlays (gross) .....	52	2	26
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	28	2	26
90.00 Outlays .....	52	2	26

The 2004 budget provides new Federal support to help establish the Anacostia River as an integral component of the District's neighborhoods and park attractions. The 2004 budget proposes \$10 million to create an Anacostia riverwalk along the waterfront, from Hains Point to the Kenilworth Aquatic Gardens, and an additional \$15 million toward priority Anacostia projects undertaken by the Water and Sewer Authority to reduce combined sewer overflows in the Anacostia River. The budget also proposes \$1 million for the Criminal Justice Coordinating Council, which is a multi-agency body that co-

ordinates local and federal criminal justice resources in the District of Columbia.

FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY COSTS IN THE DISTRICT OF COLUMBIA

For necessary expenses, as determined by the Mayor of the District of Columbia in written consultation with the elected county or city officials of surrounding jurisdictions, \$15,000,000, to remain available until expended, to reimburse the District of Columbia for the costs of public safety events related to the presence of the national capital in the District of Columbia, and for the costs of providing support to respond to immediate and specific terrorist threats or attacks in the District of Columbia or surrounding jurisdictions: Provided, That any amount provided under this heading shall be available only after notice of its proposed use has been transmitted by the President to Congress and such amount has been apportioned pursuant to Chapter 15 of title 31, United States Code.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 20-1771-0-1-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	216	15	15
10.00 Total new obligations (object class 41.0) .....	216	15	15
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	216	15	15
23.95 Total new obligations .....	-216	-15	-15
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	216	15	15
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	216	15	15
73.20 Total outlays (gross) .....	-216	-15	-15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	216	15	15
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	216	15	15
90.00 Outlays .....	216	15	15
<b>The 2004 budget includes \$15 million for emergency planning and security costs related to the presence of the Federal government in the District of Columbia.</b>			
<b>FEDERAL PAYMENT TO THE FEDERAL SUPPLEMENTAL DISTRICT OF COLUMBIA PENSION FUND</b>			
<b>Program and Financing (in millions of dollars)</b>			
Identification code 20-1714-0-1-601	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Payment to supplemental retirement fund .....	252	269	269
10.00 Total new obligations (object class 13.0) .....	252	269	269
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	252	269	269
23.95 Total new obligations .....	-252	-269	-269
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	252	269	269
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	252	269	269
73.20 Total outlays (gross) .....	-252	-269	-269

**General and special funds—Continued**

FEDERAL PAYMENT TO THE FEDERAL SUPPLEMENTAL DISTRICT OF COLUMBIA PENSION FUND—Continued

**Program and Financing** (in millions of dollars)—Continued

Identification code 20-1714-0-1-601	2002 actual	2003 est.	2004 est.
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	252	269	269
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	252	269	269
90.00 Outlays .....	252	269	269

The National Capital Revitalization and Self-Government Improvement Act of 1997, as amended (the Act) requires the Secretary of the Treasury to make payments at the end of each fiscal year, beginning in 1998, from the General Fund of the Treasury into the Federal Supplemental District of Columbia Pension Fund (Supplemental Fund). Annual payments consist of amounts necessary to amortize: the original unfunded liability over 30 years; the net experience gain or loss over 10 years; and any other changes in actuarial liability over 20 years, and amounts necessary to fund covered administrative expenses for the year. This account receives the annual payments from the General Fund and immediately transfers those amounts to the Supplemental Fund through an expenditure transfer.

FEDERAL SUPPLEMENTAL DISTRICT OF COLUMBIA PENSION FUND

**Unavailable Collections** (in millions of dollars)

Identification code 20-5500-0-2-601	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	1,069	1,343	1,697
<b>Receipts:</b>			
02.40 Federal contribution, Federal supplemental District of Columbia .....	252	269	269
02.41 Earnings on investments in U.S. securities, Federal supplemental .....	22	85	107
02.99 Total receipts and collections .....	274	354	376
04.00 Total: Balances and collections .....	1,343	1,697	2,073
<b>Appropriations:</b>			
05.01 Federal supplemental District of Columbia pension fund .....			
07.99 Balance, end of year .....	1,343	1,697	2,073

**Program and Financing** (in millions of dollars)

Identification code 20-5500-0-2-601	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
60.20 Appropriation (special fund) .....	274	354	376
60.45 Portion precluded from obligation .....	-274	-354	-376
62.50 Appropriation (total mandatory) .....			
<b>Change in obligated balances:</b>			
73.20 Total outlays (gross) .....			
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	1,078	1,352	1,689
92.02 Total investments, end of year: Federal securities:			
Par value .....	1,352	1,689	2,047

The National Capital Revitalization and Self-Government Improvement Act of 1997, as amended (the Act), established

the Federal Supplemental District of Columbia Pension Fund (Supplemental Fund) to pay retirement benefits for District of Columbia law enforcement officers, firefighters, and teachers after the District of Columbia Federal Pension Liability Trust Fund has been depleted, and to pay any necessary expenses to administer the fund. The Supplemental Fund consists of: amounts deposited into the fund; and any amount appropriated to the fund; and any income earned from the investment of the assets in public debt securities.

**Public enterprise funds:**

FEDERAL PAYMENT FOR WATER AND SEWER SERVICES

**Program and Financing** (in millions of dollars)

Identification code 20-4446-0-4-806	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program .....	33	30	30
10.00 Total new obligations (object class 23.3) .....	33	30	30
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	33	30	30
23.95 Total new obligations .....	-33	-30	-30
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	33	30	30
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	33	30	30
73.20 Total outlays (gross) .....	-33	-30	-30
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	33	30	30
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-33	-30	-30
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The 1990 District of Columbia Appropriations Act established a system "to improve the means by which the District of Columbia (now the DC Water and Sewer Authority, DCWASA) is paid for water and sanitary sewer services furnished to the Government of the United States or any department, agency, or independent establishment thereof." Each agency was to pay 25 percent of its estimated yearly bill each quarter by depositing its payment into this account. Even if all agencies did not submit payment on time, Treasury was directed to pay the Government-wide bill, making up the difference from a permanent, indefinite appropriation account, which was then to be reimbursed by the appropriate agencies.

The 2001 Consolidated Appropriations Act amended this system by repealing the permanent, indefinite appropriation account, by directing Treasury to draw down agency funds for payment of water and sewer bills, by requiring agency Inspectors General to analyze how promptly the user agency makes its payment, and by making these amendments retroactive to 1990.

**Trust Funds**

DISTRICT OF COLUMBIA FEDERAL PENSION LIABILITY TRUST FUND

**Unavailable Collections** (in millions of dollars)

Identification code 20-8230-0-7-601	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	2,680	2,366	2,015

Receipts:				
02.21	Interest earnings .....	145	137	116
02.80	Federal pension liability trust fund, offsetting collections .....	6		
02.99	Total receipts and collections .....	151	137	116
04.00	Total: Balances and collections .....	2,831	2,503	2,131
Appropriations:				
05.00	Federal pension liability trust fund .....	-465	-488	-496
05.99	Total appropriations .....	-465	-488	-496
07.99	Balance, end of year .....	2,366	2,015	1,635

**Program and Financing** (in millions of dollars)

Identification code 20-8230-0-7-601		2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>				
00.01	Retirement Payments .....	479	488	496
09.01	Reimbursable program .....	6		
10.00	Total new obligations .....	485	488	496
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	465	488	496
23.95	Total new obligations .....	-485	-488	-496
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.26	Appropriation (trust fund) .....	459	488	496
69.00	Offsetting collections (cash) .....	6		
70.00	Total new budget authority (gross) .....	465	488	496
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	48	68	68
73.10	Total new obligations .....	485	488	496
73.20	Total outlays (gross) .....	-465	-488	-496
74.40	Obligated balance, end of year .....	68	68	68
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	465	488	496
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-6		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	459	488	496
90.00	Outlays .....	459	488	496
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities: Par value .....	2,741	2,427	2,101
92.02	Total investments, end of year: Federal securities: Par value .....	2,427	2,101	1,743

The National Capital Revitalization and Self-Government Improvement Act of 1997, as amended (the Act), established the District of Columbia Federal Pension Liability Trust Fund (Trust Fund) to pay retirement benefits for District of Columbia law enforcement officers, firefighters, and teachers, and to pay any necessary expenses to administer the Trust Fund or expenses incurred by the Secretary of the Treasury in carrying out his responsibilities regarding such retirement benefits. The Trust Fund consists of the proceeds of accumulated pension assets transferred from the District of Columbia during 1999 and liquidated, pursuant to the Act, and any income earned from investment of the assets in public debt securities.

**Object Classification** (in millions of dollars)

Identification code 20-8230-0-7-601		2002 actual	2003 est.	2004 est.
13.0	Direct obligations: Benefits for former personnel .....	479	488	496
99.0	Reimbursable obligations: Reimbursable obligations .....	6		
99.9	Total new obligations .....	485	488	496

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

		2002 actual	2003 est.	2004 est.
Governmental receipts:				
20-086300	District of Columbia court fees .....	2		
General Fund Governmental receipts .....				
		2		

**GENERAL PROVISIONS**

**Trust Funds**

SEC. 101. Whenever in this Act, an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 102. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor: Provided, That in the case of the Council of the District of Columbia, funds may be expended with the authorization of the chair of the Council.

SEC. 103. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of legal settlements or judgments that have been entered against the District of Columbia government: Provided, That nothing contained in this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title XII of the District of Columbia Income and Franchise Tax Act of 1947 (70 Stat. 78; Public Law 84-460; D.C. Code, sec. 47-1812.11(c)(3)).

SEC. 104. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 105. No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

SEC. 106. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, and salary are not available for inspection by the House and Senate Committees on Appropriations, the House Committee on Government Reform, the Senate Committee on Governmental Affairs, and the Council of the District of Columbia, or their duly authorized representative.

SEC. 107. (a) Except as provided in subsection (b), no part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any state legislature.

(b) The District of Columbia may use local funds provided in this Act to carry out lobbying activities on any matter other than—

- (1) the promotion or support of any boycott; or
- (2) statehood for the District of Columbia or voting representation in Congress for the District of Columbia.

(c) Nothing in this section may be construed to prohibit any elected official from advocating with respect to any of the issues referred to in subsection (b).

SEC. 108. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: Provided, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowings and spending progress compared with projections.

SEC. 109. (a) None of the funds provided under this Act to the agencies funded by this Act, both Federal and District government agencies, that remain available for obligation or expenditure in fiscal year 2004, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for an agency through a reprogramming of funds which: (1) creates

new programs; (2) eliminates a program, project, or responsibility center; (3) establishes or changes allocations specifically denied, limited or increased by Congress in this Act; (4) increases funds or personnel by any means for any program, project, or responsibility center for which funds have been denied or restricted; (5) reestablishes through reprogramming any program or project previously deferred through reprogramming; (6) augments existing programs, projects, or responsibility centers through a reprogramming of funds in excess of \$1,000,000 or 10 percent, whichever is less; or (7) increases by 20 percent or more personnel assigned to a specific program, project or responsibility center; unless the Committees on Appropriations of both the Senate and House of Representatives are notified in writing 30 days in advance of any reprogramming as set forth in this section.

(b) None of the local funds contained in this Act may be available for obligation or expenditure for an agency through a transfer of any local funds from one appropriation heading to another unless the Committees on Appropriations of the Senate and House of Representatives are notified in writing 30 days in advance of the transfer, except that in no event may the amount of any funds transferred exceed four percent of the local funds in the appropriation.

SEC. 110. Consistent with the provisions of 31 U.S.C. 1301(a), appropriations under this Act shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.

SEC. 111. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Law 2-139; D.C. Official Code, sec. 1-601.01 et seq.), enacted pursuant to section 422(3) of the District of Columbia Home Rule Act (87 Stat. 790; Public Law 93-198; D.C. Official Code, sec. 1-204.22(3)), shall apply with respect to the compensation of District of Columbia employees: Provided, That for pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5, United States Code.

SEC. 112. No later than 30 days after the end of the first quarter of the fiscal year ending September 30, 2004, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia the new fiscal year 2004 revenue estimates as of the end of the first quarter of fiscal year 2004. These estimates shall be used in the budget request for the fiscal year ending September 30, 2005. The officially revised estimates at midyear shall be used for the midyear report.

SEC. 113. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985 (D.C. Law 6-85; D.C. Code, sec. 2-303.03), except that the District of Columbia government or any agency thereof may renew or extend sole source contracts for which competition is not feasible or practical: Provided, That the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated rules and procedures and said determination has been reviewed and certified by the Chief Financial Officer of the District of Columbia.

SEC. 114. (a) In the event a sequestration order is issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (99 Stat. 1037; Public Law 99-177), after the amounts appropriated to the District of Columbia for the fiscal year involved have been paid to the District of Columbia, the Mayor of the District of Columbia shall pay to the Secretary of the Treasury, within 15 days after receipt of a request therefor from the Secretary of the Treasury, such amounts as are sequestered by the order: Provided, That the sequestration percentage specified in the order shall be applied proportionately to each of the Federal appropriation accounts in this Act that are not specifically exempted from sequestration by such Act.

(b) For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (99 Stat. 1037; Public Law 99-177), the term "program, project, and activity" shall be synonymous with and refer specifically to each account appropriating Federal funds in this Act, and any sequestration order shall be applied to each of the accounts rather than to the aggregate total of those accounts: Provided, That sequestration orders shall not be applied to any account that is specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 115. ACCEPTANCE AND USE OF GIFTS. (a) APPROVAL BY MAYOR.—

(1) IN GENERAL.—An entity of the District of Columbia government may accept and use a gift or donation during fiscal year 2003 if—

(A) the Mayor approves the acceptance and use of the gift or donation (except as provided in paragraph (2)); and

(B) the entity uses the gift or donation to carry out its authorized functions or duties.

(2) EXCEPTION FOR COUNCIL AND COURTS.—The Council of the District of Columbia and the District of Columbia courts may accept and use gifts without prior approval by the Mayor.

(b) RECORDS AND PUBLIC INSPECTION.—Each entity of the District of Columbia government shall keep accurate and detailed records of the acceptance and use of any gift or donation under subsection (a), and shall make such records available for audit and public inspection.

(c) INDEPENDENT AGENCIES INCLUDED.—For the purposes of this section, the term "entity of the District of Columbia government" includes an independent agency of the District of Columbia.

(d) EXCEPTION FOR BOARD OF EDUCATION.—This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.

SEC. 116. None of the Federal funds provided in this Act may be used by the District of Columbia to provide for salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiatives of 1979 (D.C. Law 3-171; D.C. Official Code, sec. 1-123).

SEC. 117. None of the funds appropriated under this Act shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

SEC. 118. None of the Federal funds made available in this Act may be used to implement or enforce the Health Care Benefits Expansion Act of 1992 (D.C. Law 9-114; D.C. Official Code, sec. 32-701 et seq.) or to otherwise implement or enforce any system of registration of unmarried, cohabiting couples, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples.

SEC. 119. ACCEPTANCE AND USE OF GRANTS NOT INCLUDED IN CEILING. (a) IN GENERAL.—Notwithstanding any other provision of this Act, the Mayor, in consultation with the Chief Financial Officer may accept, obligate, and expend Federal, private, and other grants received by the District government that are not reflected in the amounts appropriated in this Act.

(b) REQUIREMENT OF CHIEF FINANCIAL OFFICER REPORT AND COUNCIL APPROVAL.—No such Federal, private, or other grant may be accepted, obligated, or expended pursuant to subsection (a) until—

(1) the Chief Financial Officer of the District of Columbia submits to the Council a report setting forth detailed information regarding such grant; and

(2) the Council within 15 calendar days after receipt of the report submitted under paragraph (1) has reviewed and approved the acceptance, obligation, and expenditure of such grant.

(c) PROHIBITION ON SPENDING IN ANTICIPATION OF APPROVAL OR RECEIPT.—No amount may be obligated or expended from the general fund or other funds of the District government in anticipation of the approval or receipt of a grant under subsection (b)(2) of this section or in anticipation of the approval or receipt of a Federal, private, or other grant not subject to such paragraph.

(d) QUARTERLY REPORTS.—The Chief Financial Officer of the District of Columbia shall prepare a quarterly report setting forth detailed information regarding all Federal, private, and other grants subject to this section. Each such report shall be submitted to the Council of the District of Columbia, and to the Committees on Appropriations of the House of Representatives and the Senate, not later than 15 days after the end of the quarter covered by the report.

SEC. 120. (a) RESTRICTIONS ON USE OF OFFICIAL VEHICLES.—Except as otherwise provided in this section, none of the funds made available by this Act or by any other Act may be used to provide any officer or employee of the District of Columbia with an official vehicle unless the officer or employee uses the vehicle only in the performance of the officer's or employee's official duties. For purposes of this paragraph, the term "official duties" does not include travel between the officer's or employee's residence and workplace (except: (1) in the case of an officer or employee of the Metropolitan Police Department who resides in the District of Columbia or is otherwise designated by the Chief of the Department; (2) at the discretion of the Fire Chief, an officer or employee of the District of Columbia Fire and Emergency

Medical Services Department who resides in the District of Columbia and is on call 24 hours a day; (3) the Mayor of the District of Columbia; and (4) the Chairman of the Council of the District of Columbia).

(b) **INVENTORY OF VEHICLES.**—The Chief Financial Officer of the District of Columbia shall submit, by November 15, 2003, an inventory, as of September 30, 2003, of all vehicles owned, leased or operated by the District of Columbia government. The inventory shall include, but not be limited to, the department to which the vehicle is assigned; the year and make of the vehicle; the acquisition date and cost; the general condition of the vehicle; annual operating and maintenance costs; current mileage; and whether the vehicle is allowed to be taken home by a District officer or employee and if so, the officer or employee's title and resident location.

(c) No officer or employee of the District of Columbia government (including any independent agency of the District but excluding the Office of the Chief Technology Officer, the Chief Financial Officer of the District of Columbia, and the Metropolitan Police Department) may enter into an agreement in excess of \$2,500 for the procurement of goods or services on behalf of any entity of the District government until the officer or employee has conducted an analysis of how the procurement of the goods and services involved under the applicable regulations and procedures of the District government would differ from the procurement of the goods and services involved under the Federal supply schedule and other applicable regulations and procedures of the General Services Administration, including an analysis of any differences in the costs to be incurred and the time required to obtain the goods or services.

**SEC. 121.** Notwithstanding any other provision of law, not later than 120 days after the date that a District of Columbia Public Schools (DCPS) student is referred for evaluation or assessment—

(1) the District of Columbia Board of Education, or its successor, and DCPS shall assess or evaluate a student who may have a disability and who may require special education services; and

(2) if a student is classified as having a disability, as defined in section 101(a)(1) of the Individuals with Disabilities Education Act (84 Stat. 175; 20 U.S.C. 1401(a)(1)) or in section 7(8) of the Rehabilitation Act of 1973 (87 Stat. 359; 29 U.S.C. 706(8)), the Board and DCPS shall place that student in an appropriate program of special education services.

**SEC. 122.** (a) **COMPLIANCE WITH BUY AMERICAN ACT.**—No funds appropriated in this Act may be made available to any person or entity that violates the Buy American Act (41 U.S.C. 10a–10c).

(b) **SENSE OF THE CONGRESS; REQUIREMENT REGARDING NOTICE.**—

(1) **PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.**—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products to the greatest extent practicable.

(2) **NOTICE TO RECIPIENTS OF ASSISTANCE.**—In providing financial assistance using funds made available in this Act, the head of each agency of the Federal or District of Columbia government shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) **PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.**—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

**SEC. 123.** None of the funds contained in this Act may be used for purposes of the annual independent audit of the District of Columbia government for fiscal year 2004 unless—

(1) the audit is conducted by the Inspector General of the District of Columbia, in coordination with the Chief Financial Officer of the District of Columbia, pursuant to section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985 (D.C. Official Code, sec. 2–302.8); and

(2) the audit includes as a basic financial statement a comparison of audited actual year-end results with the revenues submitted in the budget document for such year and the appropriations enacted into law for such year using the format, terminology, and classifica-

tions contained in the law making the appropriations for the year and its legislative history.

**SEC. 124.** None of the funds contained in this Act may be used by the District of Columbia Corporation Counsel or any other officer or entity of the District government to provide assistance for any petition drive or civil action which seeks to require Congress to provide for voting representation in Congress for the District of Columbia.

**SEC. 125.** (a) None of the funds contained in this Act may be used for any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

(b) Any individual or entity who receives any funds contained in this Act and who carries out any program described in subsection (a) shall account for all funds used for such program separately from any funds contained in this Act.

**SEC. 126.** None of the funds contained in this Act may be used after the expiration of the 60-day period that begins on the date of the enactment of this Act to pay the salary of any chief financial officer of any office of the District of Columbia government (including any independent agency of the District) who has not filed a certification with the Mayor and the Chief Financial Officer of the District of Columbia that the officer understands the duties and restrictions applicable to the officer and the officer's agency as a result of this Act (and the amendments made by this Act), including any duty to prepare a report requested either in the Act or in any of the reports accompanying the Act and the deadline by which each report must be submitted, and the District's Chief Financial Officer shall provide to the Committees on Appropriations of the Senate and the House of Representatives by the 10th day after the end of each quarter a summary list showing each report, the due date and the date submitted to the committees.

**SEC. 127.** (a) None of the funds contained in this Act may be used to enact or carry out any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 802) or any tetrahydrocannabinols derivative.

(b) The Legalization of Marijuana for Medical Treatment Initiative of 1998, also known as Initiative 59, approved by the electors of the District of Columbia on November 3, 1998, shall not take effect.

**SEC. 128.** Nothing in this Act may be construed to prevent the Council or Mayor of the District of Columbia from addressing the issue of the provision of contraceptive coverage by health insurance plans, but it is the intent of Congress that any legislation enacted on such issue should include a "conscience clause" which provides exceptions for religious beliefs and moral convictions.

#### PROMPT PAYMENT OF APPOINTED COUNSEL

**SEC. 129.** (a) **ASSESSMENT OF INTEREST FOR DELAYED PAYMENTS.**—If the Superior Court of the District of Columbia or the District of Columbia Court of Appeals does not make a payment described in subsection (b) prior to the expiration of the 45-day period which begins on the date the Court receives a completed voucher for a claim for the payment, interest shall be assessed against the amount of the payment which would otherwise be made to take into account the period which begins on the day after the expiration of such 45-day period and which ends on the day the Court makes the payment.

(b) **PAYMENTS DESCRIBED.**—A payment described in this subsection is—

(1) a payment authorized under section 11–2604 and section 11–2605, D.C. Code (relating to representation provided under the District of Columbia Criminal Justice Act);

(2) a payment for counsel appointed in proceedings in the Family Division of the Superior Court of the District of Columbia under chapter 23 of title 16, D.C. Code; or

(3) a payment for counsel authorized under section 21–2060, D.C. Code (relating to representation provided under the District of Columbia Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986).

(c) **STANDARDS FOR SUBMISSION OF COMPLETED VOUCHERS.**—The chief judges of the Superior Court of the District of Columbia and the District of Columbia Court of Appeals shall establish standards and criteria for determining whether vouchers submitted for claims for payments described in subsection (b) are complete, and shall publish and make such standards and criteria available to attorneys who practice before such Courts.

(d) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to require the assessment of interest against any claim (or portion of any claim) which is denied by the Court involved.

(e) **EFFECTIVE DATE.**—This section shall apply with respect to claims received by the Superior Court of the District of Columbia or the District of Columbia Court of Appeals during fiscal year 2004.

**SEC. 130.** The Mayor of the District of Columbia shall submit to the Senate and House Committees on Appropriations, the Senate Governmental Affairs Committee, and the House Government Reform Committee quarterly reports addressing the following issues: (1) crime, including the homicide rate, implementation of community policing, the number of police officers on local beats, and the closing down of open-air drug markets; (2) access to drug abuse treatment, including the number of treatment slots, the number of people served, the number of people on waiting lists, and the effectiveness of treatment programs; (3) management of parolees and pre-trial violent offenders, including the number of halfway house escapes and steps taken to improve monitoring and supervision of halfway house residents to reduce the number of escapes to be provided in consultation with the Court Services and Offender Supervision Agency; (4) education, including access to special education services and student achievement to be provided in consultation with the District of Columbia Public Schools; (5) improvement in basic District services, including rat control and abatement; (6) application for and management of Federal grants, including the number and type of grants for which the District was eligible but failed to apply and the number and type of grants awarded to the District but for which the District failed to spend the amounts received; and (7) indicators of child well-being.

**SEC. 131.** Nothing in this Act bars the District of Columbia Corporation Counsel from reviewing or commenting on briefs in private lawsuits, or from consulting with officials of the District government regarding such lawsuits.

**SEC. 132.** No later than 30 calendar days after the date of the enactment of this Act, the Chief Financial Officer of the District of Columbia shall submit to the appropriate committees of Congress, the Mayor, and the Council a revised appropriated funds operating budget in the format of the budget that the District of Columbia government submitted pursuant to section 442 of the District of Columbia Home Rule Act (Public Law 93-198; D.C. Official Code, sec. 1-204.42), for all agencies of the District of Columbia government for such fiscal year that is in the total amount of the approved appropriation and that realigns all budgeted data for personal services and other-than-personal-services, respectively, with anticipated actual expenditures.

**SEC. 133. RISK MANAGEMENT FOR SETTLEMENTS AND JUDGMENTS.**—In addition to any other authority to pay claims and judgments, any department, agency, or instrumentality of the District government may pay the settlement or judgment of a claim or lawsuit in an amount less than \$10,000, in accordance with the Risk Management for Settlements and Judgments Amendment Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code, sec. 2-402).

**SEC. 134.** None of the funds contained in this Act may be used to issue, administer, or enforce any order by the District of Columbia Commission on Human Rights relating to docket numbers 93-030-(PA) and 93-031-(PA).

**SEC. 135.** (a) None of the funds contained in this Act may be made available to pay the fees of an attorney who represents a party who prevails in an action or any attorney who defends any action, including an administrative proceeding, brought against the District of Columbia Public Schools under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) if—

(1) the hourly rate of compensation of the attorney exceeds 250 percent of the hourly rate of compensation under section 11-2604(a), District of Columbia Code; or

(2) the maximum amount of compensation of the attorney exceeds 250 percent of the maximum amount of compensation under section 11-2604(b)(1), District of Columbia Code, except that compensation and reimbursement in excess of such maximum may be approved for extended or complex representation in accordance with section 11-2604(c), District of Columbia Code; and

(3) in no case may the compensation limits in paragraphs (1) and (2) exceed \$2,500.

(b) Notwithstanding the preceding subsection, if the Mayor and the Superintendent of the District of Columbia Public Schools concur in a Memorandum of Understanding setting forth a new rate and amount of compensation, then such new rates shall apply in lieu of the rates set forth in the preceding subsection to both the attorney who represents the prevailing party and the attorney who defends the action.

## ELECTION ASSISTANCE COMMISSION

### Federal Funds

#### General and special funds:

For necessary expenses of the Election Assistance Commission, \$500,000,000 to assist State and local efforts to improve election technology and the administration of Federal elections, of which not to exceed \$10,000,000 shall be used for commission administrative expenses.

Program and Financing (in millions of dollars)		2002 actual	2003 est.	2004 est.
Identification code 95-1650-0-1-808				
<b>Obligations by program activity:</b>				
Direct program:				
00.01	Requirements payments .....		390	490
00.02	Grant administration .....		10	10
10.00	Total new obligations .....		400	500
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....		400	500
23.95	Total new obligations .....		-400	-500
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....		400	500
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....			40
73.10	Total new obligations .....		400	500
73.20	Total outlays (gross) .....		-360	-490
74.40	Obligated balance, end of year .....		40	50
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....		360	450
86.93	Outlays from discretionary balances .....			40
87.00	Total outlays (gross) .....		360	490
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....		400	500
90.00	Outlays .....		360	490

The Election Assistance Commission is responsible for approving grants to assist State and local efforts to improve election technology and the administration of Federal elections, as authorized by the Help America Vote Act of 2002 (P.L. 107-252). The Budget proposes \$500 million for grants to State and local governments to ensure minimum voting standards are reached and for costs to administer the program.

#### Object Classification (in millions of dollars)

Object Classification (in millions of dollars)		2002 actual	2003 est.	2004 est.
Identification code 95-1650-0-1-808				
11.1	Personnel compensation: Full-time permanent .....		2	2
12.1	Civilian personnel benefits .....		1	1
21.0	Travel and transportation of persons .....		1	1
23.1	Rental payments to GSA .....		1	1
25.1	Advisory and assistance services .....		2	2
25.7	Operation and maintenance of equipment .....		1	1
31.0	Equipment .....		2	2
41.0	Grants, subsidies, and contributions .....		390	490
99.9	Total new obligations .....		400	500

#### Personnel Summary

Personnel Summary		2002 actual	2003 est.	2004 est.
Identification code 95-1650-0-1-808				
1001	Total compensable workyears: Civilian full-time equivalent employment .....		20	20

**EQUAL EMPLOYMENT OPPORTUNITY  
COMMISSION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Equal Employment Opportunity Commission as authorized by title VII of the Civil Rights Act of 1964, as amended (29 U.S.C. 206(d) and 621-634), the Americans with Disabilities Act of 1990, and the Civil Rights Act of 1991, including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); non-monetary awards to private citizens; and not to exceed \$30,000,000 for payments to State and local enforcement agencies for services to the Commission pursuant to title VII of the Civil Rights Act of 1964, as amended, sections 6 and 14 of the Age Discrimination in Employment Act, the Americans with Disabilities Act of 1990, and the Civil Rights Act of 1991, \$334,754,000: Provided, That the Commission is authorized to make available for official reception and representation expenses not to exceed \$2,500 from available funds.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 45-0100-0-1-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Outreach, Education and Technical Assistance .....	36	37	60
00.02 Enforcement .....	245	253	245
00.03 State and local grants .....	30	30	30
10.00 Total new obligations .....	311	320	335
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	311	320	335
23.95 Total new obligations .....	-311	-320	-335
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	311	320	335
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	57	41	43
73.10 Total new obligations .....	311	320	335
73.20 Total outlays (gross) .....	-325	-318	-333
73.40 Adjustments in expired accounts (net) .....	-2		
74.40 Obligated balance, end of year .....	41	43	45
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	279	278	291
86.93 Outlays from discretionary balances .....	46	40	42
87.00 Total outlays (gross) .....	325	318	333
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	311	320	335
90.00 Outlays .....	325	318	333
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	15	15	15
99.01 Outlays .....	15	15	15

The Equal Employment Opportunity Commission (EEOC) is the Federal agency responsible for enforcement of: the Age Discrimination in Employment Act of 1967; title VII of the Civil Rights Act of 1964, as amended; the Equal Pay Act of 1963; in the Federal sector only, section 501 of the Rehabilitation Act of 1963; the Americans with Disabilities Act of 1990; and the Civil Rights Act of 1991. These acts prohibit employment discrimination based on race, sex, religion, national origin, age, or disability status. The EEOC is also responsible for carrying out Executive Order 12067, which promotes coordination and minimizes conflict and duplication among Federal agencies that administer statutes or regulations involving employment discrimination.

**TOTAL WORKLOAD**

	2002 actual	2003 est.	2004 est.
Private Sector Enforcement .....	124,263	117,671	117,638
Federal Sector Program .....	35,999	31,210	28,587
Appeals .....	14,261	11,736	10,537
Hearings .....	21,738	19,474	18,050
Total Workload .....	160,262	148,881	146,225

Note.—For the Private Sector Program, total workload estimates reflect the carryover from prior years as well as new charge receipts and deferrals from State and local agencies. The estimates of total workload in the Federal Sector Program reflect the carryover from prior years in addition to new hearings or appeal requests that EEOC receives during the year. Details, by program and activity, appear in the tables below.

In support of the President's Management Agenda, the EEOC's budget request is aligned with its strategic plan, and executive direction and program support funding is allocated to the strategic goals.

The EEOC's budget supports three activities:

**Outreach, Education and Technical Assistance.**—This activity is intended to encourage and facilitate voluntary compliance with the anti-discrimination laws by employers and employer groups in the private and federal sectors, and to increase knowledge about individual rights under the anti-discrimination laws among the employees, employee groups and the public. In 2004, EEOC will devote more resources to the first point of the agency's five point plan—Proactive Prevention—by providing information and solutions that help identify and solve workplace problems before they escalate. The agency will continue its Freedom to Compete initiative, which began in 2003 and is designed to ensure that all Americans have the opportunity to compete in the workplace on a fair and level playing field, without regard to race, color, religion, national origin, sex, age or disability.

**Enforcement.**—This activity seeks to resolve charges of employment discrimination filed with EEOC and pursue litigation to enforce compliance with Title VII, the Equal Pay Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the Civil Rights Act of 1991. In 2004, EEOC will focus on becoming a model workplace by implementing workforce restructuring, continuing integration of the four remaining points under the agency's five-point plan, which includes Proficient Resolution, Strategic Enforcement and Litigation, Promote and Expand Mediation/Alternative Dispute Resolution, and EEOC as a Model Workplace. The EEOC will also work to reinforce its coordination role for Federal civil rights employment discrimination policy among Federal agencies and at the State and local levels.

**PRIVATE SECTOR ENFORCEMENT WORKLOAD PROJECTIONS**

Workload/Workflow	2002 actual	2003 est.	2004 est.
Total Pending <sup>1</sup> .....	32,563	29,041	29,008
Total Receipts .....	84,442	81,542	81,542
Net FEPA Transfers/Deferrals .....	7,258	7,088	7,088
Total Workload .....	124,263	117,671	117,638
<b>Resolutions:</b>			
Successful Mediation .....	7,858	7,704	8,298
From Contract .....		1,788	1,788
From Staff .....		5,916	6,510
Administrative Enforcement Resolutions .....	87,364	80,959	77,194
Total Resolutions .....	95,222	88,663	85,492
Charges/Complaints Forwarded .....	29,041	29,008	32,146

<sup>1</sup> 2002 Pending beginning number has been adjusted to reflect refinements in charge process reports. Table may not add due to rounding.

**FEDERAL SECTOR PROGRAMS APPEALS WORKLOAD PROJECTIONS**

Workload	2002 actual	2003 est.	2004 est.
Appeals .....	7,536	4,809	3,402
Appeals Received .....	6,725	6,927	7,135
Total Workload .....	14,261	11,736	10,537
Appeals Resolved .....	9,452	8,334	8,177
Appeals Forwarded .....	4,809	3,402	2,360

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**FEDERAL SECTOR PROGRAMS HEARINGS WORKLOAD PROJECTIONS**

Workload	2002 actual	2003 est.	2004 est.
Hearings Pending .....	12,336	10,072	8,648
Hearings Requests .....	9,617	9,617	9,617
Hearings Requests Consolidated After Initial Processing .....	-215	-215	-215
<b>Total Workload .....</b>	<b>21,738</b>	<b>19,474</b>	<b>18,050</b>
Hearings Resolved .....	11,666	10,826	10,826
Hearings Forwarded .....	10,072	8,648	7,224

*State and local grants.*—This activity provides funds to State and local fair employment practices agencies to assist in the resolution of employment discrimination complaints. For 2004, the agency will continue working with State and Local Fair Employment Practices Agencies and Tribal Employment Rights Organizations to improve employment discrimination charge processing and other approaches for addressing workplace discrimination.

**STATE AND LOCAL WORKLOAD PROJECTIONS**

Workload	2002 actual	2003 est.	2004 est.
Charges/Complaints Pending .....	68,174	65,833	63,745
Charges/Complaints Received .....	63,376	63,000	63,000
Charges/Complaints Resolved .....	58,459	58,000	58,000
Charges/Complaints Deferred to EEOC .....	7,258	7,088	7,088
Charges/Complaints Forwarded .....	65,833	63,745	61,657

**Object Classification (in millions of dollars)**

Identification code 45-0100-0-1-751	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	177	183	187
11.3 Other than full-time permanent .....	3	3	4
11.5 Other personnel compensation .....	1	2	2
11.9 Total personnel compensation .....	181	188	193
12.1 Civilian personnel benefits .....	42	42	43
21.0 Travel and transportation of persons .....	3	3	3
23.1 Rental payments to GSA .....	25	29	31
23.3 Communications, utilities, and miscellaneous charges .....	5	5	5
25.2 Other services .....	21	20	25
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	2	1	3
41.0 Grants, subsidies, and contributions .....	30	30	30
99.9 Total new obligations .....	311	320	335

**Personnel Summary**

Identification code 45-0100-0-1-751	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2,783	2,720	2,765

**Public enterprise funds:**

**EEOC EDUCATION, TECHNICAL ASSISTANCE, AND TRAINING REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 45-4019-0-4-751	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	4	4
10.00 Total new obligations (object class 99.5) .....	3	4	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	3	3
22.00 New budget authority (gross) .....	3	4	4
23.90 Total budgetary resources available for obligation .....	6	7	7
23.95 Total new obligations .....	-3	-4	-4
24.40 Unobligated balance carried forward, end of year .....	3	3	3

**New budget authority (gross), detail:**

69.00 Mandatory:			
Offsetting collections (cash) .....	3	4	4

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	1	1	2
73.10 Total new obligations .....	3	4	4
73.20 Total outlays (gross) .....	-3	-4	-4
74.40 Obligated balance, end of year .....	1	2	2

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	3	3	3
86.98 Outlays from mandatory balances .....	1	1	1
87.00 Total outlays (gross) .....	3	4	4

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-1	-1	-1
88.40 Non-Federal sources .....	-2	-3	-3
88.90 Total, offsetting collections (cash) .....	-3	-4	-4

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....			

The EEOC Education, Technical Assistance, and Training Revolving Fund Act of 1992 created a revolving fund to pay for the cost of providing education, technical assistance and training relating to the laws administered by the EEOC.

**EXPORT-IMPORT BANK OF THE UNITED STATES**

**Federal Funds**

**General and special funds:**

**INSPECTOR GENERAL OF THE EXPORT-IMPORT BANK**

*For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$1,200,000.*

**Program and Financing (in millions of dollars)**

Identification code 71-0105-0-1-155	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.09 Administrative Expenses .....			1
10.00 Total new obligations (object class 11.1) .....			1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			1
23.95 Total new obligations .....			-1

**New budget authority (gross), detail:**

40.00 Discretionary:			
Appropriation .....			1

**Change in obligated balances:**

73.10 Total new obligations .....			1
73.20 Total outlays (gross) .....			-1

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....			1
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**Net budget authority and outlays:**

89.00 Budget authority .....			1
90.00 Outlays .....			1

**Personnel Summary**

Identification code 71-0105-0-1-155	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....			7

**Credit accounts:****EXPORT-IMPORT BANK LOANS PROGRAM ACCOUNT**

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: Provided, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country, other than a nuclear-weapon state as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act, that has detonated a nuclear explosive after the date of the enactment of this Act: Provided further, That not withstanding section 1(c) of Public Law 103-428, as amended, sections 1(a) and (b) of Public Law 103-428 shall remain in effect until October 1, 2004.

**ADMINISTRATIVE EXPENSES**

For administrative expenses to carry out the direct and guaranteed loan and insurance programs, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed \$40,000 for official reception and representation expenses for members of the Board of Directors, \$75,394,668: Provided, That the Export-Import Bank may accept, and use, payment or services provided by transaction participants for legal, financial, or technical services in connection with any transaction for which an application for a loan, guarantee or insurance commitment has been made: Provided further, That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 2004.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 83-0100-0-1-155	2002 actual	2003 est.	2004 est.
0101 Export-Import Bank loans, negative subsidies .....	2	13	113
0102 Export-Import Bank loans, downward reestimates of subsidies .....	808	3,511	

**Program and Financing (in millions of dollars)**

Identification code 83-0100-0-1-155	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy and grants .....	49	25	18
00.02 Guaranteed loan subsidy .....	678	188	422
00.03 Guaranteed loan modifications .....	26	19	19
00.04 Direct Loan Modifications .....		1	1
00.05 Reestimate of direct loan subsidy .....	219	8	
00.06 Interest on reestimates of direct loan subsidy .....	95	5	
00.07 Reestimates of loan guarantee subsidy .....	100	26	
00.08 Interest on reestimates of loan guarantee subsidy .....	27	5	
00.09 Administrative expenses .....	63	68	75
10.00 Total new obligations .....	1,257	345	535
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	514	557	955
22.00 New budget authority (gross) .....	1,182	654	76
22.10 Resources available from recoveries of prior year obligations .....	118	90	90
23.90 Total budgetary resources available for obligation .....	1,814	1,301	1,121
23.95 Total new obligations .....	-1,257	-345	-535
23.98 Unobligated balance expiring or withdrawn .....	-2		
24.40 Unobligated balance carried forward, end of year .....	557	955	586

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
<b>Appropriation:</b>			
40.00 Appropriation .....	727	541	
40.00 Appropriation .....	63	68	75
40.35 Appropriation rescinded .....	-50		
43.00 Appropriation (total discretionary) .....	740	609	75

60.00	Mandatory:			
	Appropriation .....	441	44	
	Discretionary:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00	Total new budget authority (gross) .....	1,182	654	76
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	1,219	1,095	444
73.10	Total new obligations .....	1,257	345	535
73.20	Total outlays (gross) .....	-1,245	-907	-641
73.40	Adjustments in expired accounts (net) .....	-16		
73.45	Recoveries of prior year obligations .....	-118	-90	-90
74.40	Obligated balance, end of year .....	1,095	444	249
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	153	149	65
86.93	Outlays from discretionary balances .....	651	714	576
86.97	Outlays from new mandatory authority .....	441	44	
87.00	Total outlays (gross) .....	1,245	907	641
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-1	-1	-1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	1,181	653	75
90.00	Outlays .....	1,245	906	640
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	2	2	2
99.01	Outlays .....	2	2	2

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 83-0100-0-1-155	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Direct Loans: Export Financing .....	236	105	272
115002 Direct Loans: Tied Aid War Chest .....	60	74	50
115901 Total direct loan levels .....	296	179	322
<b>Direct loan subsidy (in percent):</b>			
132001 Direct Loans: Export Financing .....	14.83	5.71	0.74
132002 Direct Loans: Tied Aid War Chest .....	21.67	33.78	34.00
132901 Weighted average subsidy rate .....	16.22	17.32	5.90
<b>Direct loan subsidy budget authority:</b>			
133001 Direct Loans: Export Financing .....	35	6	2
133002 Direct Loans: Tied Aid War Chest .....	13	25	17
133901 Total subsidy budget authority .....	48	31	19
<b>Direct loan subsidy outlays:</b>			
134001 Direct Loans: Export Financing .....	80	67	34
134002 Direct Loans: Tied Aid War Chest .....	3	2	2
134901 Total subsidy outlays .....	83	69	36
<b>Direct loan upward reestimate subsidy budget authority:</b>			
135001 Direct Loans: Export Financing .....	314	13	
135901 Total upward reestimate budget authority .....	314	13	
<b>Direct loan upward reestimate subsidy outlays:</b>			
136001 Direct Loans: Export Financing .....	314	13	
136901 Total upward reestimate outlays .....	314	13	
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 Direct Loans: Export Financing .....	-144	-945	
137901 Total downward reestimate budget authority .....	-144	-945	
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 Direct Loans: Export Financing .....	-144	-945	
138901 Total downward reestimate subsidy outlays .....	-144	-945	
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Loan Guarantees: Export Financing .....	9,824	11,321	14,320
215901 Total loan guarantee levels .....	9,824	11,321	14,320
<b>Guaranteed loan subsidy (in percent):</b>			
232001 Loan Guarantees: Export Financing .....	7.05	5.52	3.08

**Credit accounts—Continued**

**EXPORT-IMPORT BANK LOANS PROGRAM ACCOUNT—Continued**

**ADMINISTRATIVE EXPENSES—Continued**

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)—Continued**

Identification code 83-0100-0-1-155	2002 actual	2003 est.	2004 est.
232901 Weighted average subsidy rate .....	7.05	5.52	3.08
Guaranteed loan subsidy budget authority:			
233001 Loan Guarantees: Export Financing .....	693	625	441
233901 Total subsidy budget authority .....	693	625	441
Guaranteed loan subsidy outlays:			
234001 Loan Guarantees: Export Financing .....	657	683	424
234901 Total subsidy outlays .....	657	683	424
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Loan Guarantees: Export Financing .....	127	31	
235901 Total upward reestimate budget authority .....	127	31	
Guaranteed loan upward reestimate subsidy outlays:			
236001 Loan Guarantees: Export Financing .....	127	31	
236901 Total upward reestimate subsidy outlays .....	127	31	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Loan Guarantees: Export Financing .....	-664	-2,566	
237901 Total downward reestimate subsidy budget authority .....	-664	-2,566	
Guaranteed loan downward reestimate subsidy outlays:			
238001 Loan Guarantees: Export Financing .....	-664	-2,566	
238901 Total downward reestimate subsidy outlays .....	-664	-2,566	
<b>Administrative expense data:</b>			
351001 Budget authority .....	63	68	75
358001 Outlays from balances .....	11	9	9
359001 Outlays .....	52	58	65

The purpose of the Export-Import Bank (Ex-Im Bank) is to aid in the financing and promotion of U.S. exports. To accomplish its objectives, the bank's authority and resources are used to: assume commercial and political risks that exporters or private institutions are unwilling or unable to undertake; overcome maturity and other limitations in private sector export financing; assist U.S. exporters to meet officially sponsored foreign export credit competition; and provide leadership and guidance in export financing to the U.S. exporting and banking communities and to foreign borrowers. The bank provides its export credit support through direct loan, loan guarantee and insurance programs. The bank is actively assisting small- and medium-sized businesses.

The 2004 budget proposes \$14.6 billion in lending levels, funded by program budget authority carried over from prior years and administrative expenses of \$75.4 million.

As required by the Federal Credit Reform Act of 1990, this account records, for Eximbank, the subsidy costs associated with direct loans and direct grants obligated, and loan guarantees and insurance committed in 1992 and beyond, as well as administrative expenses. The subsidy amounts are estimated on a present value basis; administrative expenses are estimated on a cash basis.

**Object Classification (in millions of dollars)**

Identification code 83-0100-0-1-155	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	31	34	35
12.1 Civilian personnel benefits .....	8	9	10
21.0 Travel and transportation of persons .....	2	2	2
23.1 Rental payments to GSA .....	4	4	4
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	13	15	15
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	3	2	7
41.0 Grants, subsidies, and contributions .....	1,194	277	460

99.9 Total new obligations .....	1,257	345	535
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**Personnel Summary**

Identification code 83-0100-0-1-155	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	401	420	420

**DEBT REDUCTION FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 83-4028-0-3-155	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Loan Purchase from Liquidating Acct .....		94	
00.02 Pay off borrowings in Loan Financing Account .....		57	
00.03 Interest on Treasury borrowing .....		2	2
10.00 Total new obligations .....		153	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	32	44	
22.00 New financing authority (gross) .....	12	174	168
22.60 Portion applied to repay debt .....		-65	-166
23.90 Total budgetary resources available for obligation .....	44	153	2
23.95 Total new obligations .....		-153	-2
24.40 Unobligated balance carried forward, end of year .....	44		
<b>New financing authority (gross), detail:</b>			
<b>Mandatory:</b>			
67.10 Authority to borrow .....		151	
<b>Spending authority from offsetting collections:</b>			
<b>Discretionary:</b>			
<b>Offsetting collections (cash):</b>			
68.00 Offsetting collections (cash) .....		3	3
68.00 Offsetting collections (Debt Reduction) .....	12	20	165
68.90 Spending authority from offsetting collections (total discretionary) .....	12	23	168
70.00 Total new financing authority (gross) .....	12	174	168
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		153	2
73.20 Total financing disbursements (gross) .....		-151	-3
87.00 Total financing disbursements (gross) .....		151	3
<b>Offsets:</b>			
<b>Against gross financing authority and financing disbursements:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-12	-20	-165
<b>Non-Federal sources:</b>			
88.40 Non-Federal sources—Principal .....		-1	-1
88.40 Non-Federal sources—Interest .....		-2	-2
88.90 Total, offsetting collections (cash) .....	-12	-23	-168
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....		151	
90.00 Financing disbursements .....	-12	128	-165

**Status of Direct Loans (in millions of dollars)**

Identification code 83-4028-0-3-155	2002 actual	2003 est.	2004 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans .....		186	
1150 Total direct loan obligations .....		186	
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	146	135	320
1233 Disbursements: Purchase of loans assets from a liquidating account .....		186	
1251 Repayments: Repayments and prepayments .....		-1	-1
1263 Write-offs for default: Direct loans .....	-11		-237
1290 Outstanding, end of year .....	135	320	82

**Balance Sheet** (in millions of dollars)

Identification code 83-4028-0-3-155	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	146	135	320	82
1405 Allowance for subsidy cost (-) .....	-93	-78	-185	-47
1499 Net present value of assets related to direct loans .....	53	57	135	35
1999 Total assets .....	53	57	135	35
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt .....	53	57	135	35
2999 Total liabilities .....	53	57	135	35
4999 Total liabilities and net position .....	53	57	135	35

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from restructuring either loans or claims against guarantees made by the Export-Import Bank of the U.S.

**EXPORT-IMPORT BANK DIRECT LOAN FINANCING ACCOUNT****Program and Financing** (in millions of dollars)

Identification code 83-4161-0-3-155	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	296	447	322
00.02 Other Obligations .....	267	533	537
00.91 Direct Program by Activities—Subtotal (1 level) .....	563	980	859
08.01 Payment to negative subsidy receipt account .....	2	2	3
08.02 Downward reestimates paid to receipt accounts .....	102	648	.....
08.04 Interest on downward reestimates paid to receipt accounts .....	42	297	.....
08.91 Direct Program by Activities—Subtotal (1 level) .....	146	947	3
10.00 Total new obligations .....	709	1,927	862
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	920	1,002	.....
22.00 New financing authority (gross) .....	1,716	1,466	1,384
22.10 Resources available from recoveries of prior year obligations .....	142	100	100
22.60 Portion applied to repay debt .....	-1,067	-641	-622
23.90 Total budgetary resources available for obligation .....	1,711	1,927	862
23.95 Total new obligations .....	-709	-1,927	-862
24.40 Unobligated balance carried forward, end of year .....	1,002	.....	.....
<b>New financing authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	1,716	1,466	1,384
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,851	1,094	1,824
73.10 Total new obligations .....	709	1,927	862
73.20 Total financing disbursements (gross) .....	-1,325	-1,097	-1,097
73.45 Recoveries of prior year obligations .....	-142	-100	-100
74.40 Obligated balance, end of year .....	1,094	1,824	1,489
87.00 Total financing disbursements (gross) .....	1,325	1,097	1,097

**Offsets:**

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
88.00 Federal sources: Upward reestimate .....	-314	-13	.....	.....
88.00 Federal sources: Payment from program account .....	-83	-69	-36	.....
88.00 Federal sources: Payment from Debt Reduction Financing Account .....	.....	-57	.....	.....
88.25 Interest on uninvested funds .....	-83	-25	.....	.....
Non-Federal sources:				
88.40 Repayments and prepayments .....	-827	-759	-848	.....

88.40 Fees and interest on loans .....	-409	-543	-500	.....
88.90 Total, offsetting collections (cash) .....	-1,716	-1,466	-1,384	.....

**Net financing authority and financing disbursements:**

89.00 Financing authority .....	.....	.....	.....	.....
90.00 Financing disbursements .....	-391	-369	-287	.....

**Status of Direct Loans** (in millions of dollars)

Identification code 83-4161-0-3-155	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	.....	.....	.....
1131 Direct loan obligations exempt from limitation .....	296	447	322
1150 Total direct loan obligations .....	296	447	322
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	7,590	7,574	7,399
1231 Disbursements: Direct loan disbursements .....	920	627	395
1251 Repayments: Repayments and prepayments .....	-907	-758	-847
1263 Write-offs for default: Direct loans .....	-29	-44	-49
1290 Outstanding, end of year .....	7,574	7,399	6,898

**Balance Sheet** (in millions of dollars)

Identification code 83-4161-0-3-155	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	.....	.....	.....	.....
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	7,590	7,574	7,399	6,898
1402 Interest receivable .....	122	108	100	100
1405 Allowance for subsidy cost (-) .....	-803	-1,026	-1,035	-964
1499 Net present value of assets related to direct loans .....	6,909	6,656	6,464	6,034
1803 Other Federal assets: Property, plant and equipment, net .....	1	1	1	1
1999 Total assets .....	6,910	6,657	6,465	6,035
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt .....	6,910	6,657	6,465	6,035
2999 Total liabilities .....	6,910	6,657	6,465	6,035
4999 Total liabilities and net position .....	6,910	6,657	6,465	6,035

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account reflects direct loan activity through 2003.

**EXPORT-IMPORT BANK GUARANTEED LOAN FINANCING ACCOUNT****Program and Financing** (in millions of dollars)

Identification code 83-4162-0-3-155	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Guarantee claims .....	432	351	395
00.02 Payment Certificates .....	122	100	125
00.03 Other Claim Expenses .....	60	60	60
00.91 Direct Program by Activities—Subtotal (1 level) .....	614	511	580
08.01 Payment to negative subsidy receipt account .....	.....	11	110
08.02 Downward reestimates paid to receipt accounts .....	517	2,068	.....
08.04 Interest on downward reestimates paid to receipt accounts .....	147	498	.....
08.91 Direct Program by Activities—Subtotal (1 level) .....	664	2,577	110
10.00 Total new obligations .....	1,278	3,088	690
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4,110	4,553	2,888

**Credit accounts—Continued****EXPORT-IMPORT BANK GUARANTEED LOAN FINANCING ACCOUNT—  
Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 83-4162-0-3-155	2002 actual	2003 est.	2004 est.
22.00 New financing authority (gross) .....	1,799	1,421	1,250
22.60 Portion applied to repay debt .....	-78		
23.90 Total budgetary resources available for obligation	5,831	5,974	4,138
23.95 Total new obligations .....	-1,278	-3,088	-690
24.40 Unobligated balance carried forward, end of year .....	4,553	2,888	3,448

**New financing authority (gross), detail:**

## Discretionary:

68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	1,799	1,421	1,250
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**Change in obligated balances:**

72.40 Obligated balance, start of year .....			2
73.10 Total new obligations .....	1,278	3,088	690
73.20 Total financing disbursements (gross) .....	-1,278	-3,086	-654
74.40 Obligated balance, end of year .....		2	38
87.00 Total financing disbursements (gross) .....	1,278	3,086	654

**Offsets:**

## Against gross financing authority and financing disbursements:

## Offsetting collections (cash) from:

## Federal sources:

88.00 Payments from program account .....	-657	-683	-424
88.00 Federal sources: upward reestimate .....	-127	-31	
88.25 Interest on uninvested funds .....	-258	-326	-368
88.40 Fees, premiums, claim recoveries .....	-757	-381	-458
88.90 Total, offsetting collections (cash) .....	-1,799	-1,421	-1,250

**Net financing authority and financing disbursements:**

89.00 Financing authority .....			
90.00 Financing disbursements .....	-521	1,665	-596

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 83-4162-0-3-155	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....			
2121 Limitation available from carry-forward .....	3,864	16,331	22,824
2131 Guaranteed loan commitments exempt from limitation .....	10,297	32,011	
2143 Uncommitted limitation carried forward .....	-4,337	-36,007	-8,504
2150 Total guaranteed loan commitments .....	9,824	12,335	14,320
2199 Guaranteed amount of guaranteed loan commitments .....	9,824	12,335	14,320
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	29,584	30,274	31,590
2231 Disbursements of new guaranteed loans .....	7,859	7,543	8,662
2251 Repayments and prepayments .....	-6,737	-5,876	-6,150
2263 Adjustments: Terminations for default that result in claim payments .....	-432	-351	-395
2290 Outstanding, end of year .....	30,274	31,590	33,707
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	30,274	31,590	33,707

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account reflects actual and expected loan guarantee activity through 2003.

**Balance Sheet (in millions of dollars)**

Identification code 83-4162-0-3-155	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	4,110	4,553	2,858	3,454
1999 Total assets .....	4,110	4,553	2,858	3,454
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	4,110	4,553	2,858	3,454
2999 Total liabilities .....	4,110	4,553	2,858	3,454
4999 Total liabilities and net position .....	4,110	4,553	2,858	3,454

**Public enterprise funds:****EXPORT-IMPORT BANK OF THE UNITED STATES LIQUIDATING  
ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 83-4027-0-3-155	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.06 Claim payments, gross .....	51	7	13
10.00 Total new obligations (object class 33.0) .....	51	7	13

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	96	160	
22.00 New budget authority (gross) .....	615	7	13
22.40 Capital transfer to general fund .....	-500	-160	
23.90 Total budgetary resources available for obligation	211	7	13
23.95 Total new obligations .....	-51	-7	-13
24.40 Unobligated balance carried forward, end of year .....	160		

**New budget authority (gross), detail:**

## Mandatory:

69.00 Offsetting collections (cash) .....	615	494	361
69.27 Capital transfer to general fund .....		-487	-348
69.90 Spending authority from offsetting collections (total mandatory) .....	615	7	13

**Change in obligated balances:**

72.40 Obligated balance, start of year .....		11	11
73.10 Total new obligations .....	51	7	13
73.20 Total outlays (gross) .....	-40	-7	-13
74.40 Obligated balance, end of year .....	11	11	11

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	40	7	13
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**Offsets:**

## Against gross budget authority and outlays:

## Offsetting collections (cash) from:

88.00 Federal sources .....	-92	-94	
88.40 Non-Federal sources:			
Loans repaid .....	-342	-237	-212
88.40 Interest and fee revenue from loans .....	-181	-163	-149
88.90 Total, offsetting collections (cash) .....	-615	-494	-361

**Net budget authority and outlays:**

89.00 Budget authority .....		-487	-348
90.00 Outlays .....	-574	-487	-348

**Status of Direct Loans (in millions of dollars)**

Identification code 83-4027-0-3-155	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	4,152	3,821	2,859
Repayments:			
Repayments and prepayments:			
1251 Repayments and prepayments .....	-174	-237	-212
1251 Payments from Debt Reduction Account for Purchase of Loans .....	-92	-94	
1263 Write-offs for default: Direct loans .....	-65	-631	
1290 Outstanding, end of year .....	3,821	2,859	2,647

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 83-4027-0-3-155	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	941	724	509
2251 Repayments and prepayments .....	-217	-215	-149
2290 Outstanding, end of year .....	724	509	360
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	724	509	360

**DATA ON DIRECT LOANS**

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
Undisbursed loan authorizations, end of year .....	1,094	857	731
Credit authorizations .....	296	397	272
Credit cancellations .....	219	106	28
Loan disbursements .....	842	527	370
Capitalized interest .....	98	100	25
Loan principal repayments .....	1,148	997	1,059
Loan write-offs .....	83	44	49
Loans outstanding, end of year .....	10,324	9,912	9,199

**DATA ON GUARANTEES**

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
Undisbursed balance, end of year .....	8,475	8,887	9,548
Authorizations .....	7,408	8,765	10,540
Cancellations .....	205	810	1,217
Shipments .....	6,312	7,543	8,662
Repayments .....	5,555	6,076	6,312
Outstanding balance, end of year .....	30,121	31,588	33,938

**DATA ON INSURANCE**

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
Undisbursed balance, end of year .....	2,956	3,109	3,341
Authorizations .....	2,416	3,570	3,780
Cancellations .....	1,420	1,520	1,484
Shipments .....	1,700	1,897	2,064
Repayments .....	1,831	1,843	1,984
Outstanding balance, end of year .....	1,031	1,085	1,165

**DATA ON GRANT PORTION OF TIED-AID CREDIT**

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
Grant portion of tied-aid credit .....	13	50	50
Estimated outlays .....	3	10	10

**POSITION WITH RESPECT TO LENDING, GUARANTEE AND INSURANCE AUTHORITY**

(In millions of dollars)

	2001 actual	2002 actual	2003 est.	2004 est.
Statutory authority .....	75,000	80,000	85,000	90,000
Charges against authority:				
Loan Program:				
Loans Outstanding .....	10,615	10,324	9,912	9,199
Loans Undisbursed .....	1,859	1,094	857	731
Outstanding Claims .....	4,181	4,116	4,054	3,997
Subtotal .....	16,655	15,534	14,823	13,927
Export guarantees and insurance program:				
Export Credit Insurance .....	4,823	3,988	4,194	4,506
Export Credit Guarantees .....	36,948	38,596	40,475	43,486
Subtotal .....	41,771	42,584	44,669	47,992
Total Charges against authority .....	58,426	58,118	59,492	61,919
Unused Authority .....	16,574	21,882	25,508	28,081

*Operating results and financial condition.*—The bank is a wholly owned Government corporation. Capital stock of \$1 billion was purchased by the U.S. Treasury.

The bank has a reserve for possible credit losses, which provides for the risk of loss inherent in the lending process. This reserve is a general reserve, available to absorb credit losses related to the total loan portfolio. The reserve is in-

creased by provisions charged to expenses and decreased by charge-offs, net of recoveries.

The provision for possible credit losses is based on the bank's evaluation of the adequacy of the reserve, taking into consideration a variety of factors, including repayment status of loans, future risk factors, the relationship of the reserve to the portfolio, and worldwide economic conditions. Providing for such possible losses does not imply that any loans will be written off. It simply recognizes the fact that the prospects for collection of some of the bank's loans are impaired. It does not provide for losses on a country-by-country basis and is intended only to provide an overall revaluation of the loan portfolio.

The bank's net operating income was \$182 million in 2002. Total Government deficit in the corporation was \$3,663 million on September 30, 2002.

**Statement of Operations** (in millions of dollars)

Identification code 83-4027-0-3-155	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	994	239	163	149
0102 Expense .....	-7	-45	-10	-10
0105 Net income or loss (-) .....	987	194	153	139

**Balance Sheet** (in millions of dollars)

Identification code 83-4027-0-3-155	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	123	160		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
Direct loans, gross:				
1601 Direct loans, gross .....	4,152	3,821	2,859	2,647
1601 Direct loans, gross reduction in Face Value .....				
1602 Interest receivable .....	25	7	6	5
1603 Allowance for estimated uncollectible loans and interest (-) .....	-2,734	-2,576	-1,803	-1,581
1699 Value of assets related to direct loans .....	1,443	1,252	1,062	1,071
1701 Defaulted guaranteed loans, gross ....	511	454	304	179
1702 Interest receivable .....	32	2	2	2
1703 Allowance for estimated uncollectible loans and interest (-) .....	-159	-174	-116	-68
1704 Defaulted guaranteed loans and interest receivable, net .....	384	282	190	113
1799 Value of assets related to loan guarantees .....	384	282	190	113
1801 Other Federal assets: Cash and other monetary assets .....		34	20	10
1999 Total assets .....	1,950	1,728	1,272	1,194
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....	563	363		
Non-Federal liabilities:				
2202 Interest payable .....	1	1	1	1
2203 Debt .....	161	138	113	88
2204 Liabilities for loan guarantees .....	21	11	8	5
2207 Other .....	204	215	150	100
2999 Total liabilities .....	950	728	272	194
<b>NET POSITION:</b>				
Cumulative results of operations:				
3300 Cumulative results of operations .....	1,478	1,000	1,000	1,000
3300 Cumulative results of operations [Debt Reduction] .....	-478			
3999 Total net position .....	1,000	1,000	1,000	1,000
4999 Total liabilities and net position .....	1,950	1,728	1,272	1,194

As required by the Federal Credit Reform Act of 1990, this account records, for Ex-Im Bank, all cash flows to and from the Government resulting from direct loans obligated

**Public enterprise funds—Continued**

EXPORT-IMPORT BANK OF THE UNITED STATES LIQUIDATING  
ACCOUNT—Continued

and loan guarantees and insurance committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts.

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:			
83-272710 Export-Import Bank loans, Negative subsidies	2	13	113
83-272730 Export-Import Bank loans, Downward reestimates of subsidies	808	3,511	
General Fund Offsetting receipts from the public	810	3,524	113

**FARM CREDIT ADMINISTRATION**

*Federal Funds*

**Public enterprise funds:**

LIMITATION OF ADMINISTRATIVE EXPENSES

*Not to exceed \$38,400,000 (from assessments collected from farm credit institutions and from the Federal Agricultural Mortgage Corporation) shall be obligated during the current fiscal year for administrative expenses as authorized under 12 U.S.C. 2249: Provided, That this limitation shall not apply to expenses associated with receiverships.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing (in millions of dollars)**

Identification code 78-4131-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program	34	38	38
10.00 Total new obligations	34	38	38
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	12	14	15
22.00 New budget authority (gross)	36	39	42
23.90 Total budgetary resources available for obligation	48	53	57
23.95 Total new obligations	-34	-38	-38
24.40 Unobligated balance carried forward, end of year	14	15	19
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash)	36	39	42
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	9	5	5
73.10 Total new obligations	34	38	38
73.20 Total outlays (gross)	-36	-38	-38
74.40 Obligated balance, end of year	5	5	5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	36	38	38
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-1	-1
88.20 Interest on Federal securities	-1	-1	-1
88.40 Non-Federal sources	-35	-37	-40
88.90 Total, offsetting collections (cash)	-36	-39	-42
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			

90.00 Outlays	-1	-4	
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value	20	21	17
92.02 Total investments, end of year: Federal securities:			
Par value	21	17	17
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority			
99.01 Outlays			

The Farm Credit Administration (FCA) is an independent Federal agency that examines and regulates the Farm Credit System (System) for safety and soundness. The System is a cooperative agricultural credit system of farm credit banks and associations that lends to farmers, ranchers, and their cooperatives. Since 1990, the FCA also performs annual examinations of the Federal Agricultural Mortgage Corporation. In addition, FCA annually examines The National Consumer Cooperative Bank and its affiliate, The NCCB Development Corporation.

As of October 1, 2002, the System was comprised of six Farm Credit Banks, one Agricultural Credit Bank, 103 associations, five service corporations, the Federal Farm Credit Bank Funding Corporation, the Farm Credit System Financial Assistance Corporation, and the Federal Agricultural Mortgage Corporation. The Agricultural Credit Bank makes loans to agricultural, aquatic, and public utility cooperatives and other persons or organizations owned by or having transactions with such cooperatives.

Assessments based upon estimated administrative expenses are collected from institutions in the System and the Federal Agricultural Mortgage Corporation and are available for administrative expenses. Obligations are incurred within fiscal year budgets approved by the Farm Credit Administration Board.

**Object Classification (in millions of dollars)**

Identification code 78-4131-0-3-351	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent	23	25	25
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	24	26	26
12.1 Civilian personnel benefits	6	6	6
21.0 Travel and transportation of persons	1	2	2
25.2 Other services	2	3	3
31.0 Equipment	1	1	1
99.9 Total new obligations	34	38	38

**Personnel Summary**

Identification code 78-4131-0-3-351	2002 actual	2003 est.	2004 est.
2001 Total compensable workyears: Civilian full-time equivalent employment	270	292	290

**FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION**

*Federal Funds*

**Public enterprise funds:**

FINANCIAL ASSISTANCE CORPORATION ASSISTANCE FUND,  
LIQUIDATING ACCOUNT

**Program and Financing (in millions of dollars)**

Identification code 78-4134-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Interest expenses	71	71	29

10.00	Total new obligations (object class 43.0) .....	71	71	29
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	545	616	359
22.00	New budget authority (gross) .....	142	165	72
22.60	Portion applied to repay debt .....		-351	
23.90	Total budgetary resources available for obligation .....	687	430	431
23.95	Total new obligations .....	-71	-71	-29
24.40	Unobligated balance carried forward, end of year .....	616	359	402
<b>New budget authority (gross), detail:</b>				
Mandatory:				
69.00	Offsetting collections (cash) .....	142	165	72
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....	71	71	29
73.20	Total outlays (gross) .....	-71	-71	-29
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	71	71	29
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.20	Interest on Federal securities .....	-56	-53	-43
88.40	Non-Federal sources .....	-86	-112	-29
88.90	Total, offsetting collections (cash) .....	-142	-165	-72
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	-73	-94	-43
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities:			
	Par value .....	671	710	417
92.02	Total investments, end of year: Federal securities:			
	Par value .....	710	417	438

**Status of Direct Loans (in millions of dollars)**

Identification code 78-4134-0-3-351	2002 actual	2003 est.	2004 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	868	782	670
1251	Repayments: Repayments and prepayments .....	-86	-112	-29
1290	Outstanding, end of year .....	782	670	641

**Statement of Operations (in millions of dollars)**

Identification code 78-4134-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.	
0101	Revenue .....	70	71	71	29
0102	Expense .....	-70	-71	-71	-29
0105	Net income or loss (-) .....				
0191	Total revenues .....	70	71	71	29
0192	Total expenses .....	-70	-71	-71	-29

**Balance Sheet (in millions of dollars)**

Identification code 78-4134-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Federal assets:					
Investments in US securities:					
1102	Treasury securities, par .....	733	768	451	479
1106	Receivables, net .....	146	139	39	43
1201	Non-Federal assets: Investments in non-				
	Federal securities, net .....	251	243	235	231
1901	Other Federal assets: Other assets .....	8	5	6	5
1999	Total assets .....	1,138	1,155	731	758
<b>LIABILITIES:</b>					
Non-Federal liabilities:					
2201	Accounts payable .....	338	357	385	416
2202	Interest payable .....	20	17	9	9

2203	Debt .....	775	775	325	325
2207	Other .....	5	6	12	8
2999	Total liabilities .....	1,138	1,155	731	758
4999	Total liabilities and net position .....	1,138	1,155	731	758

The Farm Credit System Financial Assistance Corporation (FAC) was created by the Agricultural Credit Act of 1987 to provide funds to System institutions experiencing financial difficulties. Authority for FAC to issue obligations and provide assistance expired in 1992, after \$1.26 billion in FAC debt had been issued. Proceeds of FAC debt issuances were paid into, and amounts for assistance and other expenses were paid from, the FAC Assistance Fund. The FAC was re-classified from a Government-sponsored enterprise to a Federal entity beginning in 1993, when most of the private capital in FAC, provided by the System, was rebated from the FAC Trust Fund pursuant to the Reconciliation and Agriculture Appropriations Acts of 1989.

**Trust Funds****FINANCIAL ASSISTANCE CORPORATION TRUST FUND****Unavailable Collections (in millions of dollars)**

Identification code 78-8202-0-7-351	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....			
Receipts:				
02.40	Interest on investments .....	8	7	4
Appropriations:				
05.00	Financial assistance corporation trust fund .....	-8	-7	-4
07.99	Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 78-8202-0-7-351	2002 actual	2003 est.	2004 est.	
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	121	129	73
22.00	New budget authority (gross) .....	8	7	4
22.60	Portion applied to repay debt .....		-63	
23.90	Total budgetary resources available for obligation .....	129	73	77
24.40	Unobligated balance carried forward, end of year .....	129	73	77
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.26	Appropriation (trust fund) .....	8	7	4
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	8	7	4
90.00	Outlays .....			
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities:			
	Par value .....	142	142	80
92.02	Total investments, end of year: Federal securities:			
	Par value .....	142	80	80

The Trust Fund is available to pay the principal of any Financial Assistance Corporation bonds used to fund financial assistance to the extent the assisted bank is unable to repay the bonds, and is also available for other purposes as provided under the Farm Credit Act of 1987.

## FARM CREDIT SYSTEM INSURANCE CORPORATION

### Federal Funds

#### Public enterprise funds:

#### FARM CREDIT SYSTEM INSURANCE FUND

#### Program and Financing (in millions of dollars)

Identification code 78-4171-0-3-351	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program .....	2	2	2
10.00 Total new obligations .....	2	2	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	1,615	1,695	1,864
22.00 New budget authority (gross) .....	82	171	141
23.90 Total budgetary resources available for obligation	1,697	1,866	2,005
23.95 Total new obligations .....	-2	-2	-2
24.40 Unobligated balance carried forward, end of year .....	1,695	1,864	2,003
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	89	171	141
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-7	.....	.....
69.90 Spending authority from offsetting collections (total mandatory) .....	82	171	141
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-18	-11	-11
73.10 Total new obligations .....	2	2	2
73.20 Total outlays (gross) .....	-2	-2	-2
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	7	.....	.....
74.40 Obligated balance, end of year .....	-11	-11	-11
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	2	2	2
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities .....	-89	-92	-102
88.40 Non-Federal sources .....	.....	-79	-39
88.90 Total, offsetting collections (cash) .....	-89	-171	-141
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	7	.....	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	-87	-169	-139
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	1,600	1,686	1,818
92.02 Total investments, end of year: Federal securities: Par value .....	1,686	1,818	1,978

The Farm Credit System Insurance Corporation (Corporation) was established to ensure the timely payment of principal and interest on System debt obligations purchased by investors. The Corporation is managed by a three member Board of Directors that consists of the same members as the Farm Credit Administration Board of Directors. The Corporation derives its revenues from insurance premiums collected from insured System banks and from the investment income earned on its investment portfolio. Insurance premiums are assessed on System banks based on the level of accruing and non-accruing loans outstanding in each bank and its affiliated associations' loan portfolio. Congress established a secure base amount of 2 percent of outstanding System obligations, or such other amounts determined by its Board of Directors to be actuarially sound to maintain the

Insurance Fund. The Insurance Fund was slightly below the secure base amount at September 30, 2002. For 2002, the Corporation is assessing insurance premiums at 3 basis points on accrual loans and 25 basis points on non-accrual loans. Also in September, the Corporation's Board increased premium assessments beginning in January 2003 to 12 basis points on accrual loans and 25 basis points on nonaccrual loans.

The Insurance Fund is available for payment on System obligations if an insured System bank defaults on its primary liability. The Insurance Fund is also available to ensure the timely retirement of certain eligible borrower stock, pay the operating costs of the Corporation, and satisfy defaults by System institutions on obligations issued by the FAC after amounts in the FAC Trust Fund are exhausted. The Corporation can exercise its authority to make loans, purchase System bank assets or obligations, provide other financial assistance and otherwise act to reduce its exposure to losses.

The Corporation has the authority to make refunds of excess Insurance Fund balances. No refunds are anticipated before 2006.

#### Statement of Operations (in millions of dollars)

Identification code 78-4171-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	95	112	171	141
0102 Expense .....	-14	-15	-15	-16
0105 Net income or loss (-) .....	81	97	156	125

#### Balance Sheet (in millions of dollars)

Identification code 78-4171-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Investments in US securities:				
1102 Federal assets: Treasury securities, par .....	1,600	1,687	1,818	1,978
Non-Federal assets:				
Receivables, net:				
1206 Accrued interest receivable .....	31	31	23	26
1206 Premium receivable .....	.....	18	59	29
1901 Other Federal assets: Other assets .....	63	68	73	80
1999 Total assets .....	1,694	1,804	1,973	2,113
<b>LIABILITIES:</b>				
2207 Non-Federal liabilities: Other .....	179	192	205	220
2999 Total liabilities .....	179	192	205	220
<b>NET POSITION:</b>				
3100 Appropriated capital .....	1,515	1,612	1,768	1,893
3999 Total net position .....	1,515	1,612	1,768	1,893
4999 Total liabilities and net position .....	1,694	1,804	1,973	2,113

#### Object Classification (in millions of dollars)

Identification code 78-4171-0-3-351	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....	1	1	1
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	2	2	2

#### Personnel Summary

Identification code 78-4171-0-3-351	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	9	10	10

**FEDERAL COMMUNICATIONS COMMISSION**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, as authorized by 5 U.S.C. 5901-5902; not to exceed \$600,000 for land and structure; not to exceed \$500,000 for improvement and care of grounds and repair to buildings; not to exceed \$4,000 for official reception and representation expenses; purchase (not to exceed 16) and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109, \$280,798,000, of which not to exceed \$300,000 shall remain available until September 30, 2005, for research and policy studies: Provided, That \$251,984,000 of offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, as amended, and shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: Provided further, That the sum herein appropriated shall be reduced as such offsetting collections are received during fiscal year 2004 so as to result in a final fiscal year 2004 appropriation estimated at \$28,814,000: Provided further, That any offsetting collections received in excess of \$251,984,000 in fiscal year 2004 shall remain available until expended, but shall not be available for obligation until October 1, 2004.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 27-0100-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Licensing .....	26	29	29
01.00 Total direct program .....	26	29	29
09.00 Reimbursable program .....	307	343	352
10.00 Total new obligations .....	333	372	381
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	14	6	
22.00 New budget authority (gross) .....	324	366	381
23.90 Total budgetary resources available for obligation	338	372	381
23.95 Total new obligations .....	-333	-372	-381
24.40 Unobligated balance carried forward, end of year .....	6		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	26	29	29
Spending authority from offsetting collections:			
Offsetting collections (cash):			
68.00 Offsetting collections (reimbursable Federal) .....	1	1	1
68.00 Cost of conducting spectrum auctions .....	78	97	99
68.00 Spending authority from offsetting collections (regulatory fees) .....	219	239	252
68.90 Spending authority from offsetting collections (total discretionary) .....	298	337	352
70.00 Total new budget authority (gross) .....	324	366	381
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	61	53	51
73.10 New Obligations .....	333	372	381
73.20 Total outlays (gross) .....	-336	-374	-379
73.40 Adjustments in expired accounts (net) .....	-5		
74.40 Obligated balance, end of year .....	53	51	53
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	283	315	328
86.93 Outlays from discretionary balances .....	53	59	51
87.00 Total outlays (gross) .....	336	374	379
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-1	-1	-1

88.40	Cost of conducting spectrum auctions .....	-78	-97	-99
88.45	Regulatory Fees .....	-219	-239	-252
88.90	Total, offsetting collections (cash) .....	-298	-337	-352

**Net budget authority and outlays:**

89.00	Budget authority .....	26	29	29
90.00	Outlays .....	37	37	27

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	1	1	1
99.01	Outlays .....	1	1	1

**Licensing.**—This activity includes the authorization or licensing of radio stations, telecommunications equipment and radio operators, as well as the authorization of common carrier and other services and facilities. It also includes policy direction, program development, legal services, and executive direction, as well as support services associated with licensing activities.

**Competition.**—This activity includes formal inquiries, rule making proceedings to establish or amend the Commission's rules and regulations, action on petitions for rule making and requests for rule interpretations or waivers, economic studies and analyses, and development of equipment standards. It also includes policy direction, program development, legal services, and executive direction, as well as support services associated with activities to promote competition in the public interest.

**Enforcement.**—This activity includes enforcement of the Commission's rules, regulations and authorizations—including investigations, inspections, compliance monitoring and sanctions of all types. It also includes the receipt and disposition of formal complaints regarding common carrier rates and services; the review and acceptance/rejection of carrier tariffs; and the review, prescription and audit of carrier accounting practices. Additionally, it also includes policy direction, program development, legal services, and executive direction, as well as support services associated with enforcement activities.

**Consumer Information Services.**—This activity includes the publication and dissemination of Commission decisions and actions, and related activities; public reference and library services; the duplication and dissemination of Commission records and databases; the receipt and disposition of public inquiries and informal consumer complaints; consumer, small business and public assistance; and public affairs and media relations. It also includes policy direction, program development, legal services, and executive direction, as well as support services associated with consumer information activities.

**Spectrum Management.**—This activity includes management of the electromagnetic spectrum as mandated by the Communications Act of 1934, as amended. Spectrum management includes the structure and processes for allocating, assigning and regulating the use of this scarce resource to the private sector and state and local governments in a way that promotes competition while ensuring that the public interest is best served. In order to manage spectrum in both an efficient and equitable manner, the Commission evaluates needs, prepares economic, technical and engineering studies, coordinates with Federal agencies, develops cross-border sharing arrangements, and represents U.S. interest in international fora. It also includes policy direction, program development, legal services, and executive direction, as well as support services associated with spectrum management activities.

**Object Classification** (in millions of dollars)

Identification code 27-0100-0-1-376	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent .....	14	14	14
11.3	Other than full-time permanent .....	1	2	2

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Object Classification (in millions of dollars)—Continued**

Identification code 27-0100-0-1-376	2002 actual	2003 est.	2004 est.
11.9 Total personnel compensation .....	15	16	16
12.1 Civilian personnel benefits .....	3	4	4
23.1 Rental payments to GSA .....	3	3	3
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	1	1	1
25.7 Operation and maintenance of equipment .....	2	3	3
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	26	29	29
99.0 Reimbursable obligations .....	307	343	352
99.9 Total new obligations .....	333	372	381

**Personnel Summary**

Identification code 27-0100-0-1-376	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	184	177	178
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1,800	1,810	1,829

**PIONEER'S PREFERENCE SETTLEMENT**

**Program and Financing (in millions of dollars)**

Identification code 27-1000-0-1-376	2002 actual	2003 est.	2004 est.
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	11	114	
69.47 Portion applied to repay debt .....	-11	-114	
69.90 Spending authority from offsetting collections (total mandatory) .....			
<b>Change in obligated balances:</b>			
73.20 Total outlays (gross) .....			
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-11	-114	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-11	-114	
90.00 Outlays .....	-11	-114	

On June 8, 2000, the Commission awarded Qualcomm, Inc. a transferable Auction Discount Voucher (ADV) in the amount of \$125,273,878, in satisfaction of the court's mandate in *Qualcomm Incorporated v. FCC*, 181 F.3d 1370 (D.C. Cir. 1999). This Auction Discount Voucher is structured to work in a manner similar to that of an auction bidding credit. It may be used by Qualcomm or its transferee, in whole or in part, to (1) adjust a winning bid in any spectrum auction for which short form applications have been accepted prior to June 8, 2003, or (2) satisfy auction obligations (outstanding loans) owed by licensees using Code Division Multiple Access (CDMA) technology in Auctions 5, 10 and 11, subject to terms and conditions set forth in the Commission's Order. See *Qualcomm Incorporated Petition for Declaratory Ruling Giving Effect to the Mandate of the District of Columbia Circuit Court of Appeals*, Order, FCC 00-189 (rel June 8, 2000) and *In the Matter of Qualcomm Incorporated Petition for Waiver of Certain Terms and Conditions of Its Auction Discount Voucher*, Order, FCC 02-321 (rel November 27, 2002). The

budget recorded an outlay and a debt in the year the voucher was issued. As it is redeemed, the budget records a budgetary collection and reduction in debt.

**UNIVERSAL SERVICE FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 27-5183-0-2-376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Universal service fund .....	5,420	6,294	6,619
02.20 Universal service fund .....	52	35	32
02.99 Total receipts and collections .....	5,472	6,329	6,651
Appropriations:			
05.00 Universal service fund .....	-5,472	-6,329	-6,651
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 27-5183-0-2-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	5,464	6,860	6,623
00.02 Program support .....	42	56	59
10.00 Total new obligations (object class 41.0) .....	5,506	6,916	6,682

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	2,296	2,263	1,676
22.00 New budget authority (gross) .....	5,472	6,329	6,651
23.90 Total budgetary resources available for obligation .....	7,768	8,592	8,327
23.95 Total new obligations .....	-5,506	-6,916	-6,682
24.40 Unobligated balance carried forward, end of year .....	2,263	1,676	1,645

**New budget authority (gross), detail:**

Mandatory:			
Appropriation (special fund):			
60.20 Appropriation (special fund) .....	5,420	6,294	6,619
60.20 Appropriation (special fund) .....	52	35	32
62.50 Appropriation (total mandatory) .....	5,472	6,329	6,651

**Change in obligated balances:**

72.40 Obligated balance, start of year .....		397	956
73.10 Total new obligations .....	5,506	6,916	6,682
73.20 Total outlays (gross) .....	-5,108	-6,357	-6,588
74.40 Obligated balance, end of year .....	397	956	1,050

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	2,812	3,697	3,956
86.98 Outlays from mandatory balances .....	2,296	2,660	2,632
87.00 Total outlays (gross) .....	5,108	6,357	6,588

**Net budget authority and outlays:**

89.00 Budget authority .....	5,472	6,329	6,651
90.00 Outlays .....	5,109	6,357	6,588

The Telecommunications Act of 1996 provides for a major restructuring of the Nation's communications laws, promotes universal service and open access to information networks, and provides for flexible government regulations. Under the Act, telecommunications carriers that provide interstate telecommunications services are required to contribute funds for the preservation and advancement of universal service. The contributions are used to provide services eligible for universal service support as prescribed by the FCC. Telecommunications carriers receive a credit towards their contribution by providing discount service to schools, libraries, and health care providers. Support will also be provided to carriers offering services in high cost areas of the United States and to carriers offering services to low income consumers. Interest income on these funds is utilized to benefit program recipients. Administrative costs of the program are provided from carrier contributions.

**Credit accounts:**

**SPECTRUM AUCTION PROGRAM ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 27-0300-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.05 Reestimates of direct loan subsidy .....	94	362	.....
00.06 Interest on reestimates of direct loan subsidy .....	40	163	.....
00.09 Administrative Expenses .....	9	13	13
10.00 Total new obligations .....	143	538	13
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		2	.....
22.00 New budget authority (gross) .....	145	536	13
23.90 Total budgetary resources available for obligation .....	145	538	13
23.95 Total new obligations .....	-143	-538	-13
24.40 Unobligated balance carried forward, end of year .....	2	.....	.....
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	142	536	13
69.00 Offsetting collections (cash) .....	3	25	.....
69.27 Capital transfer to general fund .....		-25	.....
69.90 Spending authority from offsetting collections (total mandatory) .....	3	.....	.....
70.00 Total new budget authority (gross) .....	145	536	13
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	3	.....
73.10 Total new obligations .....	143	538	13
73.20 Total outlays (gross) .....	-143	-541	-13
74.40 Obligated balance, end of year .....	3	.....	.....
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	143	536	13
86.98 Outlays from mandatory balances .....		5	.....
87.00 Total outlays (gross) .....	143	541	13
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-3	-25	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	142	511	13
90.00 Outlays .....	140	516	13

This program provides for direct loans for the purpose of purchasing spectrum licenses at the Federal Communications Commission's auctions. The licenses are being purchased on an installment basis, which constitutes an extension of credit. The first year of activity for this program was 1996.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis and administrative expenses are estimated on a cash basis.

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 27-0300-0-1-376	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Spectrum auction .....	1	.....	.....
115901 Total direct loan levels .....	1	.....	.....
Direct loan subsidy (in percent):			
132001 Spectrum auction .....	15.00	0.00	0.00
132901 Weighted average subsidy rate .....	15.00	0.00	0.00
Direct loan upward reestimate subsidy budget authority:			
135001 Spectrum auction .....	134	525	.....

135901 Total upward reestimate budget authority .....	134	525	.....
Direct loan upward reestimate subsidy outlays:			
136001 Spectrum auction .....	134	525	.....
136901 Total upward reestimate outlays .....	134	525	.....
Direct loan downward reestimate subsidy budget authority:			
137001 Spectrum auction .....	-3	-25	.....
137901 Total downward reestimate budget authority .....	-3	-25	.....
Direct loan downward reestimate subsidy outlays:			
138001 Spectrum auction .....	-3	-25	.....
138901 Total downward reestimate subsidy outlays .....	-3	-25	.....
Administrative expense data:			
351001 Budget authority .....	9	13	13
358001 Outlays from balances .....			
359001 Outlays from new authority .....	9	13	13

**Object Classification (in millions of dollars)**

Identification code 27-0300-0-1-376	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.2 Other services .....	8	12	12
41.0 Grants, subsidies, and contributions .....	134	525	.....
99.9 Total new obligations .....	143	538	13

**Personnel Summary**

Identification code 27-0300-0-1-376	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	8	8	8

**SPECTRUM AUCTION DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 27-4133-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operating expenses:			
00.01 Direct Loans .....	1	.....	.....
00.02 Interest Paid to Treasury .....	417	392	300
00.91 Direct Program by Activities—Subtotal (1 level) .....	418	392	300
08.02 Downward subsidy reestimate .....	2	16	.....
08.04 Interest on downward reestimate .....	1	9	.....
08.91 Direct Program by Activities—Subtotal (1 level) .....	3	25	.....
10.00 Total new obligations .....	421	417	300
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	18	21	.....
22.00 New financing authority (gross) .....	424	396	300
23.90 Total budgetary resources available for obligation .....	442	417	300
23.95 Total new obligations .....	-421	-417	-300
24.40 Unobligated balance carried forward, end of year .....	21	.....	.....
<b>New financing authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	4	25	187
Offsetting collections (cash):			
69.00 Offsetting collections (Re-estimate) .....	94	362	.....
69.00 Offsetting collections (Int- reestimate) .....	40	163	.....
69.00 Offsetting collections (Payment on loans) .....	345	94	113
69.00 Other Treasury collections (Auction 35 receipts) .....		997	.....
69.00 Offsetting collections (recoveries) .....	258	.....	.....
69.00 Offsetting collections (pioneer's preference) .....		114	.....
69.00 Offsetting collections (Treasury Int) .....	26	.....	.....
69.47 Portion applied to repay debt .....	-343	-1,359	.....
69.90 Spending authority from offsetting collections (total mandatory) .....	420	371	113
70.00 Total new financing authority (gross) .....	424	396	300
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	421	417	300

**Credit accounts—Continued**

**SPECTRUM AUCTION DIRECT LOAN FINANCING ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 27-4133-0-3-376		2002 actual	2003 est.	2004 est.
73.20	Total financing disbursements (gross) .....	-421	-417	-300
87.00	Total financing disbursements (gross) .....	421	417	300
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Program account: total revised subsidy .....	-134	-525	.....
88.25	Interest on uninvested funds .....	-26	.....	.....
Non-Federal sources:				
Non-Federal sources:				
88.40	Interest received on loans .....	-44	-27	-21
88.40	Principal received on loans .....	-301	-67	-92
88.40	Recoveries .....	-258	-997	.....
88.40	Non-Federal sources .....	.....	-114	.....
88.90	Total, offsetting collections (cash) .....	-763	-1,730	-113
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....	-339	-1,334	187
90.00	Financing disbursements .....	-342	-1,313	187

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Status of Direct Loans (in millions of dollars)**

Identification code 27-4133-0-3-376		2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....	.....	.....	.....
1131	Direct loan obligations exempt from limitation .....	1	.....	.....
1150	Total direct loan obligations .....	1	.....	.....
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	5,593	5,293	5,226
1231	Disbursements: Direct loan disbursements .....	1	.....	.....
1251	Repayments: Repayments and prepayments .....	-301	-67	-92
1263	Write-offs for default: Direct loans .....	.....	.....	.....
1290	Outstanding, end of year .....	5,293	5,226	5,134

**Balance Sheet (in millions of dollars)**

Identification code 27-4133-0-3-376		2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	18	21	.....	.....
Investments in US securities:					
1107	Advances and prepayments .....	.....	.....	.....	.....
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross .....	5,593	5,293	5,226	5,134
1402	Interest receivable .....	293	295	297	299
1405	Allowance for subsidy cost (-) .....	216	-328	-1,086	-809
1499	Net present value of assets related to direct loans .....	6,102	5,260	4,437	4,624
1901	Other Federal assets: (acct. receivable) .....	.....	525	.....	.....
1999	Total assets .....	6,120	5,806	4,437	4,624
<b>LIABILITIES:</b>					
Federal liabilities:					
2103	Resources payable to Treasury .....	6,110	5,771	4,437	4,624
Other:					
2105	Other (liability to prog. acct.) .....	10	25	.....	.....
2105	Other .....	.....	10	.....	.....
2999	Total liabilities .....	6,120	5,806	4,437	4,624

4999	Total liabilities and net position .....	6,120	5,806	4,437	4,624
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**SPECTRUM AUCTION AUTHORITY**

(Legislative proposal, subject to PAYGO)

The Administration will propose legislation to extend indefinitely the FCC's auction authority, which expires in 2007 under current law.

**SPECTRUM LICENSE USER FEE**

(Legislative proposal, subject to PAYGO)

To continue to promote efficient spectrum use, the Administration will propose legislation providing the FCC with new authority to use other economic mechanisms, such as fees, as a spectrum management tool. The FCC would be authorized to set user fees on unauctioned spectrum licenses based on public-interest and spectrum-management principles. Fees would be phased in over time as part of an ongoing rule-making process to determine the appropriate application of and level for fees. Fee collections are estimated to begin in 2005.

**ANALOG SPECTRUM LEASE FEE**

(Legislative proposal, subject to PAYGO)

To facilitate clearing of the analog television broadcast spectrum and provide taxpayers some compensation for use of this scarce resource, the Administration will propose legislation authorizing the Federal Communications Commission (FCC) to establish an annual \$500 million lease fee on the use of analog spectrum by commercial broadcasters as of 2007. The FCC will promulgate a rulemaking to apportion the aggregate fee amount among commercial broadcasters. Upon return of its analog spectrum license to the FCC, an individual broadcaster will be exempt from the fee.

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

		2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:				
27-089600	Spectrum license user fees .....	.....	22	22
27-242900	Fees for services .....	.....	1	80
27-247400	Auction receipts .....	.....	.....	200
General Fund Offsetting receipts from the public .....		23	102	222

**FEDERAL DEPOSIT INSURANCE CORPORATION**

The Federal Deposit Insurance Corporation (FDIC or Corporation) was created by the Banking Act of 1933 to provide protection for bank depositors and to foster sound banking practices. The Financial Institutions Reform Recovery and Enforcement Act of 1989 established the Bank Insurance Fund (BIF), the Savings Association Insurance Fund (SAIF), and the Federal Savings and Loan Insurance Corporation (FSLIC) Resolution Fund (FRF). The Federal Deposit Insurance Corporation Improvement Act of 1991 generally requires the Corporation to use the least costly method to resolve failed banks, and mandates that the Corporation take prompt corrective action against under-capitalized financial institutions.

The deposit insurance ceiling protection has been \$100,000 since March 31, 1980. In order to accomplish its varied functions to protect depositors, the Corporation is authorized to

promulgate and enforce rules and regulations relating to the supervision of insured institutions and to perform other regulatory and supervisory duties consistent with its responsibilities as an insurer. The Corporation is required to set assessment rates for insured financial institutions semi-annually to maintain the reserves of the BIF and SAIF at 1.25 percent of total insured deposits.

### Federal Funds

#### Public enterprise funds:

##### BANK INSURANCE FUND

##### Program and Financing (in millions of dollars)

Identification code 51-4064-0-3-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Insurance .....	114	124	132
00.02 Supervision .....	479	519	519
00.03 Receivership management .....	150	117	117
00.04 General and administrative .....	106	88	90
00.10 Working capital outlays .....	1,412	1,950	1,855
00.11 Case resolution losses .....	617	600	525
00.12 Premiums on investments .....	240	240	95
00.13 Other corporate resolution liabilities .....	17		
10.00 Total new obligations .....	3,135	3,638	3,333
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	28,813	28,678	27,731
22.00 New budget authority (gross) .....	2,998	2,692	3,709
23.90 Total budgetary resources available for obligation .....	31,811	31,370	31,440
23.95 Total new obligations .....	-3,135	-3,638	-3,333
24.40 Unobligated balance carried forward, end of year .....	28,678	27,731	28,107
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	3,025	2,717	3,733
69.61 Transferred to other accounts .....	-26	-25	-24
69.76 Reduction pursuant to P.L. 107-206 .....	-1		
69.90 Spending authority from offsetting collections (total mandatory) .....	2,998	2,692	3,709
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,959	1,959	1,959
73.10 Total new obligations .....	3,135	3,638	3,333
73.20 Total outlays (gross) .....	-3,135	-3,637	-3,332
74.40 Obligated balance, end of year .....	1,959	1,959	1,959
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	3,135	3,637	3,332
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities .....	-2,000	-1,607	-1,556
Non-Federal sources:			
88.40 Asset recoveries .....	-941	-930	-1,470
88.40 Premium assessments .....	-84	-180	-707
88.90 Total, offsetting collections (cash) .....	-3,025	-2,717	-3,733
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-27	-25	-24
90.00 Outlays .....	110	920	-401
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	31,537	31,877	30,956
92.02 Total investments, end of year: Federal securities:			
Par value .....	31,877	30,956	31,357

#### Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority .....	-27	-25	-24
Outlays .....	110	920	-401

Legislative proposal, subject to PAYGO:

Budget Authority .....			24
Outlays .....			401

Total:

Budget Authority .....	-27	-25	
Outlays .....	110	920	

The primary purpose of BIF is to: (1) insure deposits and protect the depositors of failed institutions and (2) resolve failed institutions including managing and disposing of their assets. In addition, the FDIC acting on behalf of BIF, examines state-chartered banks that are not members of the Federal Reserve System. As of September 30, 2002, BIF's fund balance totaled \$31 billion, and the excluding reserves for future failed bank resolutions, net worth of the BIF was 1.25 percent.

The BIF is primarily funded from (1) interest earned on investments in U.S. Treasury obligations and (2) deposit insurance assessments. Additional funding sources are U.S. Treasury and Federal Financing Bank (FFB) borrowings, if necessary. The 1990 Omnibus Budget Reconciliation Act (OBR) established the FDIC's authority to borrow from the FFB on behalf of the BIF and the SAIF. The Federal Deposit Insurance Corporation Improvement Act of 1991 increased the FDIC's authority to borrow for insurance purposes from the U.S. Treasury on behalf of the BIF and the SAIF, from \$5 billion to \$30 billion

#### Object Classification (in millions of dollars)

Identification code 51-4064-0-3-373	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	446	419	422
12.1 Civilian personnel benefits .....	131	136	137
21.0 Travel and transportation of persons .....	35	35	34
22.0 Transportation of things .....	1		
23.2 Rental payments to others .....	38	29	24
23.3 Communications, utilities, and miscellaneous charges .....	28	22	18
24.0 Printing and reproduction .....	2	2	10
25.2 Other services .....	151	149	133
26.0 Supplies and materials .....	4	12	9
31.0 Equipment .....	10	39	36
32.0 Land and structures .....	3	5	35
Insurance claims and indemnities:			
42.0 Working capital outlays .....	1,412	1,950	1,855
42.0 Net resolution expenses (losses) .....	617	600	525
42.0 Premiums on investments .....	240	240	95
42.0 Other corporate resolution liabilities .....	17		
99.9 Total new obligations .....	3,135	3,638	3,333

<sup>1</sup>Total obligations include expenses incurred on behalf of receiverships. Corporate operating expenses net of expenses charged to receiverships are shown separately in the program and financing schedule.

#### Personnel Summary

Identification code 51-4064-0-3-373	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	4,769	4,509	4,498

#### BANK INSURANCE FUND

(Legislative proposal, subject to PAYGO)

#### Program and Financing (in millions of dollars)

Identification code 51-4064-4-3-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Insurance .....			-132
00.02 Supervision .....			-519
00.03 Receivership management .....			-117
00.04 General and administrative .....			-90
00.10 Working capital outlays .....			-1,855
00.11 Case resolution losses .....			-525
00.12 Premiums on investments .....			-95
10.00 Total new obligations .....			-3,333

Public enterprise funds—Continued

BANK INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 51-4064-4-3-373	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year			-27,731
22.00 New budget authority (gross)			-3,709
23.90 Total budgetary resources available for obligation			-31,440
23.95 Total new obligations			3,333
24.40 Unobligated balance carried forward, end of year			-28,107
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash)			-3,733
69.62 Transferred from other accounts			24
69.90 Spending authority from offsetting collections (total mandatory)			-3,709
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year			-1,959
73.10 Total new obligations			-3,333
73.20 Total outlays (gross)			3,332
74.40 Obligated balance, end of year			-1,959
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances			-3,332
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities			1,556
Non-Federal sources:			
88.40 Asset recoveries			1,470
88.40 Premium assessments			707
88.90 Total, offsetting collections (cash)			3,733
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			24
90.00 Outlays			401
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value			-30,956
92.02 Total investments, end of year: Federal securities:			
Par value			-31,357

Object Classification (in millions of dollars)

Identification code 51-4064-4-3-373	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent			-422
12.1 Civilian personnel benefits			-137
21.0 Travel and transportation of persons			-34
23.2 Rental payments to others			-24
23.3 Communications, utilities, and miscellaneous charges			-18
24.0 Printing and reproduction			-10
25.2 Other services			-133
26.0 Supplies and materials			-9
31.0 Equipment			-36
32.0 Land and structures			-35
Insurance claims and indemnities:			
42.0 Working capital outlays			-1,855
42.0 Net resolution expenses (losses)			-525
42.0 Premiums on investments			-95
42.0 Other corporate resolution liabilities			
99.9 Total new obligations			-3,333

Personnel Summary

Identification code 51-4064-4-3-373	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			-4,498

SAVINGS ASSOCIATION INSURANCE FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 51-4066-0-3-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Insurance	16	36	37
00.02 Supervision	73	70	67
00.03 Receivership Management	19	32	30
00.04 General and administrative	18	16	15
00.10 Working capital outlays	1,258	550	500
00.11 Net case resolution losses	11	100	150
00.12 Premiums on Treasury investments	110	85	30
00.13 Other corporate resolution liabilities	5		
10.00 Total new obligations	1,510	889	829
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	10,206	10,706	10,853
22.00 New budget authority (gross)	2,010	1,036	1,044
23.90 Total budgetary resources available for obligation	12,216	11,742	11,897
23.95 Total new obligations	-1,510	-889	-829
24.40 Unobligated balance carried forward, end of year	10,706	10,853	11,068
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash)	2,013	1,039	1,047
69.61 Transferred from other accounts	-3	-3	-3
69.90 Spending authority from offsetting collections (total mandatory)	2,010	1,036	1,044
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	469	469	469
73.10 Total new obligations	1,510	889	829
73.20 Total outlays (gross)	-1,510	-888	-830
74.40 Obligated balance, end of year	469	469	469
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances	1,510	888	830
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities	-669	-624	-584
Non-Federal sources:			
88.40 Asset recoveries	-1,320	-392	-439
88.40 Premium assessments	-24	-23	-24
88.90 Total, offsetting collections (cash)	-2,013	-1,039	-1,047
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	-3	-3	-3
90.00 Outlays	-503	-151	-217
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value	10,943	11,636	11,787
92.02 Total investments, end of year: Federal securities:			
Par value	11,636	11,787	12,007

Summary of Budget Authority and Outlays

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority	-3	-3	-3
Outlays	-503	-151	-217
Legislative proposal, subject to PAYGO:			
Budget Authority			3
Outlays			217
Total:			
Budget Authority	-3	-3	
Outlays	-503	-151	

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) was enacted to reform, recapitalize, and consolidate the Federal Deposit Insurance System. The FIRREA created the SAIF as an insurance fund responsible for protecting the insured thrift depositors from loss

due to institution failures. Pursuant to FIRREA, an active institution's fund membership and primary Federal supervisor are generally determined by the institution's charter type. Deposits of SAIF-member institutions are generally insured by the SAIF; SAIF members are predominately thrifts supervised by the Office of Thrift Supervision.

As of September 30, 2002, the reserve ratio was 1.39 percent.

**Object Classification** (in millions of dollars)

Identification code 51-4066-0-3-373	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	67	75	75
12.1 Civilian personnel benefits .....	21	25	25
21.0 Travel and transportation of persons .....	6	8	8
23.2 Rental payments to others .....	8	7	6
23.3 Communications, utilities, and miscellaneous charges .....	4	5	4
24.0 Printing and reproduction .....			2
25.2 Other services .....	18	19	16
26.0 Supplies and materials .....		3	2
31.0 Equipment .....	2	12	11
Insurance claims and indemnities:			
42.0 Net case resolution losses .....	11	85	30
42.0 Working capital outlays .....	1,258	550	500
42.0 Premiums on Treasury investments .....	110	100	150
42.0 Other corporate resolution liabilities .....	5		
99.9 Total new obligations .....	1,510	889	829

<sup>1</sup> Total obligations include expenses incurred on behalf of receiverships.

**Personnel Summary**

Identification code 51-4066-0-3-373	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	723	797	796

**SAVINGS ASSOCIATION INSURANCE FUND**  
(Legislative proposal, subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 51-4066-4-3-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Insurance .....			-37
00.02 Supervision .....			-67
00.03 Receivership Management .....			-30
00.04 General and administrative .....			-15
00.10 Working capital outlays .....			-500
00.11 Net case resolution losses .....			-150
00.12 Premiums on Treasury investments .....			-30
10.00 Total new obligations .....			-829
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			-10,853
22.00 New budget authority (gross) .....			-1,044
23.90 Total budgetary resources available for obligation .....			-11,897
23.95 Total new obligations .....			829
24.40 Unobligated balance carried forward, end of year .....			-11,068
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....			-1,047
69.62 Transferred from other accounts .....			3
69.90 Spending authority from offsetting collections (total mandatory) .....			-1,044
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			-469
73.10 Total new obligations .....			-829
73.20 Total outlays (gross) .....			830
74.40 Obligated balance, end of year .....			-469
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....			-830

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20	Interest on Federal securities .....		584
Non-Federal sources:			
88.40	Asset recoveries .....		439
88.40	Premium assessments .....		24
88.90	Total, offsetting collections (cash) .....		1,047

**Net budget authority and outlays:**

89.00	Budget authority .....		3
90.00	Outlays .....		217

**Memorandum (non-add) entries:**

92.02	Total investments, end of year: Federal securities:		
	Par value .....		-12,007

**Object Classification** (in millions of dollars)

Identification code 51-4066-4-3-373	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....			-75
12.1 Civilian personnel benefits .....			-25
21.0 Travel and transportation of persons .....			-8
23.2 Rental payments to others .....			-6
23.3 Communications, utilities, and miscellaneous charges .....			-4
24.0 Printing and reproduction .....			-2
25.2 Other services .....			-16
26.0 Supplies and materials .....			-2
31.0 Equipment .....			-11
Insurance claims and indemnities:			
42.0 Net case resolution losses .....			-30
42.0 Working capital outlays .....			-500
42.0 Premiums on Treasury investments .....			-150
42.0 Other corporate resolution liabilities .....			
99.9 Total new obligations .....			-829

**Personnel Summary**

Identification code 51-4066-4-3-373	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....			-796

**FEDERAL DEPOSIT INSURANCE FUND**  
(Legislative proposal, subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 51-4596-4-3-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Insurance .....			169
00.02 Supervision .....			586
00.03 Receivership management .....			147
00.04 General Administrative .....			105
00.10 Working Capital Outlays .....			2,355
00.11 Case Resolution Expenses .....			675
00.12 Premiums on U.S. Treasury investments .....			125
10.00 Total new obligations .....			4,162
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			38,566
22.00 New budget authority (gross) .....			4,313
23.90 Total budgetary resources available for obligation .....			42,879
23.95 Total new obligations .....			-4,162
24.40 Unobligated balance carried forward, end of year .....			38,715
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....			4,340
69.61 Transferred to other accounts .....			-27
69.90 Spending authority from offsetting collections (total mandatory) .....			4,313
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....			2,428

Public enterprise funds—Continued

FEDERAL DEPOSIT INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 51-4596-4-3-373	2002 actual	2003 est.	2004 est.
73.10 Total new obligations			4,162
73.20 Total outlays (gross)			-4,162
74.40 Obligated balance, end of year			2,428
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances			4,162
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities			-2,153
Non-Federal sources:			
88.40 Non-Federal sources [Asset Recoveries]			-1,909
88.40 Non-Federal sources [Premiums]			-278
88.90 Total, offsetting collections (cash)			-4,340
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			-27
90.00 Outlays			-178
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value			43,068
92.02 Total investments, end of year: Federal securities:			
Par value			43,365

*Deposit Insurance Fees.*—The Federal Deposit Insurance Corporation (FDIC) insures deposits in bank and savings associations (thrifts) through the Bank Insurance Fund (BIF) and the Savings Association Fund (SAIF). The 2004 Budget proposes to merge the BIF and the SAIF, which offer an identical product. The FDIC is required to maintain a designated reserve ratio (DRR), the ratio of insurance fund reserves to total insured deposits) of 1.25 percent. If insurance fund reserves fall below the DRR, the FDIC must charge sufficient premiums to restore the reserve ratio to 1.25 percent. The Administration's 2004 budget assumes that some premium fees will be required to maintain the DRR in 2004 and beyond. A merged fund is projected to reduce the need for FDIC-insured depository institutions to increase premium payments over the near-term.

Object Classification (in millions of dollars)

Identification code 51-4596-4-3-373	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent			497
12.1 Civilian personnel benefits			162
21.0 Travel and transportation of persons			42
23.2 Rental payments to others			30
23.3 Communications, utilities, and miscellaneous charges			22
24.0 Printing and reproduction			12
25.2 Other services			149
26.0 Supplies and materials			11
31.0 Equipment			47
32.0 Land and structures			35
Insurance claims and indemnities:			
42.0 Working capital outlays			2,355
42.0 Net resolution expenses			675
42.0 Premiums on investments			125
99.9 Total new obligations			4,162

Personnel Summary

Identification code 51-4596-4-3-373	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			5,294

FSLIC RESOLUTION FUND

Program and Financing (in millions of dollars)

Identification code 51-4065-0-3-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.02 Receivership management	22	14	14
09.03 General and administrative	36	27	25
09.10 Goodwill	88	18	70
09.14 Payments to REFCORP	1,467	545	50
09.16 Miscellaneous	2	16	14
10.00 Total new obligations	1,615	620	173
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3,414	3,362	3,317
22.00 New budget authority (gross)	1,605	575	191
22.10 Resources available from recoveries of prior year obligations	21		
23.90 Total budgetary resources available for obligation	5,040	3,937	3,508
23.95 Total new obligations	-1,615	-620	-173
23.98 Unobligated balance expiring or withdrawn	-63		
24.40 Unobligated balance carried forward, end of year	3,362	3,317	3,335
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections	1,607	578	194
69.61 Transferred to other accounts	-2	-3	-3
69.90 Spending authority from offsetting collections (total mandatory)	1,605	575	191
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	188	167	167
73.10 Total new obligations	1,615	620	173
73.20 Total outlays (gross)	-1,615	-620	-173
73.45 Recoveries of prior year obligations	-21		
74.40 Obligated balance, end of year	167	167	168
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances	1,615	620	173
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities	-51	-44	-58
Non-Federal sources:			
88.40 Asset recoveries (FRF-FSLIC)	-4	-8	-6
88.40 Asset recoveries (FRF-RTC)	-144	-97	-41
88.40 Corporate-owned assets	-198	-119	-81
88.40 Securitization releases	-1,182	-303	
88.40 Equity partnerships	-28	-7	-8
88.90 Total, offsetting collections (cash)	-1,607	-578	-194
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	-2	-3	-3
90.00 Outlays	8	42	-21
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value	3,414	3,366	3,289
92.02 Total investments, end of year: Federal securities:			
Par value	3,366	3,289	3,310

Status of Direct Loans (in millions of dollars)

Identification code 51-4065-0-3-373	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	3		
1251 Repayments: Repayments and prepayments	-3		
1290 Outstanding, end of year			

The FSLIC Resolution Fund (FRF) is the successor to FSLIC assets and liabilities from thrift resolutions prior to August 1989. Beginning in August 1989, the RTC assumed responsibility for the FSLIC's unresolved cases. On December 31, 1995, the RTC was terminated and its assets and liabilities were transferred to FRF.

Funds for FRF operations have come from: income earned on its assets; liquidation proceeds from receiverships; the proceeds of the sale of bonds by the Financing Corporation; and, a portion of insurance premiums paid by SAIF members prior to 1993. The Financial Institutions Reform, Recovery, and Enforcement Act authorizes appropriations to make up for any shortfall. The FRF will terminate upon the disposition of all its assets, and any net proceeds will be paid to the Treasury. Net proceeds from the former RTC will be paid to the Resolution Funding Corporation.

**Object Classification** (in millions of dollars)

Identification code 51-4065-0-3-373	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	35	17	16
12.1 Civilian personnel benefits .....	6	5	5
21.0 Travel and transportation of persons .....	1	1	1
23.2 Rental payments to others .....	3	3	1
23.3 Communications, utilities, and miscellaneous charges .....	2	.....	1
25.2 Other services .....	11	13	12
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	2	2
Insurance claims and indemnities:			
42.0 REFCORP Payments .....	1,467	545	50
42.0 Goodwill .....	88	18	70
42.0 Other .....	2	15	14
99.9 Total new obligations .....	1,615	620	173

<sup>1</sup> Total obligations include expenses incurred on behalf of receiverships.

**Personnel Summary**

Identification code 51-4065-0-3-373	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	354	165	159

**FDIC—OFFICE OF INSPECTOR GENERAL**

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$30,125,000, to be derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 51-4595-0-4-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program .....	32	31	30
10.00 Total new obligations .....	32	31	30
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	11	13	13
22.00 New budget authority (gross) .....	32	31	30
23.90 Total budgetary resources available for obligation .....	43	44	43
23.95 Total new obligations .....	-32	-31	-30
24.40 Unobligated balance carried forward, end of year .....	13	13	13
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.62 Transferred from other accounts .....	31	31	30
69.90 Spending authority from offsetting collections (total mandatory) .....	32	31	30
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	2
73.10 Total new obligations .....	32	31	30
73.20 Total outlays (gross) .....	-32	-31	-30
74.40 Obligated balance, end of year .....	2	2	2

<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	32	31	30
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	32	31	30
90.00	Outlays .....	32	31	30

FDIC's Office of Inspector General (OIG) is an independent unit within the Corporation that conducts audits and investigations of corporate activities and assists the Corporation in preventing and detecting fraud, waste, abuse, and mismanagement. The OIG was established by the FDIC Board of Directors pursuant to the Inspector General Act amendments of 1988 (Public Law 100-504). The Resolution Trust Corporation Completion Act, enacted December 17, 1993, provided that the FDIC Inspector General be appointed by the President and confirmed by the Senate. The Completion Act, thus, added FDIC to the establishments whose OIGs have separate appropriation accounts under Section 1105(a) of Title 31, United States Code. The OIG's first appropriation was for its fiscal year 1998 expenses. The OIG's appropriations are derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund.

**Object Classification** (in millions of dollars)

Identification code 51-4595-0-4-373	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	20	21	18
11.5 Other personnel compensation .....	1	.....	.....
11.9 Total personnel compensation .....	21	21	18
12.1 Civilian personnel benefits .....	6	7	7
13.0 Benefits for former personnel .....	3	.....	.....
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	1	2	3
31.0 Equipment .....	.....	.....	1
99.9 Total new obligations .....	32	31	30

<sup>1</sup> Includes obligations that are recoverable from receiverships.

**Personnel Summary**

Identification code 51-4595-0-4-373	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	201	190	168

**FEDERAL DRUG CONTROL PROGRAMS**

**Federal Funds**

**General and special funds:**

**HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM**  
(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of National Drug Control Policy's High Intensity Drug Trafficking Areas Program, \$206,350,000, for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which no less than 51 percent shall be transferred to State and local entities for drug control activities, which shall be obligated within 120 days of the date of the enactment of this Act: Provided, That up to 49 percent, to remain available until September 30, 2005, may be transferred to Federal agencies and departments at a rate to be determined by the Director, of which not less than \$2,100,000 shall be used for auditing services and associated activities, and at least \$500,000 of the \$2,100,000 shall be used to develop and implement a data collection system to measure the performance of the High Intensity Drug Trafficking Areas Program. (Executive Office Appropriations Act, 2002.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General and special funds—Continued**

**HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM—Continued**  
(INCLUDING TRANSFER OF FUNDS)—Continued

**Program and Financing** (in millions of dollars)

Identification code 11-1070-0-1-754	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.02 Grants to State and local law enforcement agencies	190	204	204
00.03 Auditing services and activities	2	2	2
10.00 Total new obligations	192	206	206
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	2	2
22.00 New budget authority (gross)	187	206	206
22.10 Resources available from recoveries of prior year obligations	3		
23.90 Total budgetary resources available for obligation	194	208	208
23.95 Total new obligations	-192	-206	-206
24.40 Unobligated balance carried forward, end of year	2	2	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	226	206	206
41.00 Transferred to other accounts	-39		
43.00 Appropriation (total discretionary)	187	206	206
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	180	216	209
73.10 Total new obligations	192	206	206
73.20 Total outlays (gross)	-152	-213	-207
73.45 Recoveries of prior year obligations	-3		
74.40 Obligated balance, end of year	216	209	208
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	65	52	52
86.93 Outlays from discretionary balances	87	161	155
87.00 Total outlays (gross)	152	213	207
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	187	206	206
90.00 Outlays	152	213	207

The High Intensity Drug Trafficking Areas (HIDTA) program was established by the Anti-Drug Abuse Act of 1988, as amended, and the Office of National Drug Control Policy's reauthorization, P.L. 105-277, to provide assistance to Federal, State and local law enforcement entities operating in those areas most adversely affected by drug trafficking. Since January 1990, counties in 28 areas have been designated as HIDTAs: New York; Los Angeles; Miami; Houston; Baltimore/Washington, DC; Puerto Rico/Virgin Islands; Southwest Border, which includes South Texas, West Texas, New Mexico, Arizona and Southern California; Chicago; Atlanta; Philadelphia/Camden; Gulf Coast (Alabama, Louisiana, and Mississippi); Lake County (Indiana); Midwest (Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota); Pacific Northwest (Washington); Rocky Mountain (Colorado, Utah, and Wyoming); Northern California (San Francisco Bay area); South Eastern Michigan; Appalachia (Kentucky, Tennessee, and West Virginia); Central Florida; Milwaukee; North Texas; Central Valley California; Hawaii; New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont); Ohio; Oregon; Northern Florida; and Nevada.

Funds made available under the HIDTA program are disbursed at the discretion of the Director of the Office of National Drug Control Policy for joint local, State, and Federal initiatives.

The HIDTA program provides funding to establish and support multi-jurisdictional drug law enforcement initiatives, including multi-agency drug task forces and investments in infrastructure to establish and maintain multi-agency intel-

ligence centers in each HIDTA region; and to enhance and coordinate drug-control activities among State, local and Federal law enforcement agencies participating in designated High Intensity Drug Trafficking Areas. Funding for State and local law enforcement agencies is provided through grants from ONDCP. Funding for Federal agencies is provided through transfers to those agencies. All funding in the HIDTA program is awarded at the discretion of the Director of ONDCP, based on a review of drug-related threat assessments, and proposed program strategies and budgets submitted by the HIDTAs. Estimates for the 2003 and 2004 transfers to Federal agencies cannot be determined until proposed budgets for that year are reviewed.

The HIDTA appropriation also provides funding for services and activities related to auditing State and local grants and Federal transfers. Additionally, funding is provided to develop and implement a data collection system to measure the performance of the HIDTAs.

In 2002, the Office of Management and Budget (OMB) conducted a systematic review of more than 200 Federal programs to assess their performance in a number of areas. The HIDTA program was the subject of one of these reviews. The assessment found that the HIDTA program has not demonstrated the results sought and has not established satisfactory long-term performance goals or annual goals. The OMB recommended actions include: (1) implementation of a performance measurement system that includes acceptable program outcome goals; (2) development of a process to ensure funding for individual HIDTA's reflects the performance of that HIDTA; and (3) seeking no funding increases for the program until a performance measurement system is established and positive results demonstrated.

**WORKLOAD**

	2002 actual	2003 est.	2004 est.
Grants awarded to State and Local Law Enforcement	485	388	310
Federal Agencies participating in HIDTA Initiatives	31	31	31

**Object Classification** (in millions of dollars)

Identification code 11-1070-0-1-754	2002 actual	2003 est.	2004 est.
25.2 Other services	2	2	2
41.0 Grants, subsidies, and contributions	190	204	204
99.9 Total new obligations	192	206	206

**OTHER FEDERAL DRUG CONTROL PROGRAMS**

(INCLUDING TRANSFER OF FUNDS)

For activities to support a national anti-drug campaign for youth, and for other purposes, authorized by 21 U.S.C. 1701 et seq., \$250,000,000, to remain available until expended, of which the following amounts are available as follows: \$170,000,000 to support a national media campaign, as authorized by the Drug-Free Media Campaign Act of 1998; \$70,000,000 for a program of assistance and matching grants to local coalitions and other activities, as authorized in chapter 2 of the National Narcotic Leadership Act of 1988, as amended; \$4,500,000 for the Counterdrug Intelligence Executive Secretariat; \$2,000,000 for evaluations and research related to National Drug Control Program performance measures; \$1,000,000 for the National Drug Court Institute; \$1,500,000 for the United States Anti-Doping Agency for anti-doping activities; and \$1,000,000 for the United States membership dues to the World Anti-Doping Agency: Provided, That such funds may be transferred to other Federal departments and agencies to carry out such activities. (Executive Office Appropriations Act, 2002.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 11-1460-0-1-802	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 National Youth Anti-Drug Media Campaign .....	164	180	170
00.02 Drug-Free Communities Program .....	51	60	70
00.03 National Drug Court Institute .....	1	1	1
00.05 Counterdrug Intelligence Executive Secretariat .....	3	6	4
00.06 United States Anti-Doping Agency .....	5	1	2
00.08 Performance Measures Development .....	2	2	2
00.09 World Anti-Doping Agency Dues .....	1	1	1
10.00 Total new obligations .....	224	251	250
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	13	13
22.00 New budget authority (gross) .....	232	251	250
23.90 Total budgetary resources available for obligation .....	236	264	263
23.95 Total new obligations .....	-224	-251	-250
24.40 Unobligated balance carried forward, end of year .....	13	13	13
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	239	251	250
41.00 Transferred to other accounts .....	-7		
43.00 Appropriation (total discretionary) .....	232	251	250
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	202	154	164
73.10 Total new obligations .....	224	251	250
73.20 Total outlays (gross) .....	-272	-241	-250
74.40 Obligated balance, end of year .....	154	164	164
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	85	75	75
86.93 Outlays from discretionary balances .....	187	166	175
87.00 Total outlays (gross) .....	272	241	250
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	232	251	250
90.00 Outlays .....	272	241	250

The Anti-Drug Abuse Act of 1988, as amended, and the Office of National Drug Control Policy's reauthorization, P.L. 105-277, established the Special Forfeiture Fund to be administered by the Director of the Office of National Drug Control Policy. The funds appropriated to the program support high-priority drug control programs and may be transferred to drug control agencies.

For 2004, funds appropriated to this account, formerly titled the Special Forfeiture Fund, will be used for the following activities:

**National Youth Anti-Drug Media Campaign.**—The National Youth Anti-Drug Media Campaign is an integrated advertising and communications campaign using paid media messages (print and broadcast) targeted to youth, their parents, and other influential adults, to change youth attitudes about drug use and its consequences.

In 2002, the Office of Management and Budget (OMB) conducted a systematic review of more than 200 Federal programs to assess their performance in a number of areas. The National Youth Anti-Drug Media Campaign program was the subject of one of these reviews. The assessment found that the National Youth Anti-Drug Media Campaign has not demonstrated the results sought and does not yet have adequate performance measures and related goals. The OMB recommended actions include: (1) continued emphasis on developing acceptable performance measures and goals; (2) allowing sufficient time for the effects of recent ONDCP actions to be realized before pursuing changes to the program; (3) seeking no funding increases for the program; and (4) making FY 2005 funding contingent upon improved results.

**Drug-Free Communities Program.**—The Drug-Free Communities Program provides grants to local community coalitions

to support expansion of their efforts to reduce substance abuse among our youth.

**National Drug Court Institute.**—The National Drug Court Institute facilitates the growth of the drug court movement by: promoting and disseminating education, research and scholarship concerning drug court programs and providing a comprehensive drug court training series for practitioners.

**Counterdrug Intelligence Executive Secretariat.**—The Counterdrug Intelligence Executive Secretariat provides staff support to the Counterdrug Intelligence Coordinating Group (CDICG), an interagency body established to oversee and improve coordination of counterdrug intelligence programs.

**United States Anti-Doping Agency.**—This funding continues the effort to educate athletes on the dangers of drug use and to eliminate illegal drug use in Olympic sports.

**World Anti-Doping Agency Dues.**—ONDCP is a full participant in the World Anti-Doping Agency which promotes and coordinates international activities against doping in sport, in all its forms, and as such, is responsible for the associated dues.

**National Drug Control Performance Measures.**—This funding is provided to conduct evaluation research to assess the effectiveness of the National Drug Control Strategy.

**WORKLOAD**

	2002 actual	2003 est.	2004 est.
Grants Awarded to Community Coalitions .....	531	620	720
Number of Anti-Drug Ads Placed			
TV Network, Cable and Spot .....	36,853	39,708	35,000
Radio Network and Spot .....	27,883	30,645	27,500
Print Magazines .....	200	215	150
Multi-Cultural .....	67,696	75,627	60,000
Other non-traditional .....	13,926	23,812	13,000
Interactive .....	223,955,141	393,229,742	200,150,000
Number of Anti-Drug Ads Matched			
TV Network, Cable and Spot .....	40,529	40,711	39,500
Radio Network and Spot .....	27,836	30,633	27,500
Print Magazines and Newspapers .....	198	215	150
Multi-Cultural .....	69,800	77,754	60,000
Other non-traditional .....	13,729	22,976	13,000
Interactive .....	481,529,251	355,715,226	200,150,000

**Object Classification** (in millions of dollars)

Identification code 11-1460-0-1-802	2002 actual	2003 est.	2004 est.
25.2 Other services .....	176	195	184
41.0 Grants, subsidies, and contributions .....	48	56	66
99.9 Total new obligations .....	224	251	250

**COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER**

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the Counterdrug Technology Assessment Center for research activities pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1701 et seq.), \$40,000,000, which shall remain available until expended, consisting of \$18,000,000 for counternarcotics research and development projects, and \$22,000,000 for the continued operation of the technology transfer program: Provided, That the \$18,000,000 for counternarcotics research and development projects shall be available for transfer to other Federal departments or agencies.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 11-1461-0-1-754	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Research and Development .....	20	18	18
00.02 Technology Transfer Program .....	22	22	22

**General and special funds—Continued**

**COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER—Continued**  
(INCLUDING TRANSFER OF FUNDS)—Continued

**Program and Financing** (in millions of dollars)—Continued

Identification code 11-1461-0-1-754	2002 actual	2003 est.	2004 est.
10.00 Total new obligations (object class 25.3) .....	42	40	40
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	42	40	40
23.95 Total new obligations .....	-42	-40	-40
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	42	40	40
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	42	40	40
73.20 Total outlays (gross) .....	-43	-40	-40
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	42	40	40
86.93 Outlays from discretionary balances .....	1		
87.00 Total outlays (gross) .....	43	40	40
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	42	40	40
90.00 Outlays .....	43	40	40

Pursuant to the Office of National Drug Control Policy Re-authorization Act of 1998 (title VII of Division C of Public Law 105-277), the Counterdrug Technology Assessment Center serves as the central counterdrug research and development organization for the United States Government.

The Center operates two programs—a Research and Development program (R&D) and a Technology Transfer program (TTP):

- The R&D program identifies law enforcement’s scientific and technological needs, coordinates Federal counterdrug R&D initiatives, supports improvements to counterdrug capabilities that transcend the need of any single Federal agency, and helps expand addiction and rehabilitation research and its associated technologies.
- The TTP provides state-of-the-art, affordable, easily integrated and maintainable tools to enhance the capabilities of State and local law enforcement agencies for counterdrug missions. The goals of the TTP are to maximize the delivery of hand-held drug detection devices and appropriate training to state and local law enforcement agencies in smaller jurisdictions (less than 500,000) and to provide case building investigative tools to law enforcement agencies serving larger jurisdictions (500,000 and greater).

**WORKLOAD**

	2002 actual	2003 est.	2004 est.
Equipment pieces provided by Technology Transfer Program ....	1,556	1,500	1,500

**FEDERAL ELECTION COMMISSION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended, \$50,440,000, of which not to exceed \$5,000 shall be available for reception and representation expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 95-1600-0-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	44	45	50
10.00 Total new obligations .....	44	45	50
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	44	45	50
23.95 Total new obligations .....	-44	-45	-50
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	44	45	50
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	7	8	8
73.10 Total new obligations .....	44	45	50
73.20 Total outlays (gross) .....	-43	-45	-49
74.40 Obligated balance, end of year .....	8	8	9
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	39	40	44
86.93 Outlays from discretionary balances .....	4	5	5
87.00 Total outlays (gross) .....	43	45	49
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	44	45	50
90.00 Outlays .....	43	45	49
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

The Federal Election Commission (the Commission) administers the disclosure of campaign finance information, enforces limitations on contributions and expenditures, supervises the public funding of Presidential elections, and performs other tasks related to Federal elections.

The Commission is authorized to submit, concurrently, budget estimates to the President and Congress.

**Object Classification** (in millions of dollars)

Identification code 95-1600-0-1-808	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	24	25	27
12.1 Civilian personnel benefits .....	6	7	8
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	4	4	5
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.2 Other services .....	4	4	5
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1		
99.9 Total new obligations .....	44	45	50

**Personnel Summary**

Identification code 95-1600-0-1-808	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	352	362	391

**FEDERAL FINANCIAL INSTITUTIONS  
EXAMINATION COUNCIL APPRAISAL  
SUBCOMMITTEE**

*Federal Funds*

**General and special funds:**

REGISTRY FEES

**Unavailable Collections** (in millions of dollars)

Identification code 95-5026-0-2-376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Registry fees, Appraisal subcommittee .....	2	2	2
Appropriations:			
05.00 Registry fees .....	-2	-2	-2
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 95-5026-0-2-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Administrative expenses .....		1	1
00.02 Grants, subsidies and contributions .....		1	1
10.00 Total new obligations .....	2	2	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	4	4
22.00 New budget authority (gross) .....	2	2	2
23.90 Total budgetary resources available for obligation	6	6	6
23.95 Total new obligations .....	-2	-2	-2
24.40 Unobligated balance carried forward, end of year .....	4	4	4
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....	2	2	2
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	
73.10 Total new obligations .....	2	2	2
73.20 Total outlays (gross) .....	-2	-2	-2
74.40 Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	2	2	2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2	2	2
90.00 Outlays .....	2	2	2

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Public Law 101-73, August 9, 1989) established the Appraisal Subcommittee of the Federal Financial Institutions Examination Council. Subsequent legislation (Public Law 101-235) authorized the Secretary of the Department of Housing and Urban Development to designate a member of the Appraisal Subcommittee.

The Subcommittee is charged with ensuring that real estate appraisals used in federally-related transactions are performed in accordance with uniform standards by appraisers certified and licensed by the States. Its responsibilities include: (1) monitoring the requirements established by the States for the certification and licensing of appraisers; (2) monitoring the requirements established by the Federal financial institutions' regulatory agencies regarding appraisal standards; (3) monitoring and reviewing the practices, procedures, activities, and organization of the Appraisal Foundation; and, (4) maintaining a national registry of licensed and certified appraisers.

Subcommittee activities, including grants awarded to the Appraisal Foundation, were initially funded from a one-time appropriation of \$5 million. These funds were repaid to Treas-

ury at the end of 1998 in accordance with the Economic Growth and Regulatory Paperwork Reduction Act of 1996. The Subcommittee is now operating on fee income from state-licensed and certified real estate appraisers in the national registry.

**Object Classification** (in millions of dollars)

Identification code 95-5026-0-2-376	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1
41.0 Grants, subsidies, and contributions .....	1	1	1
99.9 Total new obligations .....	2	2	2

**Personnel Summary**

Identification code 95-5026-0-2-376	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	7	7	7

**FEDERAL HOUSING FINANCE BOARD**

*Federal Funds*

**Public enterprise funds:**

FEDERAL HOUSING FINANCE BOARD

**Program and Financing** (in millions of dollars)

Identification code 95-4039-0-3-371	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Operating Expenses .....	23	27	28
10.00 Total new obligations .....	23	27	28
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	4	
22.00 New budget authority (gross) .....	23	23	28
23.90 Total budgetary resources available for obligation	27	27	28
23.95 Total new obligations .....	-23	-27	-28
24.40 Unobligated balance carried forward, end of year .....	4		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	23	23	28
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	4	4
73.10 Total new obligations .....	23	27	28
73.20 Total outlays (gross) .....	-23	-27	-28
74.40 Obligated balance, end of year .....	4	4	4
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	19	23	24
86.98 Outlays from mandatory balances .....	4	4	4
87.00 Total outlays (gross) .....	23	27	28
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-23	-23	-28
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1	4	

The Federal Housing Finance Board (Finance Board), an independent executive agency, was established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 which amended the Federal Home Loan Bank Act. The duties of the Finance Board are: (1) to ensure that the twelve Federal Home Loan Banks (Banks) operate in a safe and sound manner; (2) to supervise the Banks; (3) to ensure that

**Public enterprise funds—Continued**

FEDERAL HOUSING FINANCE BOARD—Continued

the Banks carry out their housing finance mission; and, (4) to ensure the Banks remain adequately capitalized and able to raise funds in the capital markets. The Finance Board succeeded the former Federal Home Loan Bank Board with respect to the Banks.

The management of the Finance Board is vested in a five-member board of directors. The board of directors is composed of the Secretary of Housing and Urban Development and four other individuals appointed by the President, with the advice and consent of the Senate. The term of a Director is seven years.

The Finance Board has the power to: (1) supervise the Banks and promulgate and enforce such regulations and orders as are necessary; (2) suspend or remove for cause a director, officer, employee, or agent of any Bank or joint office; (3) determine necessary expenditures of the Finance Board and the manner in which such expenditures shall be incurred, allowed, and paid; and, (4) use the United States mail in the same manner and under the same conditions as a department or agency of the United States.

**Object Classification** (in millions of dollars)

Identification code 95-4039-0-3-371	2002 actual	2003 est.	2004 est.
<b>Reimbursable obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	10	13	13
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	12	15	14
12.1 Civilian personnel benefits .....	3	4	4
13.0 Benefits for former personnel .....	1		
21.0 Travel and transportation of persons .....	1	1	1
23.2 Rental payments to others .....	1	2	2
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.1 Advisory and assistance services .....	4	4	4
25.7 Operation and maintenance of equipment .....			1
31.0 Equipment .....	1		
99.0 Reimbursable obligations .....	23	27	27
99.5 Below reporting threshold .....			1
99.9 Total new obligations .....	23	27	28

**Personnel Summary**

Identification code 95-4039-0-3-371	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	112	124	127

**FEDERAL LABOR RELATIONS AUTHORITY**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan Numbered 2 of 1978, and the Civil Service Reform Act of 1978, including services authorized by 5 U.S.C. 3109, including hire of experts and consultants, hire of passenger motor vehicles, and rental of conference rooms in the District of Columbia and elsewhere, \$29,611,000: Provided, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the Government service, and compensation as authorized by 5 U.S.C. 3109: Provided further, That notwithstanding 31 U.S.C. 3302, funds received from fees charged to non-Federal participants at labor-management relations conferences shall be credited to and merged with

this account, to be available without further appropriation for the costs of carrying out these conferences.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 54-0100-0-1-805	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Federal labor relations authority .....	14	15	16
00.02 Office of the general counsel .....	11	12	12
00.03 Federal service impasses panel .....	1	1	1
10.00 Total new obligations .....	25	29	30
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	27	29	30
23.95 Total new obligations .....	-25	-29	-30
23.98 Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	27	29	30
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	3	4	4
73.10 Total new obligations .....	25	29	30
73.20 Total outlays (gross) .....	-25	-29	-30
74.40 Obligated balance, end of year .....	4	4	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	22	27	28
86.93 Outlays from discretionary balances .....	2	2	2
87.00 Total outlays (gross) .....	25	29	30
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	27	29	30
90.00 Outlays .....	25	29	30
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	2	2	2
99.01 Outlays .....	2	2	2

The Federal Labor Relations Authority (FLRA) serves as a neutral party in the settlement of disputes that arise between federal agencies and unions on matters outlined in the Federal Service Labor Management Relations Statute. All proceedings before the FLRA originate from filings by employees, agencies, or labor organizations within the federal sector. Each year, the FLRA receives approximately 6,800 cases through its regional offices, the Authority, and the Federal Services Impasses Panel (FSIP).

In addition, the FLRA is engaged in case-related interventions and training and facilitation of labor-management relationships in its Collaboration and Alternative Dispute Resolution Program. Approximately 2,000 case-related intervention services were conducted in 2002.

The FLRA's authority is divided by law and by delegation between the three-member Authority and the General Counsel, all appointed by the President subject to Senate confirmation. The FSIP consists of seven part-time members appointed by the President.

Authority.—The Authority adjudicates labor-management disputes in the federal sector including: appeals on negotiability issues; exceptions to arbitration awards; appropriate units for the purposes of exclusive recognition; eligibility of labor organizations for national consultation rights; and unfair labor practice complaints.

Within the Authority, administrative law judges hold hearings on unfair labor practice complaints, issue reports, and make recommendations to the Authority to allow timely settlement of disputes arising between agencies and unions. The Authority also provides all components with administrative services.

Case dispositions are reflected in the following table:

CASE DISPOSITIONS			
	2002 actual	2003 est.	2004 est.
Arbitration appeals .....	118	119	124
Negotiability appeals .....	58	62	65
Representation appeals/requests for review .....	20	25	22
Unfair labor practice appeals .....	61	64	65

*Office of the General Counsel.*—The General Counsel's duties include: (1) investigating all allegations of unfair labor practices filed and the processing of all representation petitions received; (2) exercising final authority over the issuance and prosecution of all complaints; (3) supervising and conducting elections concerning the exclusive recognition of labor organizations and the certification of the results of elections; (4) conducting all hearings to resolve disputed issues in representation cases; (5) preparing final decisions and orders in these cases; and, (6) directing and supervising all employees of the regional offices. Case dispositions are reflected in the following table:

CASE DISPOSITIONS			
	2002 actual	2003 est.	2004 est.
Unfair labor practice cases:			
Investigations .....	5,845	5,840	5,840
Complaints prosecuted .....	37	60	60
Complaints voluntarily settled .....	259	260	260
Appeals .....	440	440	440
Representation cases:			
Investigations .....	916	1,002	1,002
Elections/hearings .....	151	150	150

*Federal Service Impasses Panel.*—The functions of the Panel involve the resolution of labor negotiation impasses between federal agencies and labor organizations which arise under the Civil Service Reform Act of 1978 and other statutes. The Panel uses a variety of procedures including factfinding and arbitration.

CASE DISPOSITIONS			
	2002 actual	2003 est.	2004 est.
Impasse resolutions .....	181	200	200

#### Object Classification (in millions of dollars)

Identification code 54-0100-0-1-805			
	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	15	17	18
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	16	18	19
12.1 Civilian personnel benefits .....	3	4	4
21.0 Travel and transportation of persons .....		1	1
23.1 Rental payments to GSA .....	2	4	4
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	2	1	1
31.0 Equipment .....	1		
99.9 Total new obligations .....	25	29	30

#### Personnel Summary

Identification code 54-0100-0-1-805			
	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	196	215	215

## FEDERAL MARITIME COMMISSION

### Federal Funds

#### General and special funds:

##### SALARIES AND EXPENSES

For necessary expenses of the Federal Maritime Commission as authorized by section 201(d) of the Merchant Marine Act, 1936, as

amended (46 U.S.C. App. 1111), including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); and uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902, \$18,471,000: Provided, That not to exceed \$2,000 shall be available for official reception and representation expenses.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 65-0100-0-1-403			
	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Formal proceedings .....	4	5	5
00.04 Operational and administrative .....	4	4	4
00.06 Trade Analysis .....	3	3	3
00.07 Consumer Complaints and Licensing .....	2	2	3
00.08 Enforcement .....	3	3	3
10.00 Total new obligations .....	16	17	18
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	16	17	18
23.95 Total new obligations .....	-16	-17	-18
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	16	17	18
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	2
73.10 Total new obligations .....	16	17	18
73.20 Total outlays (gross) .....	-17	-17	-18
74.40 Obligated balance, end of year .....	2	2	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	15	16	17
86.93 Outlays from discretionary balances .....	2	1	1
87.00 Total outlays (gross) .....	17	17	18
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	16	17	18
90.00 Outlays .....	17	17	18

The Federal Maritime Commission (the Commission) regulates the international waterborne commerce of the United States. In addition, the Commission has responsibility for: licensing and bonding ocean transportation intermediaries and assuring that vessel owners or operators establish financial responsibility to pay judgments for death or injury to passengers, or nonperformance of a cruise, on voyages from U.S. ports. Major program areas for 2004 are: carrying out investigations of foreign trade practices under the Foreign Shipping Practices Act; maintaining equitable trading conditions in U.S. ocean commerce; ensuring compliance with applicable shipping statutes; pursuing an active enforcement program designed to identify and prosecute violators of the shipping statutes; and, reviewing ocean carrier operational and pricing agreements to guard against excessively anticompetitive effects.

#### Object Classification (in millions of dollars)

Identification code 65-0100-0-1-403			
	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	10	11	11
12.1 Civilian personnel benefits .....	2	2	2
23.1 Rental payments to GSA .....	2	3	3
25.2 Other services .....	1	1	1
99.0 Direct obligations .....	15	17	17
99.5 Below reporting threshold .....	1		1
99.9 Total new obligations .....	16	17	18

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Personnel Summary**

Identification code 65-0100-0-1-403	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	127	132	137

**FEDERAL MEDIATION AND CONCILIATION SERVICE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor Management Relations Act, 1947 (29 U.S.C. 171-180, 182-183), including hire of passenger motor vehicles; for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a); and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95-454 (5 U.S.C. ch. 71), \$42,885,000, including \$1,500,000, to remain available through September 30, 2005, for activities authorized by the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a): Provided, That notwithstanding 31 U.S.C. 3302, fees charged, up to full-cost recovery, for special training activities and other conflict resolution services and technical assistance, including those provided to foreign governments and international organizations, and for arbitration services shall be credited to and merged with this account, and shall remain available until expended: Provided further, That fees for arbitration services shall be available only for education, training, and professional development of the agency workforce: Provided further, That the Director of the Service is authorized to accept and use on behalf of the United States gifts of services and real, personal, or other property in the aid of any projects or functions within the Director's jurisdiction.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing (in millions of dollars)**

Identification code 93-0100-0-1-505	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Dispute mediation and preventive mediation, public information .....	31	31	33
00.02 Arbitration services .....	1	1	1
00.03 Management and administrative support .....	7	7	7
00.04 Labor-management cooperation project .....	2	2	2
00.91 Total direct program .....	41	41	43
01.01 Reimbursable program .....	2	2	2
10.00 Total new obligations .....	43	43	45
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	3	3
22.00 New budget authority (gross) .....	43	42	45
23.90 Total budgetary resources available for obligation .....	46	45	48
23.95 Total new obligations .....	-43	-43	-45
24.40 Unobligated balance carried forward, end of year .....	3	3	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	40	40	43
68.00 Spending authority from offsetting collections: Offsetting governmental collections .....	3	2	2
70.00 Total new budget authority (gross) .....	43	42	45
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	5	6

73.10 Total new obligations .....	43	43	45
73.20 Total outlays (gross) .....	-45	-42	-45
73.40 Adjustments in expired accounts (net) .....	1		
74.40 Obligated balance, end of year .....	5	6	7

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	40	38	41
86.93 Outlays from discretionary balances .....	5	4	4
87.00 Total outlays (gross) .....	45	42	45

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-2	-1	-1
88.40 Non-Federal sources .....	-2	-1	-1
88.90 Total, offsetting collections (cash) .....	-4	-2	-2
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	1		

**Net budget authority and outlays:**

89.00 Budget authority .....	40	40	43
90.00 Outlays .....	42	40	43

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The Federal Mediation and Conciliation Service (FMCS or the Service) provides assistance to parties in labor disputes in industries affecting commerce through conciliation and mediation.

*Dispute mediation.*—The Service assists labor and management in the mediation and prevention of disputes, other than those involving rail and air transportation, whenever such disputes threaten to cause a substantial interruption of interstate commerce or a major impairment to the national defense. The Service also makes mediation and conciliation services available to Federal agencies and organizations representing Federal employees in the resolution of negotiation disputes. The Service provides mandatory mediation and, where necessary, impartial boards of inquiry to assist in resolving labor disputes involving private nonprofit health care institutions. The workload shown below includes assignments closed in both the private and public sectors.

**DISPUTE MEDIATION WORKLOAD DATA**

	2000 actual	2001 actual	2002 actual	2003 estimate	2004 estimate
Dispute mediation assignments .....	19,200	19,116	19,303	19,500	19,500
Total mediation conferences closed .....	6,188	6,424	6,757	6,300	6,300

**PREVENTIVE MEDIATION WORKLOAD DATA**

	2000 actual	2001 actual	2002 actual	2003 estimate	2004 estimate
Total preventive mediation cases conducted .....	2,954	2,655	2,618	2,800	2,800
Total number of meetings conducted .....	36,618	33,557	33,236	34,980	35,030

*Preventive mediation, public information, and educational activities.*—Through its preventive mediation program, the Service initiates and develops labor-management committees, training programs, conferences, and specialized workshops dealing with issues in collective bargaining. Mediators also participate in education, advocacy and outreach (EAO) activities such as lectures, seminars, and conferences.

*Arbitration services.*—The Service assists parties in disputes by utilizing the arbitration process for the resolution of disputes arising under or in the negotiation of collective bargaining agreements in the private and public sectors.

**ARBITRATION SERVICES WORKLOAD DATA**

	2000 actual	2001 actual	2002 actual	2003 estimate	2004 estimate
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Number of panels issued .....	19,490	18,305	18,885	19,021	19,021
Number of arbitrators appointed .....	9,558	8,749	8,335	8,800	8,800

**Management and administrative support.**—This activity provides for overall management and administration, policy planning, research and evaluation, and employee development.

**Labor-management cooperation project.**—The Labor Management Cooperation Act of 1978 (29 U.S.C. 175a) authorizes the Service to carry out this program of contracts and grants to support the establishment and operation of plant, area, and industry labor-management committees.

**Alternative Dispute Resolution (ADR) Projects.**—The Service assists other Federal agencies by providing mediation and technical assistance in the area of ADR. The ADR cases reduce litigation costs and speed federal processes. The FMCS is funded for this work through interagency reimbursable agreements.

**ALTERNATIVE DISPUTE RESOLUTION (ADR) WORKLOAD DATA**

	2000 actual	2001 actual	2002 actual	2003 estimate	2004 estimate
Number of ADR Cases .....	590	917	1,144	829	829

**Object Classification (in millions of dollars)**

Identification code 93-0100-0-1-505	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	23	24	25
12.1 Civilian personnel benefits .....	5	5	5
21.0 Travel and transportation of persons .....	2	2	2
23.1 Rental payments to GSA .....	5	5	5
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	1	1	1
31.0 Equipment .....	1	1	1
41.0 Grants, subsidies, and contributions .....	2	2	2
99.0 Direct obligations .....	40	41	42
99.0 Reimbursable obligations .....	2	1	1
99.5 Below reporting threshold .....	1	1	2
99.9 Total new obligations .....	43	43	45

**Personnel Summary**

Identification code 93-0100-0-1-505	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	278	280	286
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	6	9	9

**FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For expenses necessary for the Federal Mine Safety and Health Review Commission (30 U.S.C. 801 et seq.), \$7,774,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-2800-0-1-554	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Commission review .....	4	4	5
00.02 Administrative law judge determinations .....	3	3	3

10.00 Total new obligations .....	7	7	8
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**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	7	7	8
23.95 Total new obligations .....	-7	-7	-8

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	7	7	8

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	7	7	8
73.20 Total outlays (gross) .....	-7	-7	-8
73.40 Adjustments in expired accounts (net) .....	-1		
74.40 Obligated balance, end of year .....	1	1	1

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	6	6	7
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	7	7	8

**Net budget authority and outlays:**

89.00 Budget authority .....	7	7	8
90.00 Outlays .....	6	7	8

The Federal Mine Safety and Health Review Commission reviews and decides contested enforcement actions of the Secretary of Labor under the Federal Mine Safety and Health Act of 1977. The Commission also adjudicates claims by miners and miners' representatives concerning their rights under law. The Commission holds factfinding hearings and issues orders affirming, modifying, or vacating the Secretary's enforcement actions.

**SELECTED WORKLOAD DATA**

Commission review activities:	2002 actual	2003 est.	2004 est.
Cases pending beginning of year .....	26	15	20
New cases received .....	65	60	65
Cases decided .....	76	55	73
Cases pending end of year .....	15	20	12
<b>Administrative law judge activities:</b>			
Cases pending beginning of year .....	1,418	1,320	1,120
New cases received .....	2,102	2,100	2,300
Cases decided .....	2,200	2,300	2,350
Cases pending end of year .....	1,320	1,120	1,070

**Object Classification (in millions of dollars)**

Identification code 95-2800-0-1-554	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	3	4	5
12.1 Civilian personnel benefits .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
25.2 Other services .....	1		1
99.0 Direct obligations .....	6	6	8
99.5 Below reporting threshold .....	1	1	
99.9 Total new obligations .....	7	7	8

**Personnel Summary**

Identification code 95-2800-0-1-554	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	38	49	50

## FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

### Federal Funds

#### General and special funds:

#### PROGRAM EXPENSES

#### Unavailable Collections (in millions of dollars)

Identification code 26-5290-0-2-602	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Reimbursement for program expenses .....	96	94	82
Appropriations:			
05.00 Program expenses .....	-96	-94	-82
07.99 Balance, end of year .....			

#### Program and Financing (in millions of dollars)

Identification code 26-5290-0-2-602	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Administrative expenses .....	101	94	82
10.00 Total new obligations .....	101	94	82

#### Budgetary resources available for obligation:

22.00 New budget authority (gross) .....	96	94	82
22.10 Resources available from recoveries of prior year obligations .....	5		
23.90 Total budgetary resources available for obligation .....	101	94	82
23.95 Total new obligations .....	-101	-94	-82

#### New budget authority (gross), detail:

Mandatory:			
60.20 Appropriation (special fund) .....	96	94	82

#### Change in obligated balances:

72.40 Obligated balance, start of year .....	45	57	57
73.10 Total new obligations .....	101	94	82
73.20 Total outlays (gross) .....	-84	-94	-82
73.45 Recoveries of prior year obligations .....	-5		
74.40 Obligated balance, end of year .....	57	57	57

#### Outlays (gross), detail:

86.97 Outlays from new mandatory authority .....	71	81	69
86.98 Outlays from mandatory balances .....	13	13	13
87.00 Total outlays (gross) .....	84	94	82

#### Net budget authority and outlays:

89.00 Budget authority .....	96	94	82
90.00 Outlays .....	84	94	82

#### Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

The Federal Retirement Thrift Investment Board is responsible for managing the Thrift Savings Fund (Fund). The Fund is a special tax-deferred savings fund established by the Federal Employees' Retirement System Act of 1986. Due to the fiduciary nature of the Fund, it is not included in the totals of the Federal budget. Information on the financial status and activities of the Fund follows this account.

Program administration for the Fund is financed from the Fund. Program expenses are derived first from Fund forfeitures of agency one percent automatic contributions for employees who separate from the Federal government prior to vesting and then from earnings on all participant and agency contributions to the Fund.

#### Object Classification (in millions of dollars)

Identification code 26-5290-0-2-602	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	7	8	9
11.3 Other than full-time permanent .....		1	1
11.9 Total personnel compensation .....	7	9	10
12.1 Civilian personnel benefits .....	2	2	2
23.2 Rental payments to others .....	2	2	2
24.0 Printing and reproduction .....	3	6	3
25.1 Advisory and assistance services .....	2	2	1
25.2 Other services .....	3	7	5
25.3 Other purchases of goods and services from Government accounts .....	56	55	55
31.0 Equipment .....	25	10	3
99.0 Direct obligations .....	100	93	81
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	101	94	82

#### Personnel Summary

Identification code 26-5290-0-2-602	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	99	113	118

#### INFORMATION SCHEDULES FOR THE THRIFT SAVINGS FUND

The Fund is composed of individual accounts maintained by the Federal Retirement Thrift Investment Board on behalf of the individual Federal employee participants in the Fund. All Federal civilian employees and members of the uniformed services are eligible to contribute to the Fund. However, only those civilian employees covered by the Federal Employees' Retirement System (or equivalent retirement systems) and a limited category of uniformed services personnel may have their contributions matched by the employing agencies in accordance with the formulas prescribed by law. Employees are entitled to select how contributions are distributed among five investment funds: a U.S. Government securities investment fund; a fixed income index investment fund; a common stock index investment fund; a small capitalization stock index investment fund; and an international stock index investment fund.

Employee participation in the Fund is entirely voluntary, so actual results could vary significantly from these estimates. The estimated status of the Fund is shown below:

#### STATUS OF THRIFT SAVINGS FUND

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
Thrift Savings Fund investment balance, start of year .....	89,038	91,326	108,010
Receipts during the year:			
Employee contributions .....	8,227	8,403	9,172
Contributions on behalf of employees <sup>1</sup> .....	3,395	3,468	3,785
Earnings and adjustments <sup>2</sup> .....	-6,399	8,331	10,047
Total receipts .....	5,223	20,202	23,004
Outlays during the year:			
Withdrawals .....	2,423	2,910	2,910
Loans to employees, net of payments .....	428	514	514
Administrative expenses .....	84	94	82
Total cash outlays .....	2,935	3,518	3,506
Thrift Savings Fund investment balance, end of year <sup>3</sup> .....	91,326	108,010	127,508

<sup>1</sup> 2002 Employer contributions included \$767 million in automatic contributions for FERS employees and \$2,628 million in matching contributions for FERS employees.

<sup>2</sup> 2002 Earnings included: return on investment in Government securities—\$2,074 million; return on investments in non-government instruments—\$-8,700 million; interest on loans—\$225 million; and agency payments for lost earnings—\$1 million.

<sup>3</sup>Investment balances at 9/30/2002 were: Government Securities Investment Fund—\$44,948 million; Barclays U.S. Debt Index Fund—\$10,388 million; Barclays Equity Index Fund—\$34,492 million; Barclays Extended Equity Market Fund—\$1,088 million; and Barclays EAFE Index Fund—\$409 million.

**FEDERAL TRADE COMMISSION**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed \$2,000 for official reception and representation expenses, \$191,132,000, to remain available until expended: Provided, That not to exceed \$300,000 shall be available for use to contract with a person or persons for collection services in accordance with the terms of 31 U.S.C. 3718, as amended: Provided further, That, notwithstanding any other provision of law, not to exceed \$159,000,000 of offsetting collections derived from fees collected for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18a), regardless of the year of collection, shall be retained and used for necessary expenses in this appropriation: Provided further, That \$18,000,000 in offsetting collections derived from fees sufficient to implement and enforce the do-not-call provisions of the Telemarketing Sales Rule, promulgated under the Telephone Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6101 et seq.), shall be credited to this account, and be retained and used for necessary expenses in this appropriation: Provided further, That the sum herein appropriated from the general fund shall be reduced as such offsetting collections are received during fiscal year 2004, so as to result in a final fiscal year 2004 appropriation from the general fund estimated at not more than \$14,132,000: Provided further, That none of the funds made available to the Federal Trade Commission shall be available for obligation for expenses authorized by section 151 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (Public Law 102–242; 105 Stat. 2282–2285).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 29–0100–0–1–376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	1		
Receipts:			
02.80 Salaries and expenses, offsetting collections .....	70	167	178
04.00 Total: Balances and collections .....	71	167	178
Appropriations:			
05.00 Salaries and expenses .....	–71	–167	–178
05.99 Total appropriations .....	–71	–167	–178
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 29–0100–0–1–376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Consumer Protection .....	45	9	8
00.02 Maintaining Competition .....	41	8	6
01.92 Subtotal, direct program .....	86	17	14
09.01 Consumer protection .....	37	96	102
09.02 Maintaining competition .....	33	70	75
09.03 Reimbursable program .....	1	1	1
09.99 Total reimbursable program .....	71	167	178
10.00 Total new obligations .....	157	184	192
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	6	8	8
22.00 New budget authority (gross) .....	157	184	192
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	165	192	200

23.95 Total new obligations .....	–157	–184	–192
24.40 Unobligated balance carried forward, end of year .....	8	8	8

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	86	17	14
<b>Spending authority from offsetting collections:</b>			
<b>Offsetting collections (cash):</b>			
68.00 Offsetting collections (HSR Fees) .....	69	150	159
68.00 Offsetting collections (Do Not Call Fees) .....		16	18
68.00 Offsetting collections (Fed Reimb Prgm) .....	1	1	1
68.26 From offsetting collections (unavailable balances) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	71	167	178
70.00 Total new budget authority (gross) .....	157	184	192

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	29	22	25
73.10 Total new obligations .....	157	184	192
73.20 Total outlays (gross) .....	–162	–181	–191
73.45 Recoveries of prior year obligations .....	–2		
74.40 Obligated balance, end of year .....	22	25	26

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	140	170	177
86.93 Outlays from discretionary balances .....	22	11	14
87.00 Total outlays (gross) .....	162	181	191

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	–1	–1	–1
<b>Non-Federal sources:</b>			
88.40 Non-Federal sources—HSR Fees .....	–69	–150	–174
88.40 Non-Federal sources—Do Not Call Fees .....		–16	–3
88.90 Total, offsetting collections (cash) .....	–70	–167	–178

**Net budget authority and outlays:**

89.00 Budget authority .....	87	17	14
90.00 Outlays .....	93	14	13

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	5	5	6
99.01 Outlays .....	5	5	6

The FTC seeks to protect consumers and enhance competition by eliminating unfair or deceptive acts or practices in the marketing of goods and services and by ensuring that consumer markets function competitively. The FTC's work is based on the belief that competition among producers, and accurate information in the hands of consumers, bring the best products and lowest prices to the marketplace, spur innovation, and strengthen the economy.

**Consumer protection.**—The Commission is charged with eliminating unfair or deceptive acts or practices affecting commerce. The goal of the consumer protection mission is to prevent fraud, deception, and unfair business practices in the marketplace. The mission works to accomplish this goal through three objectives: (1) identify fraud, deception, and unfair practices that cause the greatest consumer injury; (2) stop fraud, deception, and unfair practices through law enforcement; and, (3) prevent consumer injury through education.

**Maintaining competition.**—The Commission's efforts are aimed at fostering and preserving our competitive market. The goal of the maintaining competition mission is to prevent anticompetitive mergers and other anticompetitive business practices in the marketplace. The mission works to accomplish this goal through three objectives: (1) identify anticompetitive mergers and practices that cause the greatest consumer injury; (2) stop anticompetitive mergers and practices through law enforcement; and, (3) prevent consumer injury through education.

The President's 2004 request will fund a total of 1,080 FTE, which includes 6 reimbursable FTE. The program level

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

for the Commission will be \$191 million in 2004, allowing the Commission to maintain the current performance of its missions. The 2004 requested program level will be fully funded by \$14 million from the General Fund of the U.S. Treasury and offsetting collections from two sources: \$159 million from fees for Hart-Scott-Rodino Act premerger notification filings as authorized by 18 U.S.C. 18a; and \$18 million from fees sufficient to implement and enforce new do-not-call provisions of the Telemarketing Sales Rule, 16 C.F.R. Part 310.

**Object Classification** (in millions of dollars)

Identification code 29-0100-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	43	8	7
11.3 Other than full-time permanent .....	4	1	1
11.5 Other personnel compensation .....	1		
11.9 Total personnel compensation .....	48	9	8
12.1 Civilian personnel benefits .....	11	2	2
21.0 Travel and transportation of persons .....	1		
23.1 Rental payments to GSA .....	9	2	1
23.3 Communications, utilities, and miscellaneous charges .....	2	1	
25.1 Advisory and assistance services .....	7	2	2
25.2 Other services .....	1		
25.3 Other purchases of goods and services from Government accounts .....	1		
25.4 Operation and maintenance of facilities .....	1		
25.7 Operation and maintenance of equipment .....	1		
31.0 Equipment .....	4	1	1
99.0 Direct obligations .....	86	17	14
99.0 Reimbursable obligations .....	71	167	178
99.9 Total new obligations .....	157	184	192

**Personnel Summary**

Identification code 29-0100-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	580	97	75
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	477	983	1,005

**HARRY S. TRUMAN SCHOLARSHIP FOUNDATION**

**Trust Funds**

**HARRY S. TRUMAN MEMORIAL SCHOLARSHIP TRUST FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 95-8296-0-7-502	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.40 Interest on investments .....		4	4
<b>Appropriations:</b>			
05.00 Harry S. Truman memorial scholarship trust fund .....		-4	-4
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 95-8296-0-7-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Scholarship awards .....	2	2	2
00.02 Program administration .....	2	1	1
10.00 Total new obligations .....	4	3	3

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	58	55	56
22.00 New budget authority (gross) .....		4	4
23.90 Total budgetary resources available for obligation	58	59	60
23.95 Total new obligations .....	-4	-3	-3
24.40 Unobligated balance carried forward, end of year .....	55	56	57

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....		4	4

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	1	1	2
73.10 Total new obligations .....	4	3	3
73.20 Total outlays (gross) .....	-3	-3	-3
74.40 Obligated balance, end of year .....	1	2	2

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....		1	1
86.98 Outlays from mandatory balances .....	3	2	2
87.00 Total outlays (gross) .....	3	3	3

**Net budget authority and outlays:**

89.00 Budget authority .....		4	4
90.00 Outlays .....	4	3	3

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value .....	56	55	59
92.02 Total investments, end of year: Federal securities:			
Par value .....	55	59	59

Public Law 93-642 established the Harry S. Truman Scholarship Foundation to operate the scholarship program that is the permanent Federal memorial to the 33rd President of the United States. The Foundation awards scholarships for up to four years to qualified students who demonstrate outstanding potential for and interest in careers in public service at the local, State, or Federal level or in the non-profit sector.

In its annual competition, the Foundation selects up to 80 new Truman Scholars. The maximum award is \$30,000 for four years.

*Scholarship awards.*—This activity is comprised of scholarships awarded to cover eligible educational expenses.

*Program administration.*—This activity covers all costs of operating the program, including annual program announcement, interview and selection of Truman Scholars, calculation and disbursement of scholarship awards, monitoring of student progress, and special services and activities for scholars, including an orientation week for new scholars, a summer education and internship program, and workshops and conferences.

**Object Classification** (in millions of dollars)

Identification code 95-8296-0-7-502	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	2	2	2
99.5 Below reporting threshold .....	2	1	1
99.9 Total new obligations .....	4	3	3

**Personnel Summary**

Identification code 95-8296-0-7-502	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	4	5	5

**INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT**

**Federal Funds**

**General and special funds:**

PAYMENT TO THE INSTITUTE

For payment to the Institute of American Indian and Alaska Native Culture and Arts Development, as authorized by title XV of Public Law 99-498, as amended (20 U.S.C. 56 part A), \$5,250,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-2900-0-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Payment to the Institute .....	4	5	5
10.00 Total new obligations (object class 41.0) .....	4	5	5
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	4	5	5
23.95 Total new obligations .....	-4	-5	-5
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	4	5	5
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	4	5	5
73.20 Total outlays (gross) .....	-4	-5	-5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	4	5	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4	5	5
90.00 Outlays .....	4	5	5

Title XV of Public Law 99-498 established the Institute of American Indian and Alaska Native Culture and Arts Development as an independent non-profit educational institution. The mission of the Institute is to serve as a multi-tribal center of higher education for Native Americans and is dedicated to the study, creative application, preservation and care of Indian arts and culture. The Institute is federally chartered and under the direction and control of a Board of Trustees appointed by the President of the United States.

Payment to the Institute.—This activity supports the operations of the Institute.

**INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT**

**Federal Funds**

**General and special funds:**

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Intelligence Community Management Account, [\$163,479,000] \$158,640,000, of which [\$24,252,000] \$26,081,000 for the Advanced Research and Development Committee shall remain available until September 30, [2004] 2005: Provided, That of the funds appropriated under this heading, [\$34,100,000] \$34,100,000 shall be transferred to the Department of Justice for the National Drug Intelligence Center to support the Department of Defense's counter-drug intelligence responsibilities, and of the said amount, \$1,500,000 for Procurement shall remain available until September 30, [2005] 2006 and \$1,000,000 for Research, development, test and evaluation shall remain available until September 30,

[2004] 2005: Provided further, That the National Drug Intelligence Center shall maintain the personnel and technical resources to provide timely support to law enforcement authorities and the intelligence community by conducting document and computer exploitation of materials collected in Federal, State, and local law enforcement activity associated with counter-drug, counter-terrorism, and national security investigations and operations. (Department of Defense Appropriations Act, 2003; additional authorizing language required.)

**Program and Financing (in millions of dollars)**

Identification code 95-0401-0-1-054	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	124	129	125
10.00 Total new obligations .....	124	129	125
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	9	3	
22.00 New budget authority (gross) .....	118	126	125
23.90 Total budgetary resources available for obligation	127	129	125
23.95 Total new obligations .....	-124	-129	-125
24.40 Unobligated balance carried forward, end of year .....	3		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	160	160	159
41.00 Transferred to other accounts .....	-43	-34	-34
43.00 Appropriation (total discretionary) .....	118	126	125
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	71	70	78
73.10 Total new obligations .....	124	129	125
73.20 Total outlays (gross) .....	-124	-121	-125
74.40 Obligated balance, end of year .....	70	78	78
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	60	63	63
86.93 Outlays from discretionary balances .....	64	58	62
87.00 Total outlays (gross) .....	124	121	125
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	118	126	125
90.00 Outlays .....	123	121	125
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

The Intelligence Community Management Account (ICMA) was established by Congressional direction to provide resources that directly support the Director of Central Intelligence (DCI) and the Intelligence Community as a whole in coordinating cross-program activities, improving budget oversight, and strengthening Community Management. The ICMA includes the Community Management Staff, the National Intelligence Council, the Center for Security Evaluations, the Advanced Research and Development program, the National Counterintelligence Executive, and the National Drug Intelligence Center.

The Community Management Staff is the DCI's principal source of advice and assistance in planning and executing his intelligence community management responsibilities. These include: developing the National Foreign Intelligence Program budget; developing intelligence plans and requirements; and overseeing research and development activities. The Advanced Research and Development program is responsible for coordination of advanced technology within the Intelligence Community and for encouragement of investment in high risk/high return technologies. The National Intelligence Council provides analytical support to the DCI and national policy makers. The Center for Security Evaluation is responsible for evaluating and improving security capabilities at United States embassies. The National Counterintelligence Executive was established as the primary mechanism to co-

**General and special funds—Continued**

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT—Continued  
(INCLUDING TRANSFER OF FUNDS)—Continued

ordinate U.S. government national-level counterintelligence policy and activities. The Department of Justice's National Drug Intelligence Center was established to coordinate strategic organizational drug intelligence from national security and law enforcement agencies.

Object Classification (in millions of dollars)			
Identification code 95-0401-0-1-054	2002 actual	2003 est.	2004 est.
11.3 Personnel compensation: Other than full-time permanent .....	29	31	32
12.1 Civilian personnel benefits .....	4	4	4
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	87	90	85
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	2	2	2
99.9 Total new obligations .....	124	129	125

**Personnel Summary**

Identification code 95-0401-0-1-054	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	303	316	319

**INTERNATIONAL TRADE COMMISSION**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, and not to exceed \$2,500 for official reception and representation expenses, \$58,295,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 34-0100-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Research, investigations, and reports .....	53	54	58
10.00 Total new obligations .....	53	54	58
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1		
22.00 New budget authority (gross) .....	51	54	58
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	53	54	58
23.95 Total new obligations .....	-53	-54	-58
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	51	54	58
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	5	5
73.10 Total new obligations .....	53	54	58
73.20 Total outlays (gross) .....	-52	-54	-58
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	5	5	6
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	49	51	55
86.93 Outlays from discretionary balances .....	3	3	3

87.00	Total outlays (gross) .....	52	54	58
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	51	54	58
90.00	Outlays .....	52	54	58
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	2	2	2
99.01	Outlays .....	2	2	2

The U.S. International Trade Commission is an independent, quasi-judicial federal agency established by Congress with a wide range of trade-related mandates. The mission of the Commission is twofold: administer U.S. trade remedy laws in a fair and objective manner; and provide the President, the United States Trade Representative, and the Congress with independent, quality advice and information on matters of international trade and competitiveness.

For 2004, the Commission requests an appropriation of \$58 million in order to fund existing mandated investigative activity and related operations, a mandatory 3.1 percent pay increase, and information technology projects that are designed to improve electronic transaction capability, provide broader public access to public data and other information, develop more timely and accurate trade information for the trade community, and improve transparency in the Commission's procedures and finances. The 2004 request represents a 7.8 percent increase over its 2003 funding availability.

In September 2001, the Commission issued the fourth edition of its Strategic Plan and is currently implementing the 2002 Performance Plan. For the purpose of developing the Strategic Plan, the Commission's functions were divided into five operations and, in order to facilitate the linkage of financial resources to the achievement of strategic goals, the budget justification is structured in the same manner. There are 19 strategic goals for the five operations. In 2001 and 2002 these goals were met in virtually all instances.

As presented in the Commission's Strategic Plan, there are five major operations that serve the Commission's external customers:

- *Import Injury Investigations:* These cover the conduct of the Commission's countervailing duty, antidumping, and sunset review investigations (collectively known as Title VII investigations), safeguards and market disruption investigations, and appellate litigation of challenges to the Commission's determinations.

- *Intellectual Property-Based Import Investigations:* These cover the conduct of the Commission's adjudicatory investigations (referred to as section 337 investigations) regarding alleged unfair methods of competition and unfair acts in the importation of goods into the United States and most frequently involve allegations of patent or trademark infringement.

- *Research:* This covers all activities related to the acquisition, maintenance, and application of analytical and technical trade expertise. This expertise is applied through studies regarding the performance and global competitiveness of various U.S. industries, the impact of changes in trade policy on the overall economy or subsets thereof, trade and competitiveness issues, and the probable economic effect of tariff reductions and trade agreements.

- *Trade Information Services:* This covers a wide range of activities that provide Commission staff, the Congress, the Executive Branch, and the general public with reliable and timely trade information and analysis. These activities include work on legislative reports for Congress, the maintenance and publication of Harmonized Tariff Schedule of the United States, maintenance of a tariff and trade database (Dataweb), and library services. Also included within this operation is the development of trade data compilations tailored for use by U.S. negotiators, and nomenclature expertise and related assistance to U.S. trade negotiating delegations (prin-

cipally to the World Trade Organization and the World Customs Organization) as well as Congressional staff.

• *Trade Policy Support:* This covers direct support activities for policy makers such as the provision of technical expertise and objective information on trade issues to congressional committees and members' offices, the United States Trade Representative, interagency committees, and U.S. delegations to multilateral organizations.

All of these operations define the output of the Commission, emphasizing the benefits that the Commission provides in facilitating an open trading system based on the rule of law and economic self-interest. Within each operation, specific critical success indicators and strategic goals are identified. The Commission's Strategic Plan, Performance Plan, and Performance Report are available at <http://www.usitc.gov>.

Pursuant to section 175 of the Trade Act of 1974, the budget estimates for the Commission are transmitted to Congress without revision by the President.

**Object Classification** (in millions of dollars)

Identification code 34-0100-0-1-153	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	30	31	33
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	31	32	34
12.1 Civilian personnel benefits .....	7	7	8
23.1 Rental payments to GSA .....	5	6	6
25.2 Other services .....	6	5	6
25.3 Other purchases of goods and services from Government accounts .....	2	2	2
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.9 Total new obligations .....	53	54	58

**Personnel Summary**

Identification code 34-0100-0-1-153	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	357	395	395

**JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION**

**Trust Funds**

**JAMES MADISON MEMORIAL FELLOWSHIP TRUST FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 95-8282-0-7-502	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.40 Earnings on investments .....	3	3	3
<b>Appropriations:</b>			
05.00 James Madison Memorial Fellowship Trust Fund .....	-3	-3	-3
07.99 Balance, end of year .....			

**Program and Financing** (in millions of dollars)

Identification code 95-8282-0-7-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Fellowship awards .....	1	1	1
00.02 Program administration .....	1	1	1
10.00 Total new obligations .....	2	2	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	37	38	39
22.00 New budget authority (gross) .....	3	3	3
23.90 Total budgetary resources available for obligation .....	40	41	42
23.95 Total new obligations .....	-2	-2	-2

24.40 Unobligated balance carried forward, end of year .....	38	39	40
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**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....	3	3	3

**Change in obligated balances:**

73.10 Total new obligations .....	2	2	2
73.20 Total outlays (gross) .....	-2	-2	-2

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	2	2	2
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**Net budget authority and outlays:**

89.00 Budget authority .....	3	3	3
90.00 Outlays .....	2	2	2

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities: Par value .....	37	37	45
92.02 Total investments, end of year: Federal securities: Par value .....	37	45	45

Public Laws 99-500, 101-208, and 102-221 established the James Madison Memorial Fellowship Foundation to operate a fellowship program to encourage graduate study of the framing, principles, and history of the American Constitution. Appropriations of \$10 million in 1988 and 1989 established the foundation's trust fund. The funds have been invested by the Secretary of the Treasury in U.S. Treasury securities, and the interest earned on these funds is available for carrying out the activities of the foundation. Funds raised from private sources and the surcharges from commemorative coin sales are also placed in the trust fund.

The foundation is authorized to award graduate fellowships of up to \$24,000 to high school teachers of American history, American government, and social studies. College seniors and recent college graduates who want to become secondary school teachers of these subjects are also eligible.

*Fellowship awards.*—This activity is comprised of fellowship awards to cover educational expenses. It also supports the foundation's annual Summer Institute on the U.S. Constitution, which all current fellows are required to attend. The Institute is an intensive educational experience that will ensure that all fellows know the history of the framing, ratification, and implementation of the U.S. Constitution and the Bill of Rights. The foundation awarded 56 fellowships in 2002 and plans to award at least 65 in both 2003 and 2004.

*Program administration.*—This activity covers the costs of planning, fund-raising, and the operation of the fellowship program.

**Object Classification** (in millions of dollars)

Identification code 95-8282-0-7-502	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	1	1	1
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	2	2	2

**Personnel Summary**

Identification code 95-8282-0-7-502	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	6	6	6

**JAPAN-UNITED STATES FRIENDSHIP  
COMMISSION**

**Trust Funds**

**JAPAN-UNITED STATES FRIENDSHIP TRUST FUND**

**Unavailable Collections** (in millions of dollars)

Identification code 95-8025-0-7-154	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	41	39	39
Receipts:			
02.40 Interest on investment in public debt securities	1	3	3
04.00 Total: Balances and collections	42	42	42
Appropriations:			
05.00 Japan-United States friendship trust fund	-3	-3	-3
05.99 Total appropriations	-3	-3	-3
07.99 Balance, end of year	39	39	39

**Program and Financing** (in millions of dollars)

Identification code 95-8025-0-7-154	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Grants	2	2	2
00.02 Administration	1	1	1
10.00 Total new obligations	3	3	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	42	40	40
22.00 New budget authority (gross)	3	3	3
23.90 Total budgetary resources available for obligation	45	43	43
23.95 Total new obligations	-3	-3	-3
24.40 Unobligated balance carried forward, end of year	40	40	40
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund)	1	3	3
60.28 Appropriation (unavailable balances)	42		
60.45 Portion precluded from obligation	-40		
62.50 Appropriation (total mandatory)	3	3	3
<b>Change in obligated balances:</b>			
73.10 Total new obligations	3	3	3
73.20 Total outlays (gross)	-3	-3	-3
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	3	3	3
90.00 Outlays	3	3	3
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value	42	40	42
92.02 Total investments, end of year: Federal securities:			
Par value	40	42	42

The Japan-United States Friendship Act of 1975 established the Japan-United States Friendship Trust Fund and created the Japan-United States Friendship Commission to make grants for the promotion of scholarly, cultural, and artistic activities between Japan and the United States. The Commission is authorized to make expenditures from the fund in an amount not to exceed 5 percent annually of the fund's original principal to pay Commission expenses and make grants to support Japanese studies in American universities, policy oriented research, faculty and other professional exchanges, public affairs programs, and other cultural and educational activities primarily in the United States.

**Object Classification** (in millions of dollars)

Identification code 95-8025-0-7-154	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions	2	2	2
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	3	3	3

**Personnel Summary**

Identification code 95-8025-0-7-154	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment	4	6	6

**LEGAL SERVICES CORPORATION**

**Federal Funds**

**General and special funds:**

**PAYMENT TO THE LEGAL SERVICES CORPORATION**

*For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, as amended, \$329,300,000, of which \$310,000,000 is for basic field programs and required independent audits; \$2,600,000 is for the Office of Inspector General, of which such amounts as may be necessary may be used to conduct additional audits of recipients; \$14,500,000 is for management and administration; and \$2,200,000 is for client self-help and information technology.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 20-0501-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	329	329	329
10.00 Total new obligations (object class 41.0)	329	329	329
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	329	329	329
23.95 Total new obligations	-329	-329	-329
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	329	329	329
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	37	34	29
73.10 Total new obligations	329	329	329
73.20 Total outlays (gross)	-333	-334	-334
74.40 Obligated balance, end of year	34	29	24
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	296	301	301
86.93 Outlays from discretionary balances	37	33	33
87.00 Total outlays (gross)	333	334	334
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	329	329	329
90.00 Outlays	333	334	334

The Legal Services Corporation distributes appropriated funds to local non-profit organizations that provide free civil legal assistance, according to locally-determined priorities, to people living in poverty. The Congress chartered the corporation as a private, non-profit entity outside of the Federal government.

ADMINISTRATIVE PROVISION—LEGAL SERVICES CORPORATION

None of the funds appropriated in this Act to the Legal Services Corporation shall be expended for any purpose prohibited or limited by, or contrary to any of the provisions of, sections 501, 502, 503, 504, 505, and 506 of Public Law 105-119, and all funds appropriated in this Act to the Legal Services Corporation shall be subject to the same terms and conditions set forth in such sections, except that all references in sections 502 and 503 to 1997 and 1998 shall be deemed to refer instead to 2003 and 2004, respectively.

MARINE MAMMAL COMMISSION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Marine Mammal Commission as authorized by title II of Public Law 92-522, as amended, \$1,856,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 95-2200-0-1-302	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity		2	2
10.00 Total new obligations	2	2	2
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	2	2	2
23.95 Total new obligations	-2	-2	-2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	2	2	2
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year		1	
73.10 Total new obligations	2	2	2
73.20 Total outlays (gross)	-2	-2	-2
74.40 Obligated balance, end of year	1		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	2	2	2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	2	2	2
90.00 Outlays	2	2	2

The Commission recommends national and international marine mammal policies; develops scientific and management programs; reviews the status of marine mammal populations; recommends to the Secretaries of Commerce, the Interior, Defense, and State steps to conserve marine mammals domestically and internationally; and manages a research program.

Object Classification (in millions of dollars)

Identification code 95-2200-0-1-302	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent	1	1	1
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	2	2	2

Personnel Summary

Identification code 95-2200-0-1-302	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment	10	10	10

MERIT SYSTEMS PROTECTION BOARD

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and direct procurement of survey printing, \$35,503,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 41-0100-0-1-805	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Adjudication	26	27	31
00.02 Merit system studies	1	1	1
00.03 Management support	3	3	4
09.00 Reimbursable program	3	3	
10.00 Total new obligations	33	34	36
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	33	34	36
23.95 Total new obligations	-33	-34	-36
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	31	32	36
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	3	3	
70.00 Total new budget authority (gross)	33	34	36
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	11	5	5
73.10 Total new obligations	33	34	36
73.20 Total outlays (gross)	-38	-35	-36
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	5	5	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	33	32	33
86.93 Outlays from discretionary balances	6	3	3
87.00 Total outlays (gross)	38	35	36
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-3	-3	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	31	32	36
90.00 Outlays	36	31	36
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority	2	2	2
99.01 Outlays	2	2	2

Established by the Civil Service Reform Act of 1978, the Board serves as guardian of the Federal Government's merit-based system of employment, principally by hearing and deciding appeals from Federal employees of removals and other major personnel actions. The Board also hears and decides other types of civil service cases, reviews regulations of the Office of Personnel Management, and conducts studies of the merit systems. The intended results (outcomes) of MSPB's efforts are to assure that (1) personnel actions taken involving employees are processed within the law, and (2) actions taken by OPM and other agencies support and enhance Federal merit principles.

The number of decisions issued by the Board is shown in the following table:

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**DECISIONS ISSUED**

	2002 actual	2003 est.	2004 est.
Retirement (legal-disability) .....	1,818	1,900	1,900
Adverse action appeals .....	3,448	3,500	3,500
Reduction-in-force appeals .....	175	200	200
Other .....	3,063	3,000	3,000

**Object Classification (in millions of dollars)**

Identification code 41-0100-0-1-805	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	17	18	21
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	18	19	22
12.1 Civilian personnel benefits .....	4	4	4
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
25.2 Other services .....	3	4	4
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	30	32	35
99.0 Reimbursable obligations .....	3	3	
99.5 Below reporting threshold .....			1
99.9 Total new obligations .....	33	34	36

**Personnel Summary**

Identification code 41-0100-0-1-805	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	200	202	228
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	26	26	

**MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION**

**Federal Funds**

**General and special funds:**

**FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY TRUST FUND**

For payment to the Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund, pursuant to the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5601 et seq.), \$372,000, to remain available until expended of which \$100,000 shall be used to conduct financial audits pursuant to the Accountability of Tax Dollars Act of 2002 (P.L. 107-289) notwithstanding sections 8 and 9 of P.L. 102-259: Provided, That up to 60 percent of such funds may be transferred by the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation for the necessary expenses of the Native Nations Institute.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-0900-0-1-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	2	1	1
10.00 Total new obligations (object class 25.3) .....	2	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	2	2	

23.95 Total new obligations .....	-2	-1	-1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2	2	
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	2	1	1
73.20 Total outlays (gross) .....	-2	-2	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	2	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2	2	
90.00 Outlays .....	2	2	

The General Fund payment to the Morris K. Udall Fund is invested in Treasury securities with maturities suitable to the needs of the Fund. Interest earnings from the investments are used to carry out the activities of the Morris K. Udall Foundation. The Foundation awards scholarships, fellowships and grants, and funds activities of the Udall Center. In 2000, Public Law 106-568 authorized the Morris K. Udall Foundation to establish training programs for professionals in health care policy and public policy, such as the Native Nations Institute (NNI). NNI, based at the University of Arizona, will provide Native Americans with leadership and management training and analyze policies relevant to tribes.

**ENVIRONMENTAL DISPUTE RESOLUTION FUND**

For payment to the Environmental Dispute Resolution Fund to carry out activities authorized in the Environmental Policy and Conflict Resolution Act of 1998, \$700,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 95-5415-0-2-306	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.20 Fees for services .....	1	2	1
Appropriations:			
05.00 Environmental dispute resolution fund .....	-1	-2	-1
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 95-5415-0-2-306	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	5	5	5
10.00 Total new obligations .....	5	5	5
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	3	2	
22.00 New budget authority (gross) .....	2	3	2
23.90 Total budgetary resources available for obligation .....	5	5	2
23.95 Total new obligations .....	-5	-5	-5
24.40 Unobligated balance carried forward, end of year .....	2		-1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	1	1
Mandatory:			
60.20 Appropriation (special fund) .....	1	2	1
70.00 Total new budget authority (gross) .....	2	3	2
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	3

73.10	Total new obligations .....	5	5	5
73.20	Total outlays (gross) .....	-3	-3	-2
74.40	Obligated balance, end of year .....	1	3	6
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	1	1	1
86.93	Outlays from discretionary balances .....	1	1	.....
86.97	Outlays from new mandatory authority .....	1	1	1
87.00	Total outlays (gross) .....	3	3	2
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	2	3	2
90.00	Outlays .....	3	3	2
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities: Par value .....	2	.....	4
92.02	Total investments, end of year: Federal securities: Par value .....	.....	4	4

The U.S. Institute for Environmental Conflict Resolution is a Federal program established by P.L. 105-156 to assist parties in resolving environmental, natural resource, and public lands conflicts. The Institute is part of the Morris K. Udall Foundation, and serves as an impartial, non-partisan institution providing professional expertise, services, and resources to all parties involved in such disputes. The Institute helps parties determine whether collaborative problem solving is appropriate for specific environmental conflicts, how and when to bring all the parties to the table, and whether a third-party facilitator or mediator might be helpful in assisting the parties in their efforts to reach consensus or to resolve the conflict. In addition, the Institute maintains a roster of qualified facilitators and mediators with substantial experience in environmental conflict resolution, and can help parties in selecting an appropriate neutral. (See [www.ecr.gov](http://www.ecr.gov) for more information about the Institute.)

**Object Classification** (in millions of dollars)

Identification code 95-5415-0-2-306	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....	1	1	1
99.5 Below reporting threshold .....	4	4	4
99.9 Total new obligations .....	5	5	5

**Personnel Summary**

Identification code 95-5415-0-2-306	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	17	19	19

**Trust Funds**

**MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION**

**Unavailable Collections** (in millions of dollars)

Identification code 95-8615-0-7-502	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	24	24	25
Receipts:			
02.40 General fund payments .....	2	2	4
02.41 Interest on investments .....	.....	1	1
02.99 Total receipts and collections .....	2	3	5
04.00 Total: Balances and collections .....	26	27	30
Appropriations:			
05.00 Morris K. Udall Scholarship fund .....	-2	-2	.....
07.99 Balance, end of year .....	24	25	30

**Program and Financing** (in millions of dollars)

Identification code 95-8615-0-7-502	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	2	1	1
10.00 Total new obligations (object class 41.0) .....	2	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	28	28	29
22.00 New budget authority (gross) .....	2	2	.....
23.90 Total budgetary resources available for obligation	30	30	29
23.95 Total new obligations .....	-2	-1	-1
24.40 Unobligated balance carried forward, end of year .....	28	29	29
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	2	2	.....
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	.....	.....	1
73.10 Total new obligations .....	2	1	1
73.20 Total outlays (gross) .....	-2	-2	.....
74.40 Obligated balance, end of year .....	.....	1	1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	2	2	.....
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2	2	.....
90.00 Outlays .....	2	2	.....
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	27	17	32
92.02 Total investments, end of year: Federal securities: Par value .....	17	32	32

Public Law 102-259 established the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation to provide educational resources to promote studies in the natural environment and Native American public health and tribal policy.

In 2002, the Foundation awarded 80 undergraduate scholarships. Twelve Native American Congressional Summer Internship Program recipients spent ten weeks in Congressional offices and the White House participating in a program created by the Udall Foundation.

In 2003 and 2004, the Foundation will maintain its current level of scholarships and internships.

**Personnel Summary**

Identification code 95-8615-0-7-502	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	4	4	4

**NATIONAL ARCHIVES AND RECORDS ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**OPERATING EXPENSES**

For necessary expenses in connection with the administration of the National Archives (including the Information Security Oversight Office) and archived Federal records and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, \$294,105,000: Provided, That the Archivist of the United States is authorized to use any excess funds available from the amount borrowed for construction of the National Archives facility, for expenses necessary to provide adequate storage for holdings. (1 U.S.C. 106a,

General and special funds—Continued

OPERATING EXPENSES—Continued

106b, 112, 113, 201; 3 U.S.C. 6, 11–13; 4 U.S.C. 141–146; 5 U.S.C. 552, App. 1; 25 U.S.C. 199a; 44 U.S.C. 710, 711, 729, Chapters 15, 21, 22, 25, 29, 31, 33; Public Law 98–497, Public Law 93–526, Public Law 105–246, Executive Orders 11440, 10530, 11030, 12656, 12829, 12958, 13142, 13233;

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 88–0300–0–1–804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Records services .....	188	197	215
00.02 Archives related services .....	12	11	12
00.03 Electronic records archives .....	10	13	38
00.04 Archives II facility .....	23	22	21
09.88 Reimbursable program .....	3	3	3
10.00 Total new obligations .....	236	246	289
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	15	22	29
22.00 New budget authority (gross) .....	243	253	289
23.90 Total budgetary resources available for obligation	258	275	318
23.95 Total new obligations .....	–236	–246	–289
24.40 Unobligated balance carried forward, end of year .....	22	29	29
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	246	257	294
40.47 Portion applied to repay debt .....	–7	–7	–8
43.00 Appropriation (total discretionary) .....	239	250	286
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	3	3	3
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	4	3	3
70.00 Total new budget authority (gross) .....	243	253	289
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	49	61	9
73.10 Total new obligations .....	236	246	289
73.20 Total outlays (gross) .....	–223	–297	–282
73.40 Adjustments in expired accounts (net) .....	–1		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	–1		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	1		
74.40 Obligated balance, end of year .....	61	9	18
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	193	214	239
86.93 Outlays from discretionary balances .....	30	83	43
87.00 Total outlays (gross) .....	223	297	282
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	–4	–3	–3
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	–1		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	239	250	286
90.00 Outlays .....	219	294	279
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	16	16	16

92.02 Total investments, end of year: Federal securities:			
Par value .....	16	16	16
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	7	7	7
99.01 Outlays .....	7	7	7

The National Archives and Records Administration (NARA) provides for basic operations dealing with management of the Government's archives and records, operation of Presidential Libraries, and for the review for declassification of classified security information.

**Records services.**—This activity provides for selecting, preserving, describing, and making available to the general public, scholars, and Federal agencies the permanently valuable historical records of the Federal Government; the historical materials and Presidential records in Presidential Libraries; for preparing related publications and exhibit programs; and for conducting the appraisal of all Federal records.

Through the records declassification program, historically valuable information in the records of the Federal Government and in donated historical materials are made available to the public by declassifying as much information as possible without endangering the national security.

This activity also provides oversight for the information security program established by Executive Order 12958 as amended by Executive Order 13142 and reports annually to the President on the status of that program. It is also responsible for policy oversight for the National Industrial Security Program established under Executive Order 12829.

**Archives related services.**—This activity provides for the publication of the *Federal Register*, the *Code of Federal Regulations*, the *U.S. Statutes-at-Large*, and Presidential documents, and for a program to improve the quality of regulations and the public's access to them.

This activity also includes the administration and reference services portion for the National Historical Publications and Records Commission. This Commission makes grants nationwide to preserve and publish records that document American history.

**Electronic Records Archives.**—NARA, in research and development collaboration with national and international partners, is developing an Electronic Records Archives (ERA) that will ensure the preservation of and access to Government electronic records. The pace of technological progress makes formats in which the records are stored obsolete within a few years, threatening to make them inaccessible even if they are preserved intact. As NARA's strategic response to meeting these challenges, ERA will preserve electronic records generated in a variety of formats, and enable requesters to access them on computer systems now and in the future. NARA's upcoming systems development tasks include completing a systems requirement specification, system architecture, and system design for ERA. In 2004, NARA will continue to manage the Electronic Records Management (ERM) e-GOV Initiative. The ERM Initiative will complement the ERA planning and design work by providing policies and procedures to guide agencies in managing electronic records.

**Archives II facility.**—Provides for construction and related services of the new archival facility which was opened to the public in 1993. Costs of construction are financed by \$302 million of federally guaranteed debt issued in 1989. Since 1994 and continuing in 2004, the Archives seeks appropriations for the annual payments for interest and redemption of debt to be made under the contract for construction and related services.

**Object Classification** (in millions of dollars)

Identification code 88-0300-0-1-804	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	73	83	86
11.3 Other than full-time permanent .....	2	3	3
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	77	88	91
12.1 Civilian personnel benefits .....	18	20	21
21.0 Travel and transportation of persons .....	1	2	2
23.1 Rental payments to GSA .....	6	6	5
23.3 Communications, utilities, and miscellaneous charges .....	9	10	11
24.0 Printing and reproduction .....	2	2	2
25.1 Advisory and assistance services .....	7	7	8
25.2 Other services .....	30	20	22
25.3 Other purchases of goods and services from Government accounts .....	6	4	4
25.4 Operation and maintenance of facilities .....	27	29	36
25.7 Operation and maintenance of equipment .....	8	8	12
26.0 Supplies and materials .....	4	6	7
31.0 Equipment .....	15	19	44
43.0 Interest and dividends .....	23	22	21
99.0 Direct obligations .....	233	243	286
99.0 Reimbursable obligations .....	3	3	3
99.9 Total new obligations .....	236	246	289

**Personnel Summary**

Identification code 88-0300-0-1-804	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,322	1,394	1,412
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	54	50	49

**REPAIRS AND RESTORATION**

For the repair, alteration, and improvement of archives facilities, and to provide adequate storage for holdings, \$6,458,000, to remain available until expended, of which \$500,000 is for the Military Personnel Records Center requirements study.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 88-0302-0-1-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	35	10	6
09.01 Reimbursable program .....	6		
10.00 Total new obligations .....	41	10	6
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	37	43	43
22.00 New budget authority (gross) .....	46	10	6
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	84	53	49
23.95 Total new obligations .....	-41	-10	-6
24.40 Unobligated balance carried forward, end of year .....	43	43	43
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	40	10	6
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	6		
70.00 Total new budget authority (gross) .....	46	10	6
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	82	80	38
73.10 Total new obligations .....	41	10	6

73.20 Total outlays (gross) .....	-43	-52	-9
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	80	38	33

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	25	5	3
86.93 Outlays from discretionary balances .....	18	47	6
87.00 Total outlays (gross) .....	43	52	9

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-6		

**Net budget authority and outlays:**

89.00 Budget authority .....	40	10	6
90.00 Outlays .....	37	52	9

This account provides for the repair, alteration, and improvement of Archives facilities and Presidential Libraries nationwide, and provides adequate storage for holdings. It will better enable the National Archives to maintain its facilities in proper condition for public visitors, researchers, and employees in NARA facilities, and also maintain the structural integrity of the buildings. Funding requested in 2004 for the requirements study at St. Louis will define the records storage, staff, preservation, and support space required for either a new building or an interim facility while the existing building is being renovated. This study will produce a document that could be used as the foundation for a building design, or provide the requirements for the renovation of the existing military personnel records center and interim relocation space, or provide the requirements for a leased facility.

**Object Classification** (in millions of dollars)

Identification code 88-0302-0-1-804	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services .....	35	10	6
99.0 Reimbursable obligations: Reimbursable obligations .....	6		
99.9 Total new obligations .....	41	10	6

**NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION**

**GRANTS PROGRAM**

For necessary expenses for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, \$5,000,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 88-0301-0-1-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	6	5	5
10.00 Total new obligations (object class 41.0) .....	6	5	5
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	
22.00 New budget authority (gross) .....	6	5	5
23.90 Total budgetary resources available for obligation .....	7	6	5
23.95 Total new obligations .....	-6	-5	-5
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	6	5	5
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	9	9	4
73.10 Total new obligations .....	6	5	5
73.20 Total outlays (gross) .....	-7	-9	-7

**General and special funds—Continued**

**NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION—Continued**

**GRANTS PROGRAM—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 88-0301-0-1-804	2002 actual	2003 est.	2004 est.
74.40 Obligated balance, end of year .....	9	4	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	4	4
86.93 Outlays from discretionary balances .....	5	5	3
87.00 Total outlays (gross) .....	7	9	7
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	6	5	5
90.00 Outlays .....	7	9	7

*National Historical Publications and Records Commission Grants.*—This program provides for grants funding that the Commission makes, nationwide, to preserve and publish records that document American history. Administered within the National Archives, which preserves Federal records, the NHPRC helps state, local, and private institutions preserve non-Federal records, helps publish the papers of major figures in American history, and helps archivists and records managers improve their techniques, training, and ability to serve a range of information users.

**Intragovernmental fund:**

**RECORDS CENTER REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 88-4578-0-4-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	120	118	122
09.99 Total reimbursable program .....	120	118	122
10.00 Total new obligations .....	120	118	122
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	19	13	14
22.00 New budget authority (gross) .....	111	119	123
22.10 Resources available from recoveries of prior year obligations .....	3		
23.90 Total budgetary resources available for obligation .....	133	132	137
23.95 Total new obligations .....	-120	-118	-122
24.40 Unobligated balance carried forward, end of year .....	13	14	15

<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash) .....	110	119	123
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	111	119	123

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-3	-2	-1
73.10 Total new obligations .....	120	118	122
73.20 Total outlays (gross) .....	-115	-117	-119
73.45 Recoveries of prior year obligations .....	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	-2	-1	

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	103	107	111
86.93 Outlays from discretionary balances .....	12	10	8
87.00 Total outlays (gross) .....	115	117	119

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-110	-119	-123
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....	4	-2	-4

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....			
99.01 Outlays .....			

The NARA Records Center Revolving Fund utilizes operations effectively by providing services on a standard price basis to Federal agency customers. The fund maintains low cost, quality storage and accession, reference, refile, and disposal services for records stored in service centers.

**Object Classification (in millions of dollars)**

Identification code 88-4578-0-4-804	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	38	39	40
11.3 Other than full-time permanent .....	4	4	4
11.5 Other personnel compensation .....	1	2	2
11.9 Total personnel compensation .....	43	45	46
12.1 Civilian personnel benefits .....	11	11	12
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	40	45	47
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
25.2 Other services .....	8	3	3
25.3 Other purchases of goods and services from Government accounts .....	6	5	5
25.7 Operation and maintenance of equipment .....	1	3	3
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	4	1	1
32.0 Land and structures .....	3	1	1
99.9 Total new obligations .....	120	118	122

**Personnel Summary**

Identification code 88-4578-0-4-804	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1,262	1,275	1,275

**Trust Funds**

**NATIONAL ARCHIVES GIFT FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 88-8127-0-7-804	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.00 National Archives gift fund .....	6	5	3
<b>Appropriations:</b>			
05.00 National Archives gift fund .....	-6	-5	-3
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 88-8127-0-7-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program .....	6	5	3
10.00 Total new obligations (object class 25.2) .....	6	5	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	7	8	8
22.00 New budget authority (gross) .....	6	5	3
22.10 Resources available from recoveries of prior year obligations .....	1		

23.90	Total budgetary resources available for obligation	14	13	11
23.95	Total new obligations	-6	-5	-3
24.40	Unobligated balance carried forward, end of year	8	8	8

**New budget authority (gross), detail:**

Mandatory:				
60.26	Appropriation (trust fund)	6	5	3

**Change in obligated balances:**

72.40	Obligated balance, start of year	1	5	8
73.10	Total new obligations	6	5	3
73.20	Total outlays (gross)	-2	-2	-1
73.45	Recoveries of prior year obligations	-1		
74.40	Obligated balance, end of year	5	8	10

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority	2	2	1
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**Net budget authority and outlays:**

89.00	Budget authority	6	5	3
90.00	Outlays	2	2	1

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: Federal securities: Par value	4	8	6
92.02	Total investments, end of year: Federal securities: Par value	8	6	6

The National Archives Trust Fund Board may solicit and accept gifts or bequests of money, securities, or other personal property, for the benefit of or in connection with the national archival and records activities administered by the National Archives and Records Administration (44 U.S.C. 2305).

In accordance with 44 U.S.C. 2112, the Bush Presidential Library received a \$4 million endowment from the Bush Library Foundation. The money was deposited in the gift fund and invested in accordance with established National Archives Trust and Gift Fund procedures. Income earned on the investment will be used to offset a portion of the Library's operation and maintenance costs.

NATIONAL ARCHIVES TRUST FUND

Unavailable Collections (in millions of dollars)

Identification code 88-8436-0-8-804	2002 actual	2003 est.	2004 est.
01.99	Balance, start of year		
Receipts:			
02.80	National Archives trust fund, offsetting collections	17	21
Appropriations:			
05.00	National Archives trust fund	-17	-21
07.99	Balance, end of year		

Program and Financing (in millions of dollars)

Identification code 88-8436-0-8-804	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01	Sales	11	12
09.02	Presidential libraries	8	9
10.00	Total new obligations	19	21

**Budgetary resources available for obligation:**

21.40	Unobligated balance carried forward, start of year	11	11	11
22.00	New budget authority (gross)	17	21	19
23.90	Total budgetary resources available for obligation	28	32	30
23.95	Total new obligations	-19	-21	-19
24.40	Unobligated balance carried forward, end of year	11	11	11

**New budget authority (gross), detail:**

Mandatory:				
69.00	Offsetting collections (cash)	17	21	19

**Change in obligated balances:**

72.40	Obligated balance, start of year	2	2	2
73.10	Total new obligations	19	21	19

73.20	Total outlays (gross)	-18	-21	-19
74.40	Obligated balance, end of year	2	2	2

**Outlays (gross), detail:**

86.97	Outlays from new mandatory authority	17	21	19
86.98	Outlays from mandatory balances	1		
87.00	Total outlays (gross)	18	21	19

**Offsets:**

Against gross budget authority and outlays:

88.40	Offsetting collections (cash) from: Non-Federal sources	-17	-21	-19
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**Net budget authority and outlays:**

89.00	Budget authority			
90.00	Outlays			

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: Federal securities: Par value	13	12	12
92.02	Total investments, end of year: Federal securities: Par value	12	12	12

The Archivist of the United States furnishes, for a fee, copies of unrestricted records in the custody of the National Archives (44 U.S.C. 2116).

Proceeds from the sale of copies of microfilm publications, reproductions, special works, and other publications, and admission fees to Presidential Library museum rooms are deposited in this fund (44 U.S.C. 2112, 2307).

Object Classification (in millions of dollars)

Identification code 88-8436-0-8-804	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1	Full-time permanent	4	4
11.3	Other than full-time permanent	1	1
11.9	Total personnel compensation	5	5
12.1	Civilian personnel benefits	1	1
23.3	Communications, utilities, and miscellaneous charges	1	1
24.0	Printing and reproduction	1	1
25.2	Other services	6	6
25.3	Other purchases of goods and services from Government accounts	4	4
26.0	Supplies and materials	2	2
31.0	Equipment	1	1
99.9	Total new obligations	19	21

Personnel Summary

Identification code 88-8436-0-8-804	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001	Total compensable workyears: Civilian full-time equivalent employment	113	117

NATIONAL CAPITAL PLANNING COMMISSION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71-71i), including services as authorized by 5 U.S.C. 3109, \$8,230,000: Provided, That for fiscal year 2004 and thereafter, all appointed members of the Commission will be compensated at a rate not to exceed the daily equivalent of the annual rate of pay for positions at level IV of the Executive Schedule for each day such member is engaged in the actual performance of duties.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Program and Financing (in millions of dollars)**

Identification code 95-2500-0-1-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	8	7	8
10.00 Total new obligations .....	8	7	8
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	8	7	8
23.95 Total new obligations .....	-8	-7	-8
23.98 Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	8	7	8
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	8	7	8
73.20 Total outlays (gross) .....	-8	-7	-8
73.40 Adjustments in expired accounts (net) .....	1		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	8	7	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	8	7	8
90.00 Outlays .....	8	7	8

The National Capital Planning Commission (NCPC) is the central planning agency for the Federal government in the National Capital Region. It develops long-range plans and conducts project reviews to ensure the orderly development of the National Capital Region. In 2004, NCPC will work with the District of Columbia and its federal partners to complete the planning, design, and construction necessary to create a pedestrian-friendly civic space on Pennsylvania Avenue in front of the White House. In addition, NCPC will work with the District and other federal agencies to ensure that all selected high priority urban design and security streetscape projects, identified because of their immediate security needs and/or symbolic significance, comply with the National Capital Urban Design and Security Plan.

**Object Classification (in millions of dollars)**

Identification code 95-2500-0-1-451	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	5	5	6
23.1 Rental payments to GSA .....	1	1	1
25.1 Advisory and assistance services .....	2	1	1
99.9 Total new obligations .....	8	7	8

**Personnel Summary**

Identification code 95-2500-0-1-451	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	52	57	57

**PENNSYLVANIA AVENUE RESTORATION FUND**

**Program and Financing (in millions of dollars)**

Identification code 95-2501-0-1-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		6	
10.00 Total new obligations (object class 25.1) .....		6	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		6	

23.95 Total new obligations .....		-6	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....		6	
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		6	
73.20 Total outlays (gross) .....		-6	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....		6	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		6	
90.00 Outlays .....		6	

**NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses for the National Commission on Libraries and Information Science, established by Public Law 91-345, as amended, \$1,000,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-2700-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	1	1	1
10.00 Total new obligations (object class 11.1) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1	1	1
23.95 Total new obligations .....	-1	-1	-1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	1	1
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2		
73.10 Total new obligations .....	1	1	1
73.20 Total outlays (gross) .....	-2	-2	-1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1	1	1
86.93 Outlays from discretionary balances .....	1	1	
87.00 Total outlays (gross) .....	2	2	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	2	2	1

The Commission has been responsible for developing plans and recommendations for meeting the library and information needs of the Nation, for coordinating Federal, State, and local activities to meet these needs, for advising the President and the Congress on implementation of national and international library and information services policies, and for providing advice on general policies about library services under the Museum and Library Services Act.

**Personnel Summary**

Identification code 95-2700-0-1-503	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment .....	5	6	6

**Personnel Summary**

Identification code 95-3500-0-1-506	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	12	13	13

**NATIONAL COUNCIL ON DISABILITY**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For expenses necessary for the National Council on Disability as authorized by title IV of the Rehabilitation Act of 1973, as amended, \$2,830,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-3500-0-1-506	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	3	3
10.00 Total new obligations .....	3	3	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	3	3	3
23.95 Total new obligations .....	-3	-3	-3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		1	3
73.10 Total new obligations .....	3	3	3
73.20 Total outlays (gross) .....	-3	-3	-3
74.40 Obligated balance, end of year .....	1	3	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	3	3
90.00 Outlays .....	2	3	3

The National Council on Disability (NCD) is composed of 15 members appointed by the President and confirmed by the U.S. Senate. Established under the Rehabilitation Act of 1973, as amended, the NCD is responsible for reviewing the Federal Government's laws, programs, and policies which affect people with disabilities. The NCD also makes recommendations on issues affecting individuals with disabilities and their families to the President, Congress, the Rehabilitation Services Administration, the National Institute on Disability and Rehabilitation Research, and other Federal Departments and agencies.

**Object Classification (in millions of dollars)**

Identification code 95-3500-0-1-506	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....	1	1	1
99.5 Below reporting threshold .....	2	2	2
99.9 Total new obligations .....	3	3	3

**NATIONAL CREDIT UNION ADMINISTRATION**

**Federal Funds**

**Public enterprise funds:**

**OPERATING FUND**

**Program and Financing (in millions of dollars)**

Identification code 25-4056-0-3-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Examination and supervision .....	90	96	98
09.03 Administration .....	43	50	52
09.99 Total reimbursable program .....	133	146	150
10.00 Total new obligations .....	133	146	150
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	23	30	30
22.00 New budget authority (gross) .....	140	146	150
23.90 Total budgetary resources available for obligation .....	107	119	123
23.95 Total new obligations .....	-133	-146	-150
24.40 Unobligated balance carried forward, end of year .....	30	30	30
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	140	146	150
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	61	57	57
73.10 Total new obligations .....	133	146	150
73.20 Total outlays (gross) .....	-137	-146	-150
74.40 Obligated balance, end of year .....	57	57	57
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	137	146	150
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-86	-90	-93
88.40 Non-Federal sources .....	-54	-56	-57
88.90 Total, offsetting collections (cash) .....	-140	-146	-150
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-3		
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	28	31	31
92.02 Total investments, end of year: Federal securities:			
Par value .....	31	31	31

Federal credit unions are privately owned, cooperative associations organized for the purpose of promoting thrift among their members and creating a source of credit for provident or productive purposes, authorized by the Federal Credit Union Act of 1934, as amended.

The Administration's activities consist of: (a) Insuring deposits of Federal credit unions, (b) chartering new Federal credit unions, (c) making periodic examinations of their financial condition and operating practices, and (d) providing administrative services. The operating fund is reimbursed for the insurance fund's share of the agency's administrative expenses by the insurance fund. The reimbursement percentage, which is reviewed and adjusted periodically, is currently at 66.72 percent. Data relating to activities are shown below:

**Public enterprise funds—Continued**

**OPERATING FUND—Continued**

Item:	2002 actual	2003 est.	2004 est.
Number of new Federal credit unions chartered .....	3	6	6
Number of operating Federal credit unions .....	6,032	5,851	5,676
Assets of Federal credit unions as of June 30 (in millions) .....	\$262,574	\$270,077	\$284,000

**Object Classification (in millions of dollars)**

Identification code 25-4056-0-3-373	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	82	90	94
11.3 Other than full-time permanent .....	3	3	3
11.9 Total personnel compensation .....	85	93	97
12.1 Civilian personnel benefits .....	24	22	23
21.0 Travel and transportation of persons .....	13	13	14
23.3 Communications, utilities, and miscellaneous charges .....	4	4	4
24.0 Printing and reproduction .....	1		
25.2 Other services .....	5	13	11
31.0 Equipment .....	1	1	1
99.9 Total new obligations .....	133	146	150

**Personnel Summary**

Identification code 25-4056-0-3-373	2002 actual	2003 est.	2004 est.
2001 Total compensable workyears: Civilian full-time equivalent employment .....	963	971	971

**CREDIT UNION SHARE INSURANCE FUND**

**Program and Financing (in millions of dollars)**

Identification code 25-4468-0-3-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
<b>Operating expenses:</b>			
00.01 Payments to the operating fund for services and facilities .....	86	90	93
00.03 Other .....	2	2	3
00.91 Total operating expenses .....	88	92	96
01.02 Liquidation Expenses .....	9	11	13
10.00 Total new obligations .....	97	103	109
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4,929	5,522	6,175
22.00 New budget authority (gross) .....	690	756	790
23.90 Total budgetary resources available for obligation .....	5,619	6,278	6,965
23.95 Total new obligations .....	-97	-103	-109
24.40 Unobligated balance carried forward, end of year .....	5,522	6,175	6,856
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
69.00 Offsetting collections (cash) .....	690	756	790
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-399	-375	-348
73.10 Total new obligations .....	97	103	109
73.20 Total outlays (gross) .....	-73	-76	-79
74.40 Obligated balance, end of year .....	-375	-348	-318
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	73	76	79
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.20 Interest on Federal securities .....	-223	-232	-241
<b>Non-Federal sources:</b>			
88.40 Deposit from members .....	-465	-512	-548
88.40 Recoveries on assets acquired .....		-5	
88.40 Other interest income .....	-2	-7	-1
88.90 Total, offsetting collections (cash) .....	-690	-756	-790

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....	-617	-680	-711

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value .....	4,543	5,149	5,664
92.02 Total investments, end of year: Federal securities:			
Par value .....	5,149	5,664	6,060

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 25-4468-0-3-373	2002 actual	2003 est.	2004 est.
<b>Position with respect to appropriations act limitation on commitments:</b>			
2111 Limitation on guaranteed loans made by private lenders .....			
2131 Guaranteed loan commitments exempt from limitation .....	3	6	4
2150 Total guaranteed loan commitments .....	3	6	4
2199 Guaranteed amount of guaranteed loan commitments .....	3	6	4
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	1	4	6
2231 Disbursements of new guaranteed loans .....	4	3	4
2251 Repayments and prepayments .....	-1	-1	-6
2263 Adjustments: Terminations for default that result in claim payments .....			
2290 Outstanding, end of year .....	4	6	4
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	4	6	4

The insurance fund is used to carry out a program of insurance for member accounts in Federal credit unions and State-chartered credit unions which apply and qualify for insurance, authorized by Public Law 91-468, enacted October 19, 1970.

**Budget program.**—The activities consist of: (a) providing member account insurance, (b) formulating standards and requirements for insured credit unions, and (c) providing for liquidation or other disposition of the assets and liabilities of solvent and insolvent insured credit unions. The fund also reimburses the operating fund for its share of the Agency's administrative costs. The reimbursement percentage, which is reviewed and adjusted periodically, is estimated at 62 percent for 2002, and will be 62 percent for 2003.

The extent of the program is estimated as follows:

Item:	2002 actual	2003 est.	2004 est.
Number of insured credit unions .....	9,814	9,520	9,234
Insured shares of member institutions as of June 30 (in millions of dollars) .....	\$432,438	\$475,682	\$508,980

It is estimated that approximately 3,669 State-chartered credit unions will be enrolled in the program by the end of 2003.

**Financing.**—For insurance year 2002 there was no annual insurance premium assessment. As a result of Public Law 98-369 (July 18, 1984), each insured credit union is also required to deposit and maintain in the insurance fund 1 percent of its member share accounts. The fund is structured to be entirely self supporting through the monies paid by member credit unions. The monies received plus the income generated from their investment are expected to cover all administrative and financial costs, as well as increase the fund balance proportionate to insured share growth. In 2001 the income generated from the 1 percent deposit eliminated the need to assess a premium. The fund has \$100 million in borrowing authority from the Treasury for use in unforeseen emergencies. The reserve requirement was changed in 2000 due to the provisions of the Credit Union Membership Access Act (P.L. 105-219), which requires the normal operating level, an equity ratio specified by the Board, to be not less than 1.2 percent and not more than 1.5 percent.

For 2002, the Board set the normal operating level at 1.3 percent prior to the beginning of the calendar year.

**Operating results.**—Anticipated net income of \$140 million will be retained in the fund, raising the balance to \$6.2 billion by the end of 2003.

**Object Classification** (in millions of dollars)

Identification code 25-4468-0-3-373	2002 actual	2003 est.	2004 est.
25.2 Other services .....	88	92	96
42.0 Insurance claims and indemnities .....	9	11	13
99.9 Total new obligations .....	97	103	109

**CENTRAL LIQUIDITY FACILITY**  
(INCLUDING TRANSFER OF FUNDS)

*During fiscal year 2004, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions, as authorized by 12 U.S.C. 1795 et seq., shall not exceed \$1,500,000,000: Provided, That administrative expenses of the Central Liquidity Facility shall not exceed \$310,000: Provided further, That \$1,000,000 shall be transferred to the Community Development Revolving Loan Fund, of which \$700,000, together with amounts of principal and interest on loans repaid, shall be available until expended for loans to community development credit unions, and \$300,000 shall be available until expended for technical assistance to low-income and community development credit unions.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 25-4470-0-3-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.03 Dividends on capital stock .....	35	36	37
09.09 Operating Expenses—subtotal .....	35	36	37
Capital Investment:			
09.11 Net loans to credit unions, total Capital investment, funded .....	101	105	109
09.19 Total capital investment—subtotal .....	101	105	109
10.00 Total new obligations .....	136	141	146
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	136	143	148
23.95 Total new obligations .....	-136	-141	-146
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	1	1	1
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	135	142	147
70.00 Total new budget authority (gross) .....	136	143	148
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	136	141	146
73.20 Total outlays (gross) .....	-136	-143	-147
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	136	143	147
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities .....	-30	-32	-33
88.40 Non-Federal Capital Stock Purchases .....	-105	-110	-114
88.90 Total, offsetting collections (cash) .....	-135	-142	-147
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1

**Status of Direct Loans** (in millions of dollars)

Identification code 25-4470-0-3-373	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	1,500	1,500	1,500
1142 Unobligated direct loan limitation (-) .....	-1,399	-1,395	-1,391
1150 Total direct loan obligations .....	101	105	109

The National Credit Union Central Liquidity Facility was established under Public Law 95-630. It began operations on October 1, 1979. The Central Liquidity Facility provides loans to member credit unions for seasonal and emergency needs.

The two primary sources of funds for the Facility are stock subscriptions from credit unions and borrowings from the Federal Financing Bank. Credit unions, which choose to become members of the Facility, are required to purchase stock equal to one-half of 1 percent of their assets. One-half of the subscription in stock is forwarded to the Facility and deposited in the fund. The remaining half of the subscription remains on call in the credit union in investments as approved by the NCUA Board.

**Object Classification** (in millions of dollars)

Identification code 25-4470-0-3-373	2002 actual	2003 est.	2004 est.
33.0 Investments and loans .....	101	105	109
43.0 Interest and dividends .....	35	36	37
99.9 Total new obligations .....	136	141	146

**Personnel Summary**

Identification code 25-4470-0-3-373	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2	2	2

**COMMUNITY DEVELOPMENT CREDIT UNION REVOLVING LOAN FUND****Program and Financing** (in millions of dollars)

Identification code 25-4472-0-3-373	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	3	3
10.00 Total new obligations (object class 33.0) .....	3	3	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	3	3
22.00 New budget authority (gross) .....	4	3	3
23.90 Total budgetary resources available for obligation .....	6	6	6
23.95 Total new obligations .....	-3	-3	-3
24.40 Unobligated balance carried forward, end of year .....	3	3	3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
Mandatory:			
69.00 Offsetting collections (cash) .....	3	2	2
70.00 Total new budget authority (gross) .....	4	3	3
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		2	5
73.10 Total new obligations .....	3	3	3
73.20 Total outlays (gross) .....	-1	-2	-3
74.40 Obligated balance, end of year .....	2	5	5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	1	1	1
86.98 Outlays from mandatory balances .....		1	2

**Public enterprise funds—Continued**

**COMMUNITY DEVELOPMENT CREDIT UNION REVOLVING LOAN FUND—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 25-4472-0-3-373	2002 actual	2003 est.	2004 est.
87.00 Total outlays (gross) .....	1	2	3
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-1	-1	-1
88.40 Non-Federal sources .....	-3	-2	-2
88.90 Total, offsetting collections (cash) .....	-4	-3	-3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-3	-1	
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	2	6	6
92.02 Total investments, end of year: Federal securities:			
Par value .....	6	6	6

**Status of Direct Loans (in millions of dollars)**

Identification code 25-4472-0-3-373	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....			
1121 Limitation available from carry-forward .....	9	9	9
1131 Direct loan obligations exempt from limitation .....	12	13	14
1143 Unobligated limitation carried forward (P.L. xx) (-) .....	-9	-9	-9
1150 Total direct loan obligations .....	12	13	14
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	10	8	9
1231 Disbursements: Direct loan disbursements .....	3	4	5
1251 Repayments: Repayments and prepayments .....	-5	-3	-4
1290 Outstanding, end of year .....	8	9	10

Public Law 99-609, enacted on November 6, 1986, transferred the Community Development Credit Union Revolving Loan Fund from the Department of Health and Human Services to the National Credit Union Administration. The NCUA disbursed loans of \$2,719,000 in 2002 and plans to disburse \$3,500,000 in 2003.

In 2002, excess liquidity decreased credit unions' demand for loans from the Fund. However, in 2004, it is anticipated that excess liquidity will constrict, which will further increase credit union interest to borrow from the Fund and expand services in underserved areas.

**NATIONAL EDUCATION GOALS PANEL**

**Federal Funds**

**General and special funds:**

**NATIONAL EDUCATION GOALS PANEL**

**Program and Financing (in millions of dollars)**

Identification code 95-2650-0-1-503	2002 actual	2003 est.	2004 est.
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1		
73.20 Total outlays (gross) .....	-1		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			

90.00 Outlays .....	1		
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The bipartisan National Education Goals Panel was an independent agency responsible for reporting on progress toward the National Education Goals. Its mission is complete, therefore no new appropriation is requested.

**NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES**

**Federal Funds**

**General and special funds:**

**NATIONAL ENDOWMENT FOR THE ARTS**

**GRANTS AND ADMINISTRATION**

*For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$100,480,000 shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to organizations and individuals pursuant to sections 5(c) and 5(g) of the Act, for program support, and for administering the functions of the Act, to remain available until expended: Provided, That funds previously appropriated to the National Endowment for the Arts "Matching Grants" account may be transferred to and merged with this account.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Unavailable Collections (in millions of dollars)**

Identification code 59-0100-0-1-503	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.00 Gifts and donations .....	1	1	1
Appropriations:			
05.00 Gifts fund .....	-1	-1	-1
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 59-0100-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Obligations by Program Activity:			
00.01 Promotion of the arts .....	80	79	78
00.03 Program Support .....	1	1	1
00.04 Salaries and Expenses .....	18	19	21
00.91 Subtotal .....	99	99	100
01.02 Permanent Authority .....	1	1	1
09.00 Reimbursable program .....	2	3	3
10.00 Total new obligations .....	102	103	104
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	3	2
22.00 New budget authority (gross) .....	101	102	104
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	104	105	106
23.95 Total new obligations .....	-102	-103	-104
24.40 Unobligated balance carried forward, end of year .....	3	2	

**New budget authority (gross), detail:**

Discretionary:			
40.00 Appropriation .....	98	99	100
Mandatory:			
60.26 Appropriation (trust fund) .....	1	1	1
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2	3	3
70.00 Total new budget authority (gross) .....	101	103	104

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	97	94	91
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73.10	Total new obligations .....	102	103	104
73.20	Total outlays (gross) .....	-104	-106	-106
73.40	Adjustments in expired accounts (net) .....	-1		
73.45	Recoveries of prior year obligations .....	-1		
74.40	Obligated balance, end of year .....	94	91	89
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	34	38	38
86.93	Outlays from discretionary balances .....	69	69	67
86.97	Outlays from new mandatory authority .....	1	1	1
87.00	Total outlays (gross) .....	104	106	106
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-2	-3	-3
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	99	99	100
90.00	Outlays .....	101	104	104
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	1	1	1
99.01	Outlays .....	1	1	1

The National Endowment for the Arts (NEA) supports projects that enrich the Nation and its diverse cultural heritage. In 2004, the budget requests \$117 million, a slight increase over 2003, for NEA to improve internal operations and interaction with the public. This reform effort will increase grant making efficiency and help extend the reach of the arts through the support of works of artistic excellence, projects that provide skills development in the arts for children and youth, and projects in geographically and economically isolated communities that traditionally have not had access to quality arts programming. The Endowment will support these projects with private and public partners, including state arts agencies and regional arts organizations.

This presentation includes Gifts and Donations and the Arts and Artifacts Indemnity Fund which previously had been shown separately.

The National Foundation on the Arts and the Humanities Act of 1965, as amended, authorizes the Arts Endowment to receive money and other donated property. Such gifts may be used, sold, or otherwise disposed of to support arts projects and activities. Budget authority in this schedule reflects cash received each year by the Arts Endowment.

The Arts and Artifacts Indemnity Act of 1975, as amended authorizes the Federal Council on the Arts and Humanities to enter into indemnity agreements to cover certain eligible works of art while on traveling exhibition in the United States or abroad. Loss or damage claims certified by the Council are paid from this fund.

**Object Classification** (in millions of dollars)

Identification code 59-0100-0-1-503	2002 actual	2003 est.	2004 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	9	10	11
11.3	Other than full-time permanent .....	2	2	2
11.9	Total personnel compensation .....	11	12	13
12.1	Civilian personnel benefits .....	2	2	2
21.0	Travel and transportation of persons .....	1	1	1
23.1	Rental payments to GSA .....	2	2	2
23.3	Communications, utilities, and miscellaneous charges .....	1	1	1
25.2	Other services .....	2	2	2
31.0	Equipment .....	1	1	1
41.0	Grants, subsidies, and contributions .....	80	79	79
99.0	Direct obligations .....	100	100	101
99.0	Reimbursable obligations .....	2	3	3
99.9	Total new obligations .....	102	103	104

**Personnel Summary**

Identification code 59-0100-0-1-503	2002 actual	2003 est.	2004 est.	
1001	Total compensable workyears: Civilian full-time equivalent employment .....	149	150	158

**CHALLENGE AMERICA ARTS FUND**

**CHALLENGE AMERICA GRANTS**

*For necessary expenses as authorized by Public Law 89-209, as amended, \$17,000,000 for support for arts education and public outreach activities, to be administered by the National Endowment for the Arts, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 59-0400-0-1-503	2002 actual	2003 est.	2004 est.	
<b>Promotion of the Arts:</b>				
<b>Obligations by program activity:</b>				
00.01	Challenge America .....	16	17	17
10.00	Total new obligations (object class 41.0) .....	16	17	17
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....		1	1
22.00	New budget authority (gross) .....	17	17	17
23.90	Total budgetary resources available for obligation .....	17	18	18
23.95	Total new obligations .....	-16	-17	-17
24.40	Unobligated balance carried forward, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	17	17	17
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	5	15	14
73.10	Total new obligations .....	16	17	17
73.20	Total outlays (gross) .....	-6	-16	-16
74.40	Obligated balance, end of year .....	15	14	14
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	2	2	3
86.93	Outlays from discretionary balances .....	4	14	15
87.00	Total outlays (gross) .....	6	16	16
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	17	17	17
90.00	Outlays .....	6	16	16

**Federal Funds**

**General and special funds:**

**NATIONAL ENDOWMENT FOR THE HUMANITIES**

**GRANTS AND ADMINISTRATION**

*For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$135,878,000, shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administering the functions of the Act, to remain available until expended.*

**MATCHING GRANTS**

*To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$16,122,000, to remain available until expended, of which \$10,436,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): Provided, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the chairman or by grantees of the*

**General and special funds—Continued**

**NATIONAL ENDOWMENT FOR THE HUMANITIES—Continued**

**MATCHING GRANTS—Continued**

*Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 59-0200-0-1-503	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.00 Gifts and donations	1		
Appropriations:			
05.00 Grants and administration	-1		
07.99 Balance, end of year			

**Program and Financing (in millions of dollars)**

Identification code 59-0200-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Promotion of the humanities	105	106	106
00.02 Administration	19	20	21
00.03 We the People			25
09.00 Reimbursable program	1	1	1
10.00 Total new obligations	125	127	153

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year	3	5	5
22.00 New budget authority (gross)	127	127	153
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	131	132	158
23.95 Total new obligations	-125	-127	-153
24.40 Unobligated balance carried forward, end of year	5	5	5

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation	125	126	152
<b>Mandatory:</b>			
60.26 Appropriation (trust fund)	1		
<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	127	127	153

**Change in obligated balances:**

72.40 Obligated balance, start of year	96	98	102
73.10 Total new obligations	125	127	153
73.20 Total outlays (gross)	-121	-122	-155
73.40 Adjustments in expired accounts (net)	-1		
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	98	102	99

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority	114	118	142
86.93 Outlays from discretionary balances	6	4	13
86.97 Outlays from new mandatory authority	1		
87.00 Total outlays (gross)	121	122	155

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1

**Net budget authority and outlays:**

89.00 Budget authority	126	126	152
90.00 Outlays	120	121	154

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: Federal securities:			
Par value	1		

92.02 Total investments, end of year: Federal securities:			
Par value			

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority	1	1	1
99.01 Outlays	1	1	1

The National Endowment for the Humanities (NEH) supports educational and scholarly activities in the humanities, preserves America's cultural and intellectual resources, and provides opportunities for all Americans to engage in learning in the humanities. In 2004, the agency will launch "We the People," an initiative designed to promote a broad understanding of the ideas and events that have shaped our nation. "We the People," in conjunction with other civics programs across the Federal government, will support the study of our nation's history, institutions, and culture. NEH also will continue to support partnerships with state humanities councils; the strengthening of humanities teaching and learning in the nation's schools and higher educational institutions; efforts to preserve and increase access to brittle books, U.S. newspapers, documents, and other reference materials; and museum exhibitions, documentary media projects, and reading programs in the humanities that reach popular audiences.

Support is provided through outright grants, matching grants, and a combination of the two. Eligible applicants include state humanities councils, schools, higher education institutions, libraries, museums, historical organizations, professional associations, other cultural institutions, and individuals.

This presentation also includes the Gifts and Donations account. The National Foundation on the Arts and the Humanities Act of 1965, as amended, authorizes the Humanities Endowment to receive money and other donated property. Such gifts may be used, sold, or otherwise disposed of to support humanities projects and activities. Budget authority in this schedule reflects cash received each year by the Endowment.

**Object Classification (in millions of dollars)**

Identification code 59-0200-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent	12	12	13
12.1 Civilian personnel benefits	3	3	3
23.1 Rental payments to GSA	2	2	2
25.2 Other services	2	2	3
41.0 Grants, subsidies, and contributions	105	106	129
99.0 Direct obligations	124	125	150
99.0 Reimbursable obligations	1	1	1
99.5 Below reporting threshold		1	2
99.9 Total new obligations	125	127	153

**Personnel Summary**

Identification code 59-0200-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment	128	170	175
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment	3	5	5

**ADMINISTRATIVE PROVISION**

An administrative provision affecting this agency follows the Institute of Museum and Library Services.

**INSTITUTE OF MUSEUM AND LIBRARY SERVICES**

**Federal Funds**

**General and special funds:**

OFFICE OF MUSEUM AND LIBRARY SERVICES: GRANTS AND ADMINISTRATION

*For carrying out the Museum and Library Services Act of 1996, \$242,024,000 to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 59-0300-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Assistance for museums .....	23	25	30
00.02 Assistance for libraries .....	164	176	201
00.03 Administration .....	8	10	11
00.91 Direct Program by Activities—Subtotal .....	195	211	242
01.01 Congressionally-designated projects .....	30		
10.00 Total new obligations .....	225	211	242
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	3	3	3
22.00 New budget authority (gross) .....	225	211	242
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation	229	214	245
23.95 Total new obligations .....	-225	-211	-242
24.40 Unobligated balance carried forward, end of year .....	3	3	3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	225	211	242
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	263	268	307
73.10 Total new obligations .....	225	211	242
73.20 Total outlays (gross) .....	-219	-171	-209
73.45 Recoveries of prior year obligations .....	-1		
74.40 Obligated balance, end of year .....	268	307	340
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	55	53	61
86.93 Outlays from discretionary balances .....	164	118	148
87.00 Total outlays (gross) .....	219	171	209
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	225	211	242
90.00 Outlays .....	219	171	209

The Institute of Museum and Library Services is the primary source of federal support for the Nation's libraries and museums. The Institute's organization, mission, and functions are defined in the Museum and Library Services Act, P.L. 104-208.

**Object Classification (in millions of dollars)**

Identification code 59-0300-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	3	4	4
12.1 Civilian personnel benefits .....	1	2	2
23.1 Rental payments to GSA .....	1	1	1
25.2 Other services .....	3	3	4
41.0 Grants, subsidies, and contributions .....	217	200	230
99.0 Direct obligations .....	225	210	241
99.5 Below reporting threshold .....		1	1
99.9 Total new obligations .....	225	211	242

**Personnel Summary**

Identification code 59-0300-0-1-503	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	39	53	53

**ADMINISTRATIVE PROVISION**

*None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: Provided, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses: Provided further, That funds from non-appropriated sources may be used as necessary for official reception and representation expenses.*

**NATIONAL LABOR RELATIONS BOARD**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141-167), and other laws, \$243,073,000: Provided, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 percent of the water stored or supplied thereby is used for farming purposes.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 63-0100-0-1-505	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Field investigation .....	180	185	193
00.02 Administrative law judge hearing .....	13	14	14
00.03 Board adjudication .....	21	22	23
00.04 Securing compliance with Board orders .....	11	11	12
00.05 Internal Review .....	1	1	1
10.00 Total new obligations .....	226	233	243
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	226	233	243
23.95 Total new obligations .....	-226	-233	-243
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	226	233	243
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	17	12	13
73.10 Total new obligations .....	226	233	243
73.20 Total outlays (gross) .....	-230	-233	-242
73.40 Adjustments in expired accounts (net) .....	-1		
74.40 Obligated balance, end of year .....	12	13	14
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	215	217	226
86.93 Outlays from discretionary balances .....	15	16	16
87.00 Total outlays (gross) .....	230	233	242

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 63-0100-0-1-505	2002 actual	2003 est.	2004 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	226	233	243
90.00 Outlays .....	230	233	242
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	13	13	13
99.01 Outlays .....	13	13	13

\*Does not include Administrative Support.

The Board resolves representation disputes in industry, and remedies and prevents specified unfair labor practices by employers or labor organizations. Case intake and additional program statistics appear in the table below.

**PROGRAM STATISTICS**

	2002 actual	2003 est.	2004 est.
<b>Case intake:</b>			
Unfair labor practice cases .....	30,180	30,000	30,000
Representation cases .....	5,695	6,005	6,005
<b>Administrative law judges:</b>			
Hearings closed .....	405	414	422
Decisions issued .....	386	417	426
<b>Board adjudication:</b>			
Contested Board decisions issued .....	288	305	311
Regional director decisions .....	624	636	650
<b>Representation election cases:</b>			
Decisions issued .....	205	162	169
Objection rulings .....	112	125	126
Board decisions requiring court enforcement .....	113	102	105

**Field investigation.**—Charges of unfair labor practices and petitions for elections to resolve representation disputes are investigated by regional office personnel. Ninety-five percent of the unfair labor practice cases and 85 percent of the representation cases are closed by settlement, dismissal, or withdrawal. The remainder are prepared for public hearing. The agency strives to maximize the voluntary settlement of all cases and to avoid litigation.

**Administrative law judge hearing.**—Administrative law judges conduct public hearings in unfair labor practice cases. Their findings and recommendations are set forth in their decisions.

**Board adjudication.**—In an unfair labor practice case, a judge's decision becomes a Board order if no exceptions are filed. About 30 percent of these decisions become automatic Board orders or are complied with voluntarily. The remainder, with exceptions filed, requires contested Board decision. In representation cases, regional directors initially decide the issues by Board delegation. The Board itself decides representation issues on referral from regional directors or by granting a request for review of a regional director's decision. The Board also rules on objection and challenge questions in election cases.

**Securing compliance with Board orders.**—If the parties do not voluntarily comply with the Board's order involving unfair labor practices, the Board must request that the appellate courts enforce its decisions.

**Object Classification (in millions of dollars)**

Identification code 63-0100-0-1-505	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	138	144	148
11.3 Other than full-time permanent .....	5	3	3
11.5 Other personnel compensation .....	3	1	2
11.9 Total personnel compensation .....	146	148	153
12.1 Civilian personnel benefits .....	31	32	33
21.0 Travel and transportation of persons .....	4	2	2
23.1 Rental payments to GSA .....	23	29	33
23.3 Communications, utilities, and miscellaneous charges .....	4	3	3

25.2 Other services .....	13	15	15
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	4	3	3
99.9 Total new obligations .....	226	233	243

**Personnel Summary**

Identification code 63-0100-0-1-505	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,946	1,952	1,952

**NATIONAL MEDIATION BOARD**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For expenses necessary to carry out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151-188), including emergency boards appointed by the President, \$11,421,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-2400-0-1-505	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Mediator services .....	7	8	8
00.03 Arbitration services .....	3	3	3
10.00 Total new obligations .....	10	11	11
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	11	11	11
23.95 Total new obligations .....	-10	-11	-11
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	11	11	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	10	11	11
73.20 Total outlays (gross) .....	-10	-11	-11
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	9	10	10
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	10	11	11
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	11	11	11
90.00 Outlays .....	10	11	11

**Mediator and alternative dispute resolution (ADR) services.**—The Board mediates disputes over wages, hours, and working conditions for some 746 rail and air carriers and approximately 795,000 employees in the two industries.

The Board also provides technical assistance to enable labor and industry representatives to explore informally the relevant economic and noneconomic problems that condition collective bargaining in the railroad and airline industries. The Board's ADR program provides collective bargaining training, facilitation, and grievance mediation services to the labor-management community.

	2002 actual	2003 est.	2004 est.
<b>Mediation and ADR cases:</b>			
Pending, start of year .....	87	68	68
Received during year .....	94	120	120
Closed during year .....	113	120	120
Pending, end of year .....	68	68	68

**Employee Representation.**—The Board investigates representation disputes involving the various crafts or classes of railroad and airline employees to determine their choice of representatives for the purpose of collective bargaining.

Representation cases:	2002 actual	2003 est.	2004 est.
Pending, start of year .....	8	4	7
Received during year .....	66	68	67
Closed during year .....	70	65	66
Pending, end of year .....	4	7	8
Freedom of Information Act (FOIA) requests received .....	31	39	43
Investigation cases closed .....	29	27	28

**Emergency disputes.**—When the parties fail to resolve their disputes through mediation, they are urged to submit their differences to arbitration. If neither mediation nor voluntary arbitration is successful, the President, when notified of disputes which substantially threaten to interrupt essential service, may appoint emergency boards to investigate and report on the dispute. Such reports usually serve as a basis for resolving the disputes.

The Northeast Rail Service Act of 1981 (P.L. 102-29) amended the Railway Labor Act (RLA) by adding a new emergency dispute procedure covering disputes between a publicly funded and operated commuter carrier and its employees. The 1981 Act requires the Board to appoint the public members of factfinding panels on Conrail.

Boards/panels created:	2002 actual	2003 est.	2004 est.
Emergency (sec. 160) .....	1	2	2
Emergency (sec. 159a) .....	2	2	2
Arbitration Boards .....	1	2	3
Arbitration Panels (PL 102-29) .....	154	160	165
Airline SBA Panels .....	124	130	140
ICC-LPP Panels .....	8	10	12

**Arbitration under sections 3 and 7 of the RLA.**—Railroad employee grievances resulting from disputes over the interpretation or application of collective bargaining contracts may be brought for settlement to the National Railroad Adjustment Board (NRAB). The divisions of the Board are composed of an equal number of carrier and union representatives compensated by the party or parties they represent. Public Law 89-456 provides for the adjustment of disputes involving grievances resulting from interpretation or application of bargaining agreements in the railroad industry otherwise referable to the NRAB.

Administrative direction and support for the public law boards, special boards of adjustment, and the NRAB are provided by Federal employees who are compensated by the National Mediation Board.

Arbitration cases:	2002 actual	2003 est.	2004 est.
Pending, start of year .....	5,819	6,002	6,380
Received during year .....	4,990	4,405	4,405
Closed during year .....	4,807	4,027	4,027
Pending, end of year .....	6,002	6,380	6,758

**Object Classification** (in millions of dollars)

Identification code 95-2400-0-1-505	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	4	4	4
11.8 Special personal services payments .....	2	3	3
11.9 Total personnel compensation .....	6	7	7
12.1 Civilian personnel benefits .....	1	1	1
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
99.0 Direct obligations .....	9	10	10
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	10	11	11

**Personnel Summary**

Identification code 95-2400-0-1-505	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	49	52	52

**NATIONAL TRANSPORTATION SAFETY BOARD**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-15; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902) \$71,480,000, of which not to exceed \$2,000 may be used for official reception and representation expenses.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 95-0310-0-1-407	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Policy and direction .....	19	20	20
00.02 Safety Recommendations .....	2	2	2
00.03 Aviation safety .....	20	20	20
00.04 Surface transportation safety .....	13	14	14
00.05 Research and engineering .....	11	11	11
00.06 Academy .....	2	2	3
00.07 Administrative law judges .....	1	1	1
01.00 Sub-total, Direct obligations .....	68	70	71
10.00 Total new obligations .....	68	70	71
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	10	10	2
22.00 New budget authority (gross) .....	68	70	71
23.90 Total budgetary resources available for obligation .....	78	80	73
23.95 Total new obligations .....	-68	-70	-71
23.98 Unobligated balance expiring or withdrawn .....		-8	
24.40 Unobligated balance carried forward, end of year .....	10	2	2
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	68	70	71
40.71 Reduction pursuant to P.L. 106-246 .....		-4	
43.00 Appropriation (total discretionary) .....	68	66	71
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		4	
70.00 Total new budget authority (gross) .....	68	70	71
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	13	15	13
73.10 Total new obligations .....	68	70	71
73.20 Total outlays (gross) .....	-65	-70	-71
73.40 Adjustments in expired accounts (net) .....	-1		
74.40 Obligated balance, end of year .....	15	13	13
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	62	63	64
86.93 Outlays from discretionary balances .....	3	7	7
87.00 Total outlays (gross) .....	65	70	71
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.40 Offsetting collections (cash) from: Non-Federal sources .....		-4	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	68	66	71

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 95-0310-0-1-407	2002 actual	2003 est.	2004 est.
90.00 Outlays .....	64	66	71
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

The National Transportation Safety Board (NTSB), as an independent nonregulatory agency, is charged with promoting transportation safety through the investigation of accidents, the conduct of special studies, the development of recommendations to prevent accidents, the evaluation of the effectiveness of other Government agencies in preventing transportation accidents, and the review of appeals of adverse certificate and civil penalty actions taken by the Administrators of agencies of the Department of Transportation involving airman and seaman certificates and licenses.

In 2004, the Administration requests a total funding level of \$71 million for NTSB Salaries and Expenses to allow the NTSB to fulfill its role in improving safety on the Nation's transportation system.

**Object Classification (in millions of dollars)**

Identification code 95-0310-0-1-407	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	34	36	36
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	37	39	39
12.1 Civilian personnel benefits .....	9	10	10
21.0 Travel and transportation of persons .....	3	3	3
23.1 Rental payments to GSA .....	8	9	10
23.3 Communications, utilities, and miscellaneous charges .....	2	1	2
25.2 Other services .....	7	6	5
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.9 Total new obligations .....	68	70	71

**Personnel Summary**

Identification code 95-0310-0-1-407	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	424	432	406

**EMERGENCY FUND**

*For necessary expenses of the National Transportation Safety Board for accident investigations, \$600,000, to remain available until expended: Provided, that these funds shall be available only to the extent necessary to restore the balance of the emergency fund to \$2,000,000 (29 U.S.C. 1118 (b)).*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-0311-0-1-407	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	2	2	1
22.00 New budget authority (gross) .....			1
23.90 Total budgetary resources available for obligation .....	2	2	2
24.40 Unobligated balance carried forward, end of year .....	2	1	2

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00	Appropriation .....		1

**Net budget authority and outlays:**

89.00	Budget authority .....		1
90.00	Outlays .....		

The National Transportation Safety Board is mandated by Congress to investigate all catastrophic transportation accidents and, therefore, has no control over the frequency of costly accident investigations. The emergency fund provides a funding mechanism by which periodic accident investigation cost fluctuations can be met without delaying critical phases of the investigations. In FY 2004, the Administration requests a funding level of \$0.6 million to replenish the emergency fund to its authorized level of \$2 million.

**NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION**

**Federal Funds**

**General and special funds**

**NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION**

*For necessary expenses of the National Veterans Business Development Corporation as authorized under section 33(a) of the Small Business Act, as amended, \$2,000,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-0350-0-1-705	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Administration .....	3	3	1
00.02	Outreach .....	1	1	1
10.00	Total new obligations .....	4	4	2
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	4	2	2
23.95	Total new obligations .....	-4	-4	-2
<b>New budget authority (gross), detail:</b>				
<b>Discretionary:</b>				
40.00	Appropriation .....	4	2	2
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....	4	4	2
73.20	Total outlays (gross) .....	-4	-2	-2
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	4	2	2
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	4	2	2
90.00	Outlays .....	4	2	2

The National Veterans Business Development Corporation (NVBDC) has undertaken a variety of initiatives to fulfill its mandate under P.L. 106-50. The NVBDC has set three overarching goals to provide veterans with access to education, access to capital and services, and access to markets.

In fulfilling these goals, the NVBDC is continuing to build partnerships and conduct outreach with Federal departments, and agencies, veterans serving organizations, community based organizations and private sector corporations. Among other things, NVBDC has arranged computer training for veteran entrepreneurs through a number of private sector partners and worked with local lenders to develop a microloan program.

The NVBDC has been successful in satisfying the matching requirement of P.L. 106-50 for 2002 and plans to be self sufficient by 2005.

**Object Classification** (in millions of dollars)

Identification code 95-0350-0-1-705	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.2 Other services .....	3	3	1
99.9 Total new obligations .....	4	4	2

**Personnel Summary**

Identification code 95-0350-0-1-705	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	10	10	10
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....			

**NEIGHBORHOOD REINVESTMENT CORPORATION****Federal Funds****General and special funds:**

## PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101-8107), \$115,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 82-1300-0-1-451	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	105	105	115
10.00 Total new obligations (object class 41.0) .....	105	105	115
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	105	105	115
23.95 Total new obligations .....	-105	-105	-115
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	105	105	115
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	105	105	115
73.20 Total outlays (gross) .....	-105	-105	-115
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	105	105	115
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	105	105	115
90.00 Outlays .....	105	105	115

The major activities of the Corporation include: establishing neighborhood partnership programs known as NeighborWorks Organizations (NWOs); assisting in the expansion of NeighborWorks® organizations to additional neighborhoods; providing training and technical assistance; identifying, evaluating, supporting and replicating successful neighborhood preservation projects that show promise for reversing neighborhood decline; promoting a national secondary market and other financing mechanisms for NWOs; and granting lending and equity capital to promote homeownership and other affordable housing.

The Corporation receives both Federal and non-Federal funding to finance its program activities. For 2004, a program level of \$115,000,000 is requested. The following tables reflect the total program activity of the Corporation and include all sources of financing, both Federal and non-Federal.

**BUDGET ACTIVITY**

(In millions of dollars)

Neighborhoods Programs:	2002 actual	2003 est.	2004 est.
1. Creation of new programs .....	1	1	1
2. Capacity building .....	39	39	42
3. Preserving affordable housing/equity capital .....	38	38	41
4. Program reviews .....	3	3	4
5. Training and informing .....	13	15	16
6. Secondary market activities .....	8	9	10
7. General administration .....	11	11	12
Total corporate obligations .....	113	116	126
<b>Sources of financing:</b>			
1. Federal appropriation .....	105	105	115
2. Reimbursements for services provided .....	7	4	5
3. Other sources .....	4	3	4
Unused balance, start of year .....	1	3	0
Net obligations incurred .....	113	116	126
Unused balance, end of year .....	3		
Obligated balances, start of year .....	9	13	13
Obligated balances, end of year .....	13	13	13
Net corporate outlay .....	109	116	126

**Statement of Operations** (in millions of dollars)

Identification code 82-1300-0-1-451	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	102	116	116	126
0102 Expense .....	-98	-114	-116	-126
0105 Net income or loss (-) .....	4	2		

**Balance Sheet** (in millions of dollars)

Identification code 82-1300-0-1-451	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Other Federal assets:				
1801 Cash and other monetary assets .....	13	20	18	18
1803 Property, plant and equipment, net .....	2	1	2	2
1999 Total assets .....	15	21	20	20
<b>LIABILITIES:</b>				
Non-Federal liabilities:				
2201 Accounts payable .....	4	5	5	5
2207 Other .....	5	8	8	8
2999 Total liabilities .....	9	13	13	13
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	6	8	7	7
3999 Total net position .....	6	8	7	7
4999 Total liabilities and net position .....	15	21	20	20

**Object Classification of Corporation Obligations** (in millions of dollars)

	2002 actual	2003 est.	2004 est.
Salaries and benefits .....	21	23	25
Occupancy .....	3	3	3
Professional services .....	8	7	8
Travel and transportation of persons .....	2	3	3
Conferences and workshops .....	1	1	2
Grants and grant commitments .....	73	73	79
Other operating costs .....	5	6	6
Total obligations .....	113	116	126

**Personnel Summary**

	2002 actual	2003 est.	2004 est.
<b>Non-Federal employees: Total compensable workyears:</b>			
Full-time equivalent employment .....	258	256	256
Full-time equivalent of overtime and holiday hours .....	10	10	10

**General and special funds—Continued**

**ADMINISTRATIVE PROVISION**

Section 605(a) of the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8104) is amended by

(a) striking out “compensation” and inserting “salary”; and striking out “highest rate provided for GS-18 of the General Schedule under section 5332 of title 5 United States Code”; and inserting “rate for level IV of the Executive Schedule”; and

(b) inserting after the end the following sentence: “The Corporation shall also apply the provisions of section 5307(a)(1), (b)(1) and (b)(2) of title 5, United States Code, governing limitations on certain pay as if its employees were Federal employees receiving payments under title 5.”

**NUCLEAR REGULATORY COMMISSION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Commission in carrying out the purposes of the Energy Reorganization Act of 1974, as amended, and the Atomic Energy Act of 1954, as amended, including official representation expenses (not to exceed \$15,000), and purchase of promotional items for use in the recruitment of individuals for employment, \$618,800,000, to remain available until expended: Provided, That of the amount appropriated herein, \$33,100,000 shall be derived from the Nuclear Waste Fund: Provided further, That revenues from licensing fees, inspection services, and other services and collections estimated at \$538,844,000 in fiscal year 2004 shall be retained and used for necessary salaries and expenses in this account, notwithstanding 31 U.S.C. 3302, and shall remain available until expended: Provided further, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 2004 so as to result in a final fiscal year 2004 appropriation estimated at not more than \$79,956,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

**Unavailable Collections (in millions of dollars)**

Identification code 31-0200-0-1-276	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....		-4	-4
Receipts:			
02.60 Nuclear facility fees, Nuclear Regulatory Commission .....	476	499	546
04.00 Total: Balances and collections .....	476	495	542
Appropriations:			
05.00 Salaries and expenses .....	-474	-493	-539
05.01 Office of Inspector General .....	-6	-6	-7
05.99 Total appropriations .....	-480	-499	-546
07.99 Balance, end of year .....	-4	-4	-4

**Program and Financing (in millions of dollars)**

Identification code 31-0200-0-1-276	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Nuclear Reactor Safety .....	244	290	306
00.02 Nuclear Materials Safety .....	58	64	71
00.03 Nuclear Waste Safety .....	68	79	70
00.04 International Nuclear Safety Support .....	5	5	6
00.06 Management and Support .....	172	176	166
09.01 Reimbursable program .....	6	6	6
10.00 Total new obligations .....	553	620	625
<b>Budgetary resources available for obligation:</b>			
Unobligated balance carried forward, start of year:			
21.40 Unobligated balance carried forward, start of year .....	25	35	
21.40 Unobligated balance carried forward, start of year—NWF .....	1	1	

22.00	New budget authority (gross) .....	559	584	625
22.10	Resources available from recoveries of prior year obligations .....	4		
23.90	Total budgetary resources available for obligation .....	589	620	625
23.95	Total new obligations .....	-553	-620	-625
Unobligated balance carried forward, end of year:				
24.40	Unobligated balance carried forward, end of year .....	35		
24.40	Unobligated balance carried forward, end of year—NWF .....	1		

**New budget authority (gross), detail:**

<b>Discretionary:</b>				
Appropriation:				
40.00	Appropriation .....	36	29	
40.00	Appropriation .....	20	31	47
Appropriation (special fund):				
40.20	Appropriation (NRC receipts) .....	474	493	539
40.20	Appropriation (from NWF) .....	23	25	33
43.00	Appropriation (total discretionary) .....	553	578	619
Spending authority from offsetting collections: Offsetting collections (cash) .....				
68.00	Offsetting collections (cash) .....	6	6	6
70.00	Total new budget authority (gross) .....	559	584	625

**Change in obligated balances:**

<b>Obligated balance, start of year:</b>				
72.40	Obligated balance, start of year .....	98	129	164
72.40	Obligated balance, start of year .....	6	7	7
73.10	Total new obligations .....	553	620	625
73.20	Total outlays (gross) .....	-516	-585	-616
73.45	Recoveries of prior year obligations .....	-4		
<b>Obligated balance, end of year:</b>				
74.40	Obligated balance, end of year .....	129	164	174
74.40	Obligated balance, end of year .....	7	7	7

**Outlays (gross), detail:**

86.90	Outlays from new discretionary authority .....	421	439	471
86.93	Outlays from discretionary balances .....	95	146	145
87.00	Total outlays (gross) .....	516	585	616

**Offsets:**

Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-6	-6	-6

**Net budget authority and outlays:**

89.00	Budget authority .....	553	578	619
90.00	Outlays .....	510	579	610

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00	Budget authority .....	19	20	22
99.01	Outlays .....	19	20	22

**Nuclear Reactor Safety.**—A major part of the NRC’s mission is to ensure that its licensees design, construct, and operate civilian reactor facilities safely. The Atomic Energy Act and the Energy Reorganization Act provide the foundation for regulating the Nation’s civilian nuclear power industry. Nuclear reactor safety encompasses all NRC efforts to ensure that civilian nuclear reactor facilities and non-power reactors are operated in a manner that provides adequate protection of public health and safety and the environment, and protects against radiological sabotage and theft or diversion of special nuclear materials. These efforts include reactor licensing; reactor license renewal; operator licensing; financial assurance; inspection; performance assessment; new reactor licensing identification and resolution of safety issues; reactor regulatory research; regulation development; operating experience evaluation; incident investigation; homeland security efforts (including threat and vulnerability assessment and emergency preparedness); emergency response; investigation of alleged wrong doing by licensees, applicants, contractors, or vendors; imposition of enforcement sanctions for violations of NRC requirements; and reactor technical and regulatory training. In light of the September 11, 2001 terrorist attacks, NRC will continue to review and strengthen our security and safeguards program for civilian reactor facilities and address any significant weaknesses.

**Nuclear Materials Safety.**—Nuclear materials safety encompasses all NRC efforts to ensure that NRC-regulated aspects of nuclear fuel cycle facilities and nuclear materials activities are handled in a manner that provides adequate protection of public health and safety. These efforts include, licensing/certification, inspection, and enforcement activities; regulation and guidance development; nuclear materials research; identification and resolution of safety and safeguard issues; operating experience evaluation; incident investigation; threat assessment; emergency response; technical training; and investigation of alleged wrongdoing by licensees, applicants, certificate holders, contractors and vendors. In light of the September 11, 2001 terrorist attacks, NRC will continue to review and strengthen our security and safeguards program for nuclear fuel cycle facilities and nuclear materials activities including developing a regulatory framework and improving licensing and inspection to further enhance the control of radioactive sources.

**Nuclear Waste Safety.**—Nuclear waste safety encompasses the NRC's high-level waste regulatory activities associated with high-level waste disposal at the potential Yucca Mountain repository as mandated by the Nuclear Waste Policy Act, as amended, and; the Energy Policy Act; NRC regulatory and oversight activities for decommissioning, which involves safely removing a facility from service and reducing residual radiation to a level that permits the property to be released for unrestricted or restricted use; the safe and secure storage and transportation of radioactive materials through the certification of spent fuel storage containers and transportation packages. Low-level radioactive waste activities associated with the disposal of waste are addressed in accordance with the Low-Level Radioactive Waste Policy Act. In light of the September 11, 2001 terrorist attacks, NRC will continue to review and strengthen our security and safeguards program for decommissioning reactors, spent fuel storage installations, transportation packages, and storage cask designs.

**International Nuclear Safety Support.**—International Nuclear Safety Support encompasses NRC international activities, including some that support the agency's domestic mission and others that support broader U.S. national interests. These activities include international policy formulation, export-import licensing of nuclear materials and equipment, treaty implementation, international information exchange activities, international safety and safeguards assistance, and deterring nuclear proliferation.

**Management and Support.**—Management and support encompasses NRC central policy direction, legal advice for the Commission, analysis of long-term policy issues, administrative proceedings review and advice, liaison with outside constituents and other government agencies, financial management, all administrative and logistical support, information resources management, executive management services for the Commission, personnel and training, and matters involving small and disadvantaged businesses and civil rights. In light of the September 11, 2001 terrorist attacks, NRC will continue to review and strengthen NRC's physical facilities and information technology infrastructure.

**Object Classification** (in millions of dollars)

Identification code 31-0200-0-1-276	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	242	272	273
11.3 Other than full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	9	11	10
11.8 Special personal services payments .....	1	1	2
11.9 Total personnel compensation .....	255	287	288
12.1 Civilian personnel benefits .....	59	66	67
21.0 Travel and transportation of persons .....	15	17	17
22.0 Transportation of things .....	2	2	2
23.1 Rental payments to GSA .....	20	22	23

23.3 Communications, utilities, and miscellaneous charges .....	8	9	9
24.0 Printing and reproduction .....	2	2	2
25.1 Advisory and assistance services .....	2	2	2
25.2 Other services .....	79	89	90
25.3 Other purchases of goods and services from Government accounts .....	82	93	93
25.4 Operation and maintenance of facilities .....	4	4	5
25.7 Operation and maintenance of equipment .....	8	9	9
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	8	9	9
41.0 Grants, subsidies, and contributions .....	1	1	1
99.0 Direct obligations .....	547	614	619
99.0 Reimbursable obligations .....	6	6	6
99.9 Total new obligations .....	553	620	625

**Personnel Summary**

Identification code 31-0200-0-1-276	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2,756	2,862	2,907
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	15	15	16

**OFFICE OF INSPECTOR GENERAL**

*For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$7,300,000, to remain available until expended: Provided, That revenues from licensing fees, inspection services, and other services and collections estimated at \$6,716,000 in fiscal year 2004 shall be retained and be available until expended, for necessary salaries and expenses in this account notwithstanding 31 U.S.C. 3302: Provided further, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 2004 so as to result in a final fiscal year 2004 appropriation estimated at not more than \$584,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 31-0300-0-1-276	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Inspector General .....	6	6	7
10.00 Total new obligations .....	6	6	7
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	.....
22.00 New budget authority (gross) .....	6	6	7
23.90 Total budgetary resources available for obligation .....	7	7	7
23.95 Total new obligations .....	-6	-6	-7
24.40 Unobligated balance carried forward, end of year .....	1	.....	.....
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.20 Appropriation (special fund) .....	6	6	7
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	.....
73.10 Total new obligations .....	6	6	7
73.20 Total outlays (gross) .....	-6	-7	-7
74.40 Obligated balance, end of year .....	1	.....	.....
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	5	6
86.93 Outlays from discretionary balances .....	1	2	1
87.00 Total outlays (gross) .....	6	7	7
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	6	6	7
90.00 Outlays .....	6	7	7

**General and special funds—Continued**

OFFICE OF INSPECTOR GENERAL—Continued

The Inspector General Act Amendments of 1988 established a statutory Office of the Inspector General within the NRC that provides the Commission and Congress with an independent review and appraisal of the integrity of NRC programs and operations. The function of the Office of the Inspector General is to conduct and supervise audits and investigations relating to all facets of agency programs and operations.

**Object Classification** (in millions of dollars)

Identification code 31-0300-0-1-276	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	4	4	5
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	1	1	1
99.9 Total new obligations .....	6	6	7

**Personnel Summary**

Identification code 31-0300-0-1-276	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	41	44	47

**NUCLEAR WASTE TECHNICAL REVIEW BOARD**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

*For necessary expenses of the Nuclear Waste Technical Review Board, as authorized by Public Law 100-203, section 5051, \$3,177,000, to be derived from the Nuclear Waste Fund, and to remain available until expended.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing** (in millions of dollars)

Identification code 48-0500-0-1-271	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	3	3	3
10.00 Total new obligations .....	3	3	3
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	3	3	3
23.95 Total new obligations .....	-3	-3	-3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3		
40.20 Appropriation (from NWF) .....		3	3
43.00 Appropriation (total discretionary) .....	3	3	3
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	3	3	3
73.20 Total outlays (gross) .....	-3	-3	-3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	3	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	3	3
90.00 Outlays .....	3	3	3

The Nuclear Waste Technical Review Board is directed to evaluate the technical and scientific validity of the activities

of the Department of Energy's nuclear waste disposal program undertaken after the enactment of the Nuclear Waste Policy Amendments Act of 1987. The Board must report its findings not less than two times a year to the Congress and the Secretary of Energy.

**Object Classification** (in millions of dollars)

Identification code 48-0500-0-1-271	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent .....	2	2	2
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	3	3	3

**Personnel Summary**

Identification code 48-0500-0-1-271	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	16	17	17

**OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

*For expenses necessary for the Occupational Safety and Health Review Commission (29 U.S.C. 661), \$10,115,000.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Program and Financing** (in millions of dollars)

Identification code 95-2100-0-1-554	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Commission review .....	3	4	4
00.02 Administrative law judge determinations .....	3	4	4
00.03 Executive direction .....	2	2	2
10.00 Total new obligations .....	8	10	10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	9	10	10
23.95 Total new obligations .....	-8	-10	-10
23.98 Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	9	10	10
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	1	1
73.10 Total new obligations .....	8	10	10
73.20 Total outlays (gross) .....	-9	-10	-10
73.40 Adjustments in expired accounts (net) .....	1		
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	8	9	9
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	9	10	10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	9	10	10
90.00 Outlays .....	8	10	10
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The Review Commission, established by the Occupational Safety and Health Act of 1970, adjudicates contested enforce-

ment actions of the Secretary of Labor. The Commission holds factfinding hearings and issues orders affirming, modifying, or vacating the Secretary's enforcement actions.

**SELECTED WORKLOAD DATA**

	2002 actual	2003 est.	2004 est.
<b>Commission review activities:</b>			
Case pending beginning of year .....	67	73	66
New cases received .....	27	35	42
Case dispositions .....	21	42	46
<b>Administrative law judge activities:</b>			
Cases pending beginning of year .....	840	812	812
New cases received .....	2,134	2,280	2,280
<b>Cases disposition:</b>			
After assignment but without hearing .....	2,067	2,169	2,169
Heard and decided by judge .....	95	111	111

**Object Classification (in millions of dollars)**

Identification code 95-2100-0-1-554	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	5	6	7
12.1 Civilian personnel benefits .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
99.0 Direct obligations .....	7	8	9
99.5 Below reporting threshold .....	1	2	1
99.9 Total new obligations .....	8	10	10

**Personnel Summary**

Identification code 95-2100-0-1-554	2002 actual	2003 est.	2004 est.
<b>Total compensable workyears:</b>			
1001 Civilian full-time equivalent employment .....	60	69	69

**OFFICE OF GOVERNMENT ETHICS**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses to carry out functions of the Office of Government Ethics pursuant to the Ethics in Government Act of 1978, as amended and the Ethics Reform Act of 1989, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and not to exceed \$1,500 for official reception and representation expenses, \$10,738,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-1100-0-1-805	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	10	10	11
10.00 Total new obligations .....	10	10	11
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	10	10	11
23.95 Total new obligations .....	-10	-10	-11
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	10	10	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	1
73.10 Total new obligations .....	10	10	11
73.20 Total outlays (gross) .....	-10	-10	-11
74.40 Obligated balance, end of year .....	2	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	9	9	10
86.93 Outlays from discretionary balances .....	1	1	1

87.00	Total outlays (gross) .....	10	10	11
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	10	10	11
90.00	Outlays .....	10	10	11

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	1	1	1
99.01	Outlays .....	1	1	1

The Office of Government Ethics (OGE) is charged by law to provide overall direction of executive branch policies designed to prevent conflicts of interest and insure high ethical standards. The OGE discharges its responsibilities to preserve and promote public confidence in the integrity of executive branch officials by developing rules and regulations pertaining to conflicts of interest, post employment restrictions, standards of conduct, and public and confidential financial disclosure in the executive branch; by monitoring compliance with the public and confidential financial disclosure requirements of the Ethics in Government Act of 1978 and the Ethics Reform Act of 1989, to determine possible violations of applicable laws or regulations and recommending appropriate corrective action; by consulting with and assisting various officials in evaluating the effectiveness of applicable laws and the resolution of individual problems; and by preparing formal advisory opinions, informal letter opinions, policy memoranda, and Federal Register entries on how to interpret and comply with the requirements on conflicts of interest, post employment, standards of conduct, and financial disclosure.

**Object Classification (in millions of dollars)**

Identification code 95-1100-0-1-805	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	6	6	7
12.1 Civilian personnel benefits .....	2	2	2
23.1 Rental payments to GSA .....	1	1	1
99.0 Direct obligations .....	9	9	10
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	10	10	11

**Personnel Summary**

Identification code 95-1100-0-1-805	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	71	81	80

**OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Office of Navajo and Hopi Indian Relocation as authorized by Public Law 93-531, \$13,532,000, to remain available until expended: Provided, That funds provided in this or any other appropriations Act are to be used to relocate eligible individuals and groups including evictees from District 6, Hopi-partitioned lands residents, those in significantly substandard housing, and all others certified as eligible and not included in the preceding categories: Provided further, That none of the funds contained in this or any other Act may be used by the Office of Navajo and Hopi Indian Relocation to evict any single Navajo or Navajo family who, as of November 30, 1985, was physically domiciled on the lands partitioned to the Hopi Tribe unless a new or replacement home is provided for such household: Provided further, That no relocatee will be provided with more than one new or replacement home: Provided further, That the Office shall relocate any certified eligible relocatees who have selected and received an approved homesite on the Navajo res-

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

ervation or selected a replacement residence off the Navajo reservation or on the land acquired pursuant to 25 U.S.C. 640d-10.

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 48-1100-0-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Operation of relocation office .....	5	6	5
00.03 Relocation payments (housing) .....	4	15	7
00.04 Discretionary fund payments .....	1	2	2
10.00 Total new obligations .....	10	23	14
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	7	13	5
22.00 New budget authority (gross) .....	15	14	14
22.10 Resources available from recoveries of prior year obligations .....	1	1	1
23.90 Total budgetary resources available for obligation	23	28	20
23.95 Total new obligations .....	-10	-23	-14
24.40 Unobligated balance carried forward, end of year .....	13	5	6
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	15	14	14
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	5	4	11
73.10 Total new obligations .....	10	23	14
73.20 Total outlays (gross) .....	-12	-17	-17
73.45 Recoveries of prior year obligations .....	-1	-1	-1
74.40 Obligated balance, end of year .....	4	11	9
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	9	12	12
86.93 Outlays from discretionary balances .....	3	5	5
87.00 Total outlays (gross) .....	12	17	17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	15	14	14
90.00 Outlays .....	12	17	17

The Office of Navajo and Hopi Indian Relocation was established by Public Law 93-531 to plan and conduct relocation activities associated with the settlement of a land dispute in northern Arizona between the two tribes.

Bonuses are paid to clients who volunteered for relocation prior to July 7, 1985. Relocation of clients includes such activities as certification, housing acquisition and construction, and land acquisition. Discretionary funds will be used for activities which will facilitate and expedite the overall relocation effort.

**Object Classification** (in millions of dollars)

Identification code 48-1100-0-1-808	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	3	4	3
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	1	1	1
32.0 Land and structures .....	4	15	7
41.0 Grants, subsidies, and contributions .....	1	2	2
99.9 Total new obligations .....	10	23	14

**Personnel Summary**

Identification code 48-1100-0-1-808	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	58	58	55

**OFFICE OF SPECIAL COUNSEL**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

*For necessary expenses to carry out functions of the Office of Special Counsel pursuant to Reorganization Plan Numbered 2 of 1978, the Civil Service Reform Act of 1978 (Public Law 95-454), as amended, the Whistleblower Protection Act of 1989 (Public Law 101-12), as amended, Public Law 103-424, and the Uniformed Services Employment and Reemployment Act of 1994 (Public Law 103-353), including services as authorized by 5 U.S.C. 3109, payment of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger motor vehicles; \$13,504,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 62-0100-0-1-805	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Investigation and prosecution of reprisals for whistle blowing .....	12	12	13
10.00 Total new obligations .....	12	12	13
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	12	12	14
23.95 Total new obligations .....	-12	-12	-13
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	12	12	14
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	12	12	13
73.20 Total outlays (gross) .....	-12	-12	-14
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	11	11	13
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	12	12	14
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	12	12	14
90.00 Outlays .....	12	12	14
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The Office of Special Counsel (OSC) (1) investigates Federal employee and applicant allegations of prohibited personnel practices (including reprisal for whistleblowing) and when appropriate prosecutes before the Merit Systems Protection Board (MSPB); (2) provides a safe channel for whistleblowing by Federal employees and applicants; and (3) advises on and enforces the Hatch Act. The OSC may transmit whistleblower allegations to the agency head concerned and require an agency investigation and a report to the Congress and the President when appropriate.

Overall in 2002, there were more than 7,590 instances in which the assistance or action of the OSC was sought by Federal employees and other persons. Many prohibited personnel practice cases investigated by the OSC are resolved without recourse to formal proceedings before the MSPB. In 2002, the OSC obtained 168 corrective or other favorable actions, and efforts to obtain such negotiated resolutions will continue. In 2002, the OSC also filed four enforcement actions before the MSPB in Hatch Act matters. The OSC also issued 3,425 Hatch Act advisory opinions (both written and oral)

to people who sought advice. During 2002, the OSC's Disclosure Unit received 555 new disclosure matters for possible referral and 19 Disclosure Unit matters were referred to agency heads for their review.

This request will enable OSC to continue its efforts to reduce its long-standing case processing backlogs. In 2002, OSC made more progress against these backlogs in reducing the number of pending prohibited personnel practice cases older than 240 days by 28 percent. However, due to dramatically rising intake in both the Hatch Act and Disclosure Units, backlogs increased in these units during 2002. This request provides funding for seven additional full time staff in these units to address growing backlog concerns.

OSC has again revised its Strategic Plan for the five year period beginning in 2004, as well as the associated Annual Performance Plan for 2004. These revisions are not major, but continue to provide focus for prioritizing cases by category and resource allocation, while providing a mechanism for identifying and implementing needed quality improvements. The plan's emphasis on strategic management, which also applies to the Hatch Act and Disclosure Units for which increased personnel are sought, will greatly assist OSC in ensuring that any new resources are used wisely, and to maximum effect.

The following tables display the anticipated workloads:

**ALLEGATIONS RECEIVED**

	2002 actual	2003 est.	2004 est.
Reprisal for whistleblowing .....	557	700	700
Other personnel practices .....	2,840	3,500	3,500
Hatch Act (complaints received) .....	213	165	165

**ALLEGATIONS CLOSED**

	2002 actual	2003 est.	2004 est.
Reprisal for whistleblowing .....	812	840	870
Other personnel practices .....	3,399	3,430	3,470
Hatch Act (complaints closed) .....	107	100	146

**Object Classification (in millions of dollars)**

Identification code 62-0100-0-1-805	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	8	8	9
12.1 Civilian personnel benefits .....	2	2	2
23.1 Rental payments to GSA .....	1	1	1
99.0 Direct obligations .....	11	11	12
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	12	12	13

**Personnel Summary**

Identification code 62-0100-0-1-805	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	105	106	113

**OKLAHOMA CITY NATIONAL MEMORIAL TRUST**

**Federal Funds**

**General and special funds:**

OKLAHOMA CITY NATIONAL MEMORIAL TRUST

**Program and Financing (in millions of dollars)**

Identification code 95-4333-0-3-303	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
09.00 Reimbursable program .....	1	1	1

10.00	Total new obligations (object class 25.2) .....	1	1	1
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	1		1
22.00	New budget authority (gross) .....	1	1	1
23.90	Total budgetary resources available for obligation .....	2	2	2
23.95	Total new obligations .....	-1	-1	-1
24.40	Unobligated balance carried forward, end of year .....		1	1
<b>New budget authority (gross), detail:</b>				
Discretionary:				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	1	1	1
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....	1	1	1
73.20	Total outlays (gross) .....	-1	-1	-1
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	1	1	1
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-1	-1	-1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	1		

The Oklahoma City National Memorial Act of 1997 (P.L. 105-58), established the Oklahoma City National Memorial Trust, a wholly owned government corporation, to operate the memorial to commemorate the victims of the April 19, 1995 bombing of the Alfred P. Murrah Federal Building. The Act authorized \$5 million in appropriations, subject to a non-Federal match, for the activities of the Trust, managed by the Oklahoma City Memorial Foundation. Current operations are funded by museum entrance fees and donations.

**OTHER COMMISSIONS AND BOARDS**

**Federal Funds**

**General and special funds:**

COMMISSION FOR THE PRESERVATION OF AMERICA'S HERITAGE  
ABROAD

SALARIES AND EXPENSES

*For expenses for the Commission for the Preservation of America's Heritage Abroad, \$499,000, as authorized by Public Law 99-83, section 1303.*

*Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.*

**Unavailable Collections (in millions of dollars)**

Identification code 95-9911-0-1-808	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	7	7	9
Receipts:			
02.00 Miscellaneous deposits, Miscellaneous trust funds, Independent agencies .....		1	1
02.50 Interest, Miscellaneous trust funds, Independent agencies .....		1	1
02.99 Total receipts and collections .....		2	2
04.00 Total: Balances and collections .....	7	9	11
07.99 Balance, end of year .....	7	9	11

**Program and Financing (in millions of dollars)**

Identification code 95-9911-0-1-808	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct Program Activity .....	1	1	1

**General and special funds—Continued**

COMMISSION FOR THE PRESERVATION OF AMERICA'S HERITAGE  
ABROAD—Continued

SALARIES AND EXPENSES—Continued

**Program and Financing** (in millions of dollars)—Continued

Identification code 95-9911-0-1-808	2002 actual	2003 est.	2004 est.
10.00 Total new obligations (object class 25.2)		1	
<b>Budgetary resources available for obligation:</b>			
23.95 Total new obligations		-1	
<b>Change in obligated balances:</b>			
73.10 Total new obligations		1	
73.20 Total outlays (gross)		-1	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances		1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays		1	

The "Other commissions and boards" account presents data on small independent commissions and other entities on a consolidated basis.

This consolidated account includes the \$499 thousand request for the Commission for the Preservation of America's Heritage Abroad, which helps preserve sites associated with the foreign heritage of Americans by identifying sites, negotiating with foreign governments, and facilitating private efforts.

In addition, amounts made available to the Interagency Council on Homelessness from the Department of Housing and Urban Development homeless assistance grants program to coordinate interagency efforts that address homelessness are shown in this account.

**PANAMA CANAL COMMISSION**

*Federal Funds*

**Public enterprise funds:**

PANAMA CANAL REVOLVING FUND

**Program and Financing** (in millions of dollars)

Identification code 95-4061-0-3-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	1		
10.00 Total new obligations (object class 42.0)	1		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	100		
22.00 New budget authority (gross)	1		
22.70 Balance of authority to borrow withdrawn	-100		
23.90 Total budgetary resources available for obligation	1		
23.95 Total new obligations	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	1		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	50	40	
73.10 Total new obligations	1		
73.20 Total outlays (gross)	-12	-40	
74.40 Obligated balance, end of year	40		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	1		
86.93 Outlays from discretionary balances	11	40	

87.00 Total outlays (gross)	12	40	
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-1		

<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	11	40	

The Panama Canal Act of 1979 established the Panama Canal Commission to operate and maintain the interoceanic waterway. Pursuant to Public Law 104-106, the Commission is a wholly-owned government corporation and is funded by a revolving fund. In accordance with the Panama Canal Treaty, the United States transferred ownership of the Canal to the Republic of Panama on December 31, 1999. Data in the following tables are for the settlement of remaining accident and contract claims against the Commission.

PANAMA CANAL COMMISSION DISSOLUTION FUND

**Program and Financing** (in millions of dollars)

Identification code 95-4073-0-3-403	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity	4		
10.00 Total new obligations (object class 99.5)	4		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4		
23.95 Total new obligations	-4		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year		3	
73.10 Total new obligations	4		
73.20 Total outlays (gross)	-1	-3	
74.40 Obligated balance, end of year	3		
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances	1	3	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	1	3	
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value	4	3	
92.02 Total investments, end of year: Federal securities:			
Par value	3		

Pursuant to 22 USC 3714a., Sec. 1305., there is established in the Treasury of the United States a fund known as the "Panama Canal Commission Dissolution Fund". The Fund, which became available on October 1, 1998, is being used by the Commission to operate an Office of Transition Administration. This office manages the Commission's transfer-related obligations, such as severance pay and accident and contract claims.

**Personnel Summary**

Identification code 95-4073-0-3-403	2002 actual	2003 est.	2004 est.
2001 Total compensable workyears: Civilian full-time equivalent employment	5	3	

## POSTAL SERVICE

## Federal Funds

## General and special funds:

## PAYMENT TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for revenue forgone on free and reduced rate mail, pursuant to subsections (c) and (d) of section 2401 of title 39, United States Code, \$65,521,000, of which \$36,521,000 shall not be available for obligation until October 1, 2004: Provided, That mail for overseas voting and mail for the blind shall continue to be free: Provided further, That 6-day delivery and rural delivery of mail shall continue at not less than the 1983 level: Provided further, That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for information requested or provided concerning an address of a postal customer: Provided further, That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in fiscal year 2004.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

## Program and Financing (in millions of dollars)

Identification code 18-1001-0-1-372	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.03 Prior years' liabilities .....	29	29	29
00.04 Advanced Appropriation from the previous year .....	67 <sup>1</sup>	48 <sup>2</sup>	31 <sup>3</sup>
00.05 FY 2001 Supplemental P.L. 107-38 .....	175		
00.06 FY 2002 Supplemental P.L. 107-117 .....	500		
00.07 FY 2002 Supplemental P.L. 107-206 .....	87		
10.00 Total new obligations (object class 41.0) .....	858	77	60
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	683	77	60
22.22 Unobligated balance transferred from other accounts .....	175		
23.90 Total budgetary resources available for obligation .....	858	77	60
23.95 Total new obligations .....	-858	-77	-60
<b>New budget authority (gross), detail:</b>			
Discretionary:			
Appropriation:			
40.00 Appropriation .....	29	29	29
40.00 Appropriation .....	587		
43.00 Appropriation (total discretionary) .....	616	29	29
55.00 Advance appropriation .....	67	48	31
70.00 Total new budget authority (gross) .....	683	77	60
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	858	77	60
73.20 Total outlays (gross) .....	-858	-77	-60
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	683	77	60
86.93 Outlays from discretionary balances .....	175		
87.00 Total outlays (gross) .....	858	77	60
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	683	77	60
90.00 Outlays .....	858	77	60

<sup>1</sup> Represents a \$66,473,000 current year estimate and a \$620,000 reconciliation adjustment.

<sup>2</sup> Represents a \$56,303,000 current year estimate and a -\$8,684,000 reconciliation adjustment.

<sup>3</sup> Represents a \$48,999,000 current year estimate and a -\$17,985,000 reconciliation adjustment.

The Postal Service received a total of \$762 million in emergency funds in 2001 and 2002. Included in this amount is:

- \$175,000,000 from the Emergency Response Fund to the U.S. Postal Service in response to the anthrax attacks. These funds were released by the President on November 20, 2001, pursuant to P.L. 107-38.

- \$500,000,000 from the Emergency Supplemental Act of 2002 (P.L. 107-117) to protect postal employees and postal customers from exposure to biohazardous material, sanitize and screen the mail, and replace or repair Postal Service facilities destroyed or damaged in New York City as a result of the September 11, 2001, terrorist attacks. These funds became available to the Postal Service for sanitizing and screening the mail after it submitted an emergency preparedness plan and an associated expenditure plan to the Congress.

- \$87,000,000 from the Supplemental Appropriations Act of FY 2002 for Further Recovery from the Response to Terrorist Attacks on the United States (P.L. 107-206) to further protect postal employees and postal customers from exposure to biohazardous material and to sanitize and screen the mail.

Pursuant to Public Law 93-328, the 2004 appropriation request of the U.S. Postal Service for Payment to the Postal Service Fund is \$65,521,000. This amount includes: \$55,685,000 requested for free mail for the blind and overseas voting; -\$19,164,000 as a reconciliation adjustment for 2001 actual mail volume of free mail for the blind and overseas voting; and \$29,000,000 for prior years' liability under the Revenue Forgone Reform Act of 1993. In addition to these funds, \$31,014,000 (an advance appropriation from 2003 for the 2003 costs and the 2000 reconciliation adjustment for free mail for the blind and overseas voting) will become available to the U.S. Postal Service in 2004.

## Public enterprise funds:

## POSTAL SERVICE FUND

## Program and Financing (in millions of dollars)

Identification code 18-4020-0-3-372	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Reimbursable Program:			
09.01 Postal field operations .....	46,553	47,452	48,257
09.02 Transportation .....	5,132	5,499	5,764
09.03 Building occupancy .....	1,713	1,763	1,924
09.04 Supplies and services .....	2,964	2,988	3,348
09.05 Research and development .....	43	43	43
09.06 Administration and area operations .....	7,073	7,577	7,591
09.07 Interest .....	1,966	1,612	1,571
09.08 Servicewide expenses .....	156	197	205
09.09 Subtotal .....	65,600	67,131	68,703
09.10 Capital Investment .....	1,260	2,557	2,938
10.00 Total new obligations .....	66,860	69,688	71,641
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	69,759	70,489	72,029
22.60 Portion applied to repay debt .....	-2,899	-801	-388
23.90 Total budgetary resources available for obligation .....	66,860	69,688	71,641
23.95 Total new obligations .....	-66,860	-69,688	-71,641
<b>New budget authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	3,071	51	877
69.00 Offsetting collections (cash) .....	66,688	70,438	71,152
70.00 Total new budget authority (gross) .....	69,759	70,489	72,029
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	18,751	19,574	19,572
73.10 Total new obligations .....	66,860	69,688	71,641
73.20 Total outlays (gross) .....	-66,037	-69,690	-70,765
74.40 Obligated balance, end of year .....	19,574	19,572	20,448
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	66,037	69,690	70,765
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-1,711	-981	-973
88.20 Interest on Federal securities .....	-20	-20	-20

**Public enterprise funds—Continued**

## POSTAL SERVICE FUND—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 18-4020-0-3-372	2002 actual	2003 est.	2004 est.
88.40 Non-Federal sources .....	-64,957	-69,437	-70,159
88.90 Total, offsetting collections (cash) .....	-66,688	-70,438	-71,152
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,071	51	877
90.00 Outlays .....	-651	-748	-387
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	1,258	1,430	1,400
92.02 Total investments, end of year: Federal securities: Par value .....	1,430	1,400	1,400

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority .....	69,759	70,489	72,029
Outlays .....	66,037	69,690	70,765
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			
Outlays .....		-3,490	-2,658
Total:			
Budget Authority .....	69,759	70,489	72,029
Outlays .....	66,037	66,200	68,107

The Postal Reorganization Act of 1970, Public Law 91-375, converted the Post Office Department into the U.S. Postal Service, an independent establishment within the executive branch. The Postal Service commenced operations July 1, 1971. This agency is charged with providing patrons with reliable mail service at reasonable rates and fees.

The U.S. Postal Service is governed by an 11-member Board of Governors, including 9 Governors appointed by the President, a Postmaster General who is selected by the Governors, and a Deputy Postmaster General who is selected by the Governors and the Postmaster General.

Decisions on changes in domestic rates of postage and fees for postal services are recommended to the Governors of the Postal Service by the independent Postal Rate Commission after a hearing on the record under the Administrative Procedure Act. The Commission also recommends decisions on changes in the domestic mail classification schedule to the Governors. Decisions of the Governors on rates of postage, fees for postal services, and mail classification are final, subject to judicial review.

Effective in 1986, the Postal Service Fund (Fund) was included in the congressional and executive budget process and taken into account in making calculations under the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings). The Omnibus Budget Reconciliation Act of 1989 amended title 39 of the U.S. Code by adding a new section, 2009a, which provides that, beginning in 1990, the receipts and disbursements of the Fund shall not be considered as part of the congressional and executive budget process and shall not be taken into account in making calculations under Gramm-Rudman-Hollings.

**Programs.**—Included are all postal activities providing window services; processing, delivery, and transportation of mail; research and development; administration of postal field activities; and associated expenses of providing facilities and financing.

In April 2002, the Postal Service delivered on its promise to Congress to develop a comprehensive Transformation Plan. This plan includes a commitment to reduce or avoid \$5 billion in costs in five years. The plan provides the recently an-

nounced President's Commission on the United States Postal Service (Executive Order 13278, December 11, 2002) with a starting point for its mission to examine the state of the Postal Service and to prepare and submit to the President a report articulating a proposed vision for the future of the U.S. Postal Service. The Commission is also tasked with recommending the legislative and administrative reforms needed to ensure the viability of postal services. The bipartisan commission brings together nine highly skilled individuals from diverse backgrounds; including business, academia, and labor, to take a fresh look at the operational, structural, and financial challenges facing the Postal Service in the 21st Century.

**Financing.**—The activities of the U.S. Postal Service are financed from the following sources: (1) mail and services revenue; (2) reimbursements from Federal and non-Federal sources; (3) proceeds from borrowing; (4) interest from U.S. securities and other investments; and (5) appropriations by the Congress. All receipts and deposits are made to the Postal Service Fund and are available without fiscal year limitation for payment of all expenses incurred, retirement of obligations, investment in capital assets, and investment in obligations and securities.

Separate legislation also increased the Postal Service's statutory borrowing authority beginning in 1991. Section 2005 of title 39, United States Code, as amended, increased the Postal Service's borrowing authority by \$2.5 billion in 1991 for a revised ceiling of \$12.5 billion and an additional \$2.5 billion in 1992 for a revised total ceiling of \$15 billion. The total net increase in amounts outstanding in any one fiscal year were also increased and now may not exceed \$2.0 billion in obligations issued for the purpose of capital improvements and \$1.0 billion for the purpose of paying operating expenses. As of September 30, 2004, it is expected that the total debt instruments issued and outstanding pursuant to this authority will amount to \$9.925 billion.

**Operating.**—Estimated revenue will total approximately \$71.2 billion in 2004. This includes \$71.1 billion from mail and services revenue, \$20 million from investment income, and \$37 million for revenue foregone appropriations in 2004. Total expenses are estimated at approximately \$71.7 billion in 2004.

The Postal Reorganization Act of 1970 established the Postal Service as a fully self-sufficient, independent entity. Postal revenues were to cover the full costs of postal operations. When the Act was passed, the Postal Service received substantial taxpayer subsidies, both appropriated and unappropriated. Consistent with the intent of the 1970 Act, Congress has taken steps over time to reduce these subsidies. Under the 1974 Civil Service Retirement Fund—Postal Employee Benefits Act, the Postal Service assumed responsibility for paying unfunded retirement costs from wage schedule increases under postal labor contracts. These costs are not covered by normal employee/employer contributions to the retirement fund. The 1985 Reconciliation Act shifted responsibility for paying health benefit costs of Postal annuitants retiring after 1986 from OPM to the Postal Service. The 1987 Reconciliation Act had the Postal Service make one-time payments to defray annuitant health benefit costs in 1988 and 1989 and retirement COLA costs in 1988. (Retirement COLAs, like wage schedule increases, result in retirement liabilities not covered by normal retirement fund contributions.) Under the 1989 Reconciliation Act, the Postal Service assumed responsibility for paying health benefits of survivors of post-86 annuitants and unfunded retirement COLA liabilities for post-86 annuitants.

The Omnibus Budget Reconciliation Act of 1990 superseded certain existing legislation and expanded the Postal Service's responsibility for benefit costs of postal annuitants. Effective October 1, 1990, the Postal Service is required to fund Civil Service Retirement System (CSRS) COLAs and the employer's

share of Federal Employees Health Benefits Program (FEHBP) premiums for postal annuitants who retired after June 30, 1971, and their survivors. In addition, the Postal Service is required to fund the retroactive CSRS COLA and FEHBP premium costs for which the Postal Service would have been liable if the provisions of this new legislation had been in effect as of July 1, 1971.

Under the Omnibus Reconciliation Act of 1993, the Postal Service was required to make certain payments for past COLAs and health benefits, over and above any other payments required by law, of \$693 million to the Civil Service Retirement and Disability Fund, and \$348 million to the Employees Health Benefits Fund. These two payments were made in three equal annual installments, beginning in fiscal year 1996.

The Revenue Forgone Reform Act of 1993 phased-in higher postage rates for preferred mailers during 1994 through 1999. As reimbursement for the additional revenues not collected by the Postal Service during this phase-in period and for insufficient amounts appropriated for forgone revenues on various mail classes during 1991 through 1993, the Act authorized \$1.218 billion to be paid in installments of \$29 million annually from 1994 through 2035. Congress has appropriated \$29 million annually since 1994. As of September 30, 2003, \$928 million remains to be paid—in annual increments of \$29 million over the next 32 years—to the Postal Service under this Act.

The Balanced Budget Act of 1997 repealed the authorization for transitional appropriations to the Postal Service which had funded the liabilities of the former Post Office Department to the Employees' Compensation Fund. Effective October 1, 1997, these liabilities became liabilities of the Postal Service payable out of the Postal Service Fund.

#### Statement of Operations (in millions of dollars)

Identification code 18-4020-0-3-372	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	65,869	66,688	70,438	71,152
0102 Expense .....	-67,549	-67,364	-69,838	-71,652
0105 Net income or loss (-) .....	-1,680	-676	600	-500

#### Object Classification (in millions of dollars)

Identification code 18-4020-0-3-372	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent .....	28,107	28,577	28,981
11.3 Other than full-time permanent .....	4,569	4,414	4,439
11.5 Other personnel compensation .....	4,201	4,505	4,745
11.9 Total personnel compensation .....	36,877	37,496	38,165
12.1 Civilian personnel benefits .....	12,670	13,264	13,277
13.0 Benefits for former personnel .....	2,011	2,267	2,481
21.0 Travel and transportation of persons .....	187	201	202
22.0 Transportation of things .....	5,593	5,973	6,251
23.1 Rental payments to GSA .....	45	46	48
23.2 Rental payments to others .....	850	884	926
23.3 Communications, utilities, and miscellaneous charges .....	745	761	877
24.0 Printing and reproduction .....	125	84	85
25.2 Other services .....	2,495	2,738	3,104
26.0 Supplies and materials .....	1,937	1,334	1,239
31.0 Equipment .....	1,042	1,502	1,954
32.0 Land and structures .....	195	1,034	964
42.0 Insurance claims and indemnities .....	122	129	132
Interest and dividends:			
43.0 Interest and dividends .....	340	364	365
43.0 Interest and dividends .....	1,626	1,611	1,571
99.9 Total new obligations .....	66,860	69,688	71,641

#### Personnel Summary

Identification code 18-4020-0-3-372	2002 actual	2003 est.	2004 est.
2001 Total compensable workyears: Civilian full-time equivalent employment .....	809,946	799,537	786,825

#### POSTAL SERVICE FUND (Legislative proposal, not subject to PAYGO)

#### Program and Financing (in millions of dollars)

Identification code 18-4020-2-3-372	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Reimbursable Program:			
09.01 Postal field operations .....		550	1,049
09.06 Administration and area operations .....		-2,429	-2,538
09.07 Interest .....		-1,611	-1,169
09.09 Subtotal .....		-3,490	-2,658
10.00 Total new obligations .....		-3,490	-2,658
<b>Budgetary resources available for obligation:</b>			
22.60 Portion applied to repay debt .....		-3,490	-2,658
23.95 Total new obligations .....		3,490	2,658
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		-3,490	-2,658
73.20 Total outlays (gross) .....		3,490	2,658
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		-3,490	-2,658
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		-3,490	-2,658
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....			
92.02 Total investments, end of year: Federal securities:			
Par value .....			

#### Statement of Operations (in millions of dollars)

Identification code 18-4020-2-3-372	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....				
0102 Expense .....			3,490	2,658
0105 Net income or loss (-) .....			3,490	2,658

#### Object Classification (in millions of dollars)

Identification code 18-4020-2-3-372	2002 actual	2003 est.	2004 est.
12.1 Civilian personnel benefits .....		550	1,049
13.0 Benefits for former personnel .....		-2,429	-2,538
43.0 Interest and dividends .....		-1,611	-1,169
99.9 Total new obligations .....		-3,490	-2,658

The budget includes a legislative proposal that corrects an anticipated USPS over-funding of Civil Service Retirement System (CSRS) retirement benefits. This anticipated over-funding is due to a number of factors, including higher than expected past pension investment yields and overly prescriptive and inflexible statutory language. While the legislative proposal would reduce USPS payments to the Retirement Fund, it ensures that USPS meets its pension obligations so that no employee or retiree would lose any benefits. The proposal is consistent with the structure and financing of the Federal Employees' Retirement System as well as the Administration's legislative proposal to fully fund CSRS liabilities for non-USPS employees and retirees.

## PRESIDIO TRUST

### Federal Funds

#### General and special funds:

#### PRESIDIO TRUST FUND

For necessary expenses to carry out title I of the Omnibus Parks and Public Lands Management Act of 1996, \$20,700,000 shall be available to the Presidio Trust, to remain available until expended.

**General and special funds—Continued**

**PRESIDIO TRUST FUND—Continued**

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 95-4331-0-4-303	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program .....	78	100	83
10.00 Total new obligations .....	78	100	83
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	119	110	75
22.00 New budget authority (gross) .....	69	65	62
23.90 Total budgetary resources available for obligation .....	188	175	137
23.95 Total new obligations .....	-78	-100	-83
24.40 Unobligated balance carried forward, end of year .....	110	75	54
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	23	21	21
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) Business Activities .....	50	44	41
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-4		
68.90 Spending authority from offsetting collections (total discretionary) .....	46	44	41
70.00 Total new budget authority (gross) .....	69	65	62
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	18	22	45
73.10 Total new obligations .....	78	100	83
73.20 Total outlays (gross) .....	-78	-77	-92
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	4		
74.40 Obligated balance, end of year .....	22	45	36
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	29	19	19
86.93 Outlays from discretionary balances .....	49	58	73
87.00 Total outlays (gross) .....	78	77	92
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-11	-10	-10
88.40 Non-Federal sources .....	-39	-34	-31
88.90 Total, offsetting collections (cash) .....	-50	-44	-41
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	4		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	23	21	21
90.00 Outlays .....	29	33	51
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	123	125	85
92.02 Total investments, end of year: Federal securities:			
Par value .....	125	85	50
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)**

Identification code 95-4331-0-4-303	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Loan guarantee levels .....		200	

215901 Total loan guarantee levels .....	200		
Guaranteed loan subsidy (in percent):			
232001 Loan guarantee levels .....	0.14		
232901 Weighted average subsidy rate .....	0.14		
Guaranteed loan subsidy budget authority:			
233001 Loan guarantee levels .....			
233901 Total subsidy budget authority .....			
Guaranteed loan subsidy outlays:			
234001 Loan guarantee levels .....			
234901 Total subsidy outlays .....			

The Presidio Trust is a wholly owned government corporation established by the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104-333) to manage, improve, maintain and lease property in the Presidio of San Francisco. After this former military base was transferred to the National Park Service (NPS), the Trust was created to take over responsibility for managing the hundreds of houses, office buildings, and other facilities in an innovative manner that uses private-sector resources, but is consistent with surrounding NPS lands. This appropriation funds the operation and capital improvements of the Trust.

**Object Classification (in millions of dollars)**

Identification code 95-4331-0-4-303	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	25	23	15
12.1 Civilian personnel benefits .....	8	7	4
23.3 Communications, utilities, and miscellaneous charges .....	6	6	6
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	1	1	1
25.2 Other services .....	8	17	15
25.3 Other purchases of goods and services from Government accounts .....	5	5	5
26.0 Supplies and materials .....	8	10	10
31.0 Equipment .....	4	9	8
32.0 Land and structures .....	12	21	18
99.0 Reimbursable obligations .....	78	100	83
99.9 Total new obligations .....	78	100	83

**Personnel Summary**

Identification code 95-4331-0-4-303	2002 actual	2003 est.	2004 est.
2001 Total compensable workyears: Civilian full-time equivalent employment .....	413	379	308

**PRESIDIO TRUST GUARANTEED LOAN FINANCING ACCOUNT**

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 95-4332-0-3-303	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....			
2121 Limitation available from carry-forward .....	200	200	100
2143 Uncommitted limitation carried forward .....	-200	-100	-50
2150 Total guaranteed loan commitments .....		100	50
2199 Guaranteed amount of guaranteed loan commitments .....		75	38
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....			49
2231 Disbursements of new guaranteed loans .....		50	75
2251 Repayments and prepayments .....		-1	-6
2290 Outstanding, end of year .....		49	118
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....		37	89

**RAILROAD RETIREMENT BOARD**

*Federal Funds*

**General and special funds:**

FEDERAL WINDFALL SUBSIDY

For payment to the Federal Windfall Subsidy, authorized under section 15(d) of the Railroad Retirement Act of 1974, \$119,000,000, which shall include amounts becoming available in fiscal year 2004 pursuant to section 224(c)(1)(B) of Public Law 98-76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds \$119,000,000: Provided, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 60-0111-0-1-601	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	142	132	119
10.00 Total new obligations (object class 41.0) .....	142	132	119
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	146	132	119
23.95 Total new obligations .....	-142	-132	-119
23.98 Unobligated balance expiring or withdrawn .....	-4		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	146	132	119
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	142	132	119
73.20 Total outlays (gross) .....	-142	-132	-119
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	142	132	119
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	146	132	119
90.00 Outlays .....	142	132	119

This appropriation is a Federal subsidy to the rail industry pension for costs not financed by the railroad sector.

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, \$150,000, to remain available through September 30, 2005, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98-76.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 60-0113-0-1-601	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	336	444	397
10.00 Total new obligations (object class 42.0) .....	336	444	397
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	336	444	397
23.95 Total new obligations .....	-336	-444	-397
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	336	444	397

<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	336	444	397
73.20 Total outlays (gross) .....	-336	-444	-397

<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	336	444	397

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	336	444	397
90.00 Outlays .....	336	444	397

This account funds interest on uncashed checks and income taxes on Tier I and Tier II railroad retirement benefits.

**Trust Funds**

RAILROAD UNEMPLOYMENT INSURANCE TRUST FUND

**Program and Financing (in millions of dollars)**

Identification code 60-8051-0-7-603	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	104	107	100
09.01 Reimbursable program .....	30	26	26
10.00 Total new obligations .....	134	133	126
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	134	133	126
23.95 Total new obligations .....	-134	-133	-126
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	131	142	142
60.45 Portion precluded from obligation .....	-13	-19	-26
61.00 Transferred to other accounts .....	-14	-16	-16
62.50 Appropriation (total mandatory) .....	104	107	100
69.00 Offsetting collections (cash) .....	30	26	26
70.00 Total new budget authority (gross) .....	134	133	126
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-33	-27	-31
73.10 Total new obligations .....	134	133	126
73.20 Total outlays (gross) .....	-129	-136	-126
74.40 Obligated balance, end of year .....	-27	-31	-31
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	129	133	126
86.98 Outlays from mandatory balances .....		3	
87.00 Total outlays (gross) .....	129	136	126
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-30	-26	-26
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	104	107	100
90.00 Outlays .....	99	110	100

Note.—Appropriations language for the 2004 request for administrative expenses is included with the limitation on administration of the Rail Industry Pension Fund.

The Board administers a separate fund for unemployment and sickness insurance payments. Administrative expenses are financed from employer unemployment taxes.

**WORKLOAD**

	1983 actual	1990 actual	2002 actual	2003 est.	2004 est.
Unemployment claims .....	1,919,160	300,351	129,564	122,000	112,000
Cumulative workload decline (%) .....		-84%	-93%	-94%	-94%
Sickness claims .....	411,877	269,926	193,246	186,000	178,000
Cumulative workload decline (%) .....		-34%	-53%	-55%	-57%

**Object Classification (in millions of dollars)**

Identification code 60-8051-0-7-603	2002 actual	2003 est.	2004 est.
42.0 Direct obligations: Benefit payments .....	104	107	100

**General and special funds—Continued**

**RAILROAD UNEMPLOYMENT INSURANCE TRUST FUND—Continued**

**Object Classification (in millions of dollars)—Continued**

Identification code 60-8051-0-7-603	2002 actual	2003 est.	2004 est.
99.0 Reimbursable obligations: Reimbursable obligations ...	30	26	26
99.9 Total new obligations .....	134	133	126

**RAIL INDUSTRY PENSION FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 60-8011-0-7-601	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	18,179	17,916	912
Receipts:			
02.00 Refunds .....	-4	-5	-5
02.01 Taxes .....	2,505	2,354	2,242
02.40 Interest and profits on investments in public debt securities .....	1,896	156	24
02.41 Federal payments to railroad retirement trust funds .....	242	330	292
02.80 Rail industry pension fund, offsetting collections .....	5	5	5
02.99 Total receipts and collections .....	4,644	2,840	2,558
04.00 Total: Balances and collections .....	22,823	20,756	3,470
Appropriations:			
05.00 Rail industry pension fund .....	-4,907	-19,844	-3,415
05.99 Total appropriations .....	-4,907	-19,844	-3,415
07.99 Balance, end of year .....	17,916	912	55

**Program and Financing (in millions of dollars)**

Identification code 60-8011-0-7-601	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	4,940	19,879	3,450
09.01 RRA-administrative reimbursement .....	5	5	5
10.00 Total new obligations .....	4,945	19,884	3,455
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	4,945	19,884	3,455
23.95 Total new obligations .....	-4,945	-19,884	-3,455

**New budget authority (gross), detail:**

Discretionary:			
40.26 Appropriation (trust fund) .....	104	104	107
Mandatory:			
60.26 Appropriation (trust fund) .....	4,644	2,840	2,558
60.28 Appropriation (unavailable balances) .....	154	16,895	745
62.00 Transferred from other accounts .....	38	40	40
62.50 Appropriation (total mandatory) .....	4,836	19,775	3,343
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	5	5	5
70.00 Total new budget authority (gross) .....	4,945	19,884	3,455

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	268	288	296
73.10 Total new obligations .....	4,945	19,884	3,455
73.20 Total outlays (gross) .....	-4,923	-19,876	-3,751
74.40 Obligated balance, end of year .....	288	296	

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	109	109	112
86.97 Outlays from new mandatory authority .....	4,546	19,479	3,343
86.98 Outlays from mandatory balances .....	268	288	296
87.00 Total outlays (gross) .....	4,923	19,876	3,751

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-5	-5	-5

**Net budget authority and outlays:**

89.00 Budget authority .....	4,940	19,879	3,450
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90.00 Outlays .....	4,918	19,871	3,746
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	24,983	23,383	1,209
92.02 Total investments, end of year: Federal securities:			
Par value .....	23,383	1,209	56

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

90.00 Budget authority .....	6	6	6
99.01 Outlays .....	6	6	6

Railroad retirees generally receive the equivalent to a social security benefit and a rail industry pension collectively bargained like other private pension plans but embedded in Federal law. About 77,000 individuals also receive a "windfall" benefit.

**Status of Funds (in millions of dollars)**

Identification code 60-8011-0-7-601	2002 actual	2003 est.	2004 est.
Unexpended balance, start of year:			
0100 Uninvested balance .....	9	21	
Federal securities:			
0101 Par value .....	24,983	23,383	1,209
0102 Unrealized discounts .....	-6,545	-5,202	
0199 Total balance, start of year .....	18,447	18,204	1,208
Cash income during the year:			
Current law:			
Receipts:			
1200 Refunds, Rail Industry Pension Fund .....	-4	-5	-5
1201 Taxes, Rail Industry Pension Fund .....	2,505	2,354	2,242
Offsetting receipts (intragovernmental):			
1240 Interest and profits on investments in public debt securities, Rail Industry Pension Fund .....	1,896	156	24
1241 Federal payments to railroad retirement trust funds, Rail Industry Pension Fund .....	242	330	292
Offsetting collections:			
1280 Offsetting collections, Rail Industry Pension Fund .....	5	5	5
1299 Income under present law .....	4,644	2,840	2,558
Cash outgo during year:			
Current law:			
4500 Rail Industry Pension Fund .....	-4,923	-19,876	-3,751
7645 Transfers, net .....	38	40	40
Unexpended balance, end of year:			
8700 Uninvested balance .....	21		
Federal securities:			
8701 Par value .....	23,383	1,209	56
8702 Unrealized discounts .....	-5,202		
8799 Total balance, end of year .....	18,204	1,208	55

**Object Classification (in millions of dollars)**

Identification code 60-8011-0-7-601	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
42.0 Benefit payments .....	3,404	3,525	3,343
93.0 Administrative expenses (see separate schedule) .....	103	103	107
94.0 Financial transfers .....	1,432	16,250	
99.0 Direct obligations .....	4,939	19,878	3,450
99.0 Reimbursable obligations .....	5	5	5
99.5 Below reporting threshold .....	1	1	
99.9 Total new obligations .....	4,945	19,884	3,455

**LIMITATION ON ADMINISTRATION**

*For necessary expenses for the Railroad Retirement Board for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, \$99,820,000, to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (In millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Direct program:			
Rail Industry Pension Fund:			
Subtotal, Rail Industry Pension Fund .....	59	61	63
Railroad Social Security Equivalent Benefit:			
Subtotal, Railroad Social Security Equivalent Benefit .....	24	22	22
Supplemental Annuity Pension Fund:			
Subtotal, Supplemental Annuity Pension Fund .....	1		
Railroad Unemployment Insurance Trust Fund:			
Subtotal, Railroad Unemployment Insurance Trust Fund .....	14	15	15
Total, direct program .....	98	98	100
Reimbursable program .....	5	5	5
Total new obligations .....	103	103	105
<b>Budgetary resources available for obligation:</b>			
Offsetting collections from: Trust funds .....	-5	-5	-5
Unobligated balance expiring .....			
Limitation .....	98	98	100
<b>Change in unpaid obligations:</b>			
Obligations incurred, net .....	98	98	100
Obligated balance, start of year .....		5	5
Obligated balance, end of year .....	-6	-5	-5
Outlays from limitation .....	92	98	100

The table below shows anticipated workloads.

	2000 actual	2001 actual	2002 actual	2003 est.	2004 est.
Pending, start of year .....	7,562	6,497	9,273	7,408	9,408
New Railroad Retirement applications ....	45,132	44,996	54,483	48,000	46,000
New Social Security certifications .....	6,108	7,156	5,845	7,000	6,000
Total dispositions (excluding partial awards) .....	52,305	49,376	62,193	53,000	50,000
Pending, end of year .....	6,497	9,273	7,408	9,408	11,408

As shown below, the Board projects this workload will continue to decline as the number of beneficiaries declines.

	1980 actual	1990 actual	2001 actual	2002 actual	2003 est.	2004 est.
Total beneficiaries .....	1,009,500	894,196	660,112	641,063	628,800	614,100

In recognition of the continuing decline in virtually all its major workloads, the Board will explore and adopt new approaches to improve service to beneficiaries.

Object Classification (in millions of dollars)

Identification code 60-8011-0-7-601	2002 actual	2003 est.	2004 est.
<b>Limitation Acct—Direct Obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	61	62	61
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	63	64	63
12.1 Civilian personnel benefits .....	14	13	14
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	4	4	4
23.3 Communications, utilities, and miscellaneous charges .....	4	4	4
25.2 Other services .....	9	9	12
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
93.0 Limitation on expenses .....	-97	-97	-100
99.0 Limitation acct—direct obligations .....			
<b>Limitation Acct—Reimbursable Obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	4	4	4
12.1 Civilian personnel benefits .....	1	1	1
93.0 Limitation on expenses .....	-5	-5	-5
99.0 Limitation acct—reimbursable obligations .....			

Personnel Summary

Identification code 60-8011-0-7-601	2002 actual	2003 est.	2004 est.
<b>Limitation account—direct:</b>			
6001 Total compensable workyears: Civilian full-time equivalent employment .....	1,049	1,019	969
<b>Limitation account—reimbursable:</b>			
7001 Total compensable workyears: Civilian full-time equivalent employment .....	50	50	50

LIMITATION ON THE OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, as amended, not more than \$6,600,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account: Provided, That none of the funds made available in any other paragraph of this Act may be transferred to the Office; used to carry out any such transfer; used to provide any office space, equipment, office supplies, communications facilities or services, maintenance services, or administrative services for the Office; used to pay any salary, benefit, or award for any personnel of the Office; used to pay any other operating expense of the Office; or used to reimburse the Office for any service provided, or expense incurred, by the Office.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Operations (total new obligations) .....	6	6	7
<b>Budgetary resources available for obligation:</b>			
Offsetting collections from trust funds .....			
Unobligated balance expiring .....			
Limitation .....	6	6	7
<b>Change in unpaid obligations:</b>			
Obligations incurred, net .....	6	6	7
Obligated balance, start of year .....			
Obligated balance, end of year .....			
Outlays from limitation .....	6	6	7

Object Classification (in millions of dollars)

Identification code 60-8011-0-7-601	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	5	5	6
12.1 Civilian personnel benefits .....	1	1	1
93.0 Limitation on expenses .....	-6	-6	-7
99.0 Limitation account—allocation .....			

Personnel Summary

Identification code 60-8011-0-7-601	2002 actual	2003 est.	2004 est.
8001 Total compensable workyears: Civilian full-time equivalent employment .....	51	54	54

NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST

Unavailable Collections (in millions of dollars)

Identification code 60-8118-0-7-601	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....		1,500	19,811
<b>Receipts:</b>			
02.21 Interest and dividends on non-Federal securities, National railroad retirement investment trust .....		566	896
02.40 Earnings on investments in Federal securities, National railroad retirement investment trust .....		36	57

**General and special funds—Continued**

**NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST—Continued**

**Unavailable Collections (in millions of dollars)—Continued**

Identification code 60-8118-0-7-601	2002 actual	2003 est.	2004 est.
02.41 Payment from the rail industry pension fund, National railroad retirement investment trust .....	1,432	16,250	
02.42 Payment from the social security equivalent benefit account, National railroad retirement investment trust .....		1,466	149
02.99 Total receipts and collections .....	1,432	18,318	1,102
04.00 Total: Balances and collections .....	1,432	19,818	20,913
<b>Appropriations:</b>			
05.00 National Railroad Retirement Investment Trust .....	-2	-7	-43
05.01 National Railroad Retirement Investment Trust .....	70		
05.99 Payment from the supplemental annuity fund, National railroad retirement investment trust .....	68	-7	-43
07.99 Balance, end of year .....	1,500	19,811	20,870

**Program and Financing (in millions of dollars)**

Identification code 60-8118-0-7-601	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 NRRIT expenses .....	2	7	43
10.00 Total new obligations (object class 91.0) .....	2	7	43
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	2	7	43
23.95 Total new obligations .....	-2	-7	-43
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....	1,502	18,318	1,102
60.45 Portion precluded from obligation .....	-1,500	-18,311	-1,059
62.50 Appropriation (total mandatory) .....	2	7	43
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	2	7	43
73.20 Total outlays (gross) .....	-2	-7	-43
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	2	7	43
86.98 Outlays from mandatory balances .....			
87.00 Total outlays (gross) .....	2	7	43
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2	7	43
90.00 Outlays .....	2	7	43
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....		90	1,189
92.02 Total investments, end of year: Federal securities: Par value .....	90	1,189	1,252

The Trust manages and invests the funds of the Railroad Retirement System in private securities and U.S. Treasury Securities. Railroad retirement benefits will continue to be paid as under the law in effect prior to the enactment of the Railroad Retirement and Survivors Improvement Act of 2001 until an arrangement is finalized with a non-governmental financial institution to serve as a disbursing agent. Railroad retirement benefits will be paid by the National Railroad Retirement Investment Trust once an arrangement is finalized.

**SUPPLEMENTAL ANNUITY PENSION FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 60-8012-0-7-601	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	56		

Identification code 60-8012-0-7-601	2002 actual	2003 est.	2004 est.
<b>Receipts:</b>			
02.00 Supplemental annuity taxes .....		24	
02.40 Interest and profits on investments in public debt securities .....		3	
02.99 Total receipts and collections .....		27	
04.00 Total: Balances and collections .....		83	
<b>Appropriations:</b>			
05.00 Supplemental Annuity Pension Fund .....		-83	
05.99 Total appropriations .....		-83	
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 60-8012-0-7-601	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	82		
10.00 Total new obligations (object class 42.0) .....	82		
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	82		
23.95 Total new obligations .....	-82		
<b>New budget authority (gross), detail:</b>			
<b>Mandatory:</b>			
60.26 Appropriation (trust fund) .....	27		
60.28 Appropriation (unavailable balances) .....	56		
61.00 Transferred to other accounts .....	-1		
62.50 Appropriation (total mandatory) .....	82		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		6	
73.10 Total new obligations .....		82	
73.20 Total outlays (gross) .....		-87	
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		81	
86.98 Outlays from mandatory balances .....		6	
87.00 Total outlays (gross) .....		87	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	82		
90.00 Outlays .....	87		
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....		61	

In addition to rail social security, rail industry pensions, and special windfalls, the Railroad Retirement Board pays supplemental annuities to rail workers retiring at age 60 with 30 years of creditable rail service or at age 65 with 25-29 years of creditable service. Monthly benefit amounts are calculated from a base of \$23, adding \$4 for every year of service over 25, up to a maximum monthly benefit of \$43. Under the provisions of P.L. 107-90, the Railroad Retirement and Survivors' Improvement Act of 2001, supplemental annuities will be funded and paid by the Rail Industry Pension Fund until an arrangement is finalized with a non-governmental financial institution to serve as a disbursing agent. Supplemental annuities will be funded and paid by the National Railroad Retirement Investment Trust once an arrangement is finalized.

**Status of Funds (in millions of dollars)**

Identification code 60-8012-0-7-601	2002 actual	2003 est.	2004 est.
<b>Unexpended balance, start of year:</b>			
0101 Federal securities: Par value .....	61		
0199 Total balance, start of year .....	62		

Cash income during the year:			
Current law:			
Receipts:			
1200	Supplemental annuity taxes, Supplemental Annuity Pension Fund, RRB .....	24	.....
Offsetting receipts (intragovernmental):			
1240	Interest and profits on investments in public debt securities, Supplemental Annuity Pension Fund, RRB .....	3	.....
1299	Income under present law .....	27	.....
Cash outgo during year:			
Current law:			
4500	Supplemental Annuity Pension Fund .....	-87	.....
7645	Transfers, net .....	-1	.....

RAILROAD SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 60-8010-0-7-601	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year .....	1,313	1,375	154
Receipts:				
02.00	Taxes .....	2,044	2,045	2,075
02.01	Receipts transferred to Federal hospital insurance trust fund .....	-388	-398	-397
02.02	Refunds, railroad social security equivalent benefit account .....	-4	-4	-4
02.40	Interest and profits on investments in public debt securities .....	72	61	24
02.41	Income tax credits .....	94	114	105
02.42	Interest transferred to Federal hospital insurance trust fund .....	-36	-31	-28
02.43	Receipts from Federal old-age survivors insurance trust fund .....	3,493	3,672	3,649
02.44	Receipts from Federal disability insurance trust fund .....	154	198	229
02.99	Total receipts and collections .....	5,429	5,657	5,653
04.00	Total: Balances and collections .....	6,742	7,032	5,807
Appropriations:				
05.00	Rail industry social security equivalent benefit account .....	-5,367	-6,878	-5,662
05.99	Total appropriations .....	-5,367	-6,878	-5,662
07.99	Balance, end of year .....	1,375	154	145

Program and Financing (in millions of dollars)

Identification code 60-8010-0-7-601	2002 actual	2003 est.	2004 est.	
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	5,335	6,952	5,670
10.00	Total new obligations .....	5,335	6,952	5,670
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	5,335	6,952	5,670
23.95	Total new obligations .....	-5,335	-6,952	-5,670
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.26	Appropriation (trust fund) .....	5,429	5,657	5,653
60.28	Appropriation (unavailable balances) .....	.....	1,221	9
60.45	Portion precluded from obligation .....	-62	.....	.....
60.47	Portion applied to repay debt .....	-3,163	-3,154	-3,252
61.00	Transferred to other accounts .....	-23	-24	-24
62.50	Appropriation (total mandatory) .....	2,181	3,700	2,386
67.10	Authority to borrow .....	3,154	3,252	3,284
70.00	Total new budget authority (gross) .....	5,335	6,952	5,670
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	511	518	513
73.10	Total new obligations .....	5,335	6,952	5,670
73.20	Total outlays (gross) .....	-5,326	-6,957	-5,651
74.40	Obligated balance, end of year .....	518	513	532
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	4,815	6,439	5,138
86.98	Outlays from mandatory balances .....	511	518	513

87.00	Total outlays (gross) .....	5,326	6,957	5,651
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	5,335	6,952	5,670
90.00	Outlays .....	5,326	6,957	5,651
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities: Par value .....	1,821	1,877	666
92.02	Total investments, end of year: Federal securities: Par value .....	1,877	666	676

All railroad retirees receive the equivalent of a social security benefit, and they may also receive other add-ons including rail industry pension payments, windfall payments, and supplemental annuities. Social security benefits for former railroad employees are funded by the social security trust funds, and rail industry pension payments are the responsibility of the rail sector.

Under current law, a financial interchange occurs once each year between the social security trust funds and the social security equivalent benefit (SSEB) account. The SSEB receives monthly advances from the general fund equal to an estimate of the transfer the SSEB would have received for the previous month if the financial interchange transfers were on a monthly basis. Advances from the previous year are repaid annually to the general fund immediately after the financial interchange is received. In 2002, \$3,154 million was advanced and \$3,163 million was repaid.

Status of Funds (in millions of dollars)

Identification code 60-8010-0-7-601	2002 actual	2003 est.	2004 est.	
Unexpended balance, start of year:				
0100	Treasury balance .....	2	14	.....
0101	Federal securities: Par value .....	1,821	1,877	666
0105	Outstanding debt to Treasury .....	-3,163	-3,154	-3,252
0199	Total balance, start of year .....	-1,339	-1,261	-2,585
Cash income during the year:				
Current law:				
Receipts:				
1200	Railroad Soc. Sec. equivalent ben. acct., Taxes .....	2,044	2,045	2,075
1201	Railroad Soc. Sec. equivalent ben. acct., Receipts transferred to Federal hospital insurance trust fund .....	-388	-398	-397
1202	Railroad Soc. Sec. Equivalent Ben. Acct., Refunds .....	-4	-4	-4
Offsetting receipts (intragovernmental):				
1240	Railroad Soc. Sec. equivalent ben. acct., Interest and profits on investments in public debt securities .....	72	61	24
1241	Railroad Soc. Sec. equivalent ben. acct., Income tax credits .....	94	114	105
1242	Railroad Soc. Sec. equivalent ben. acct., Interest transferred to Federal hospital insurance trust fund .....	-36	-31	-28
1243	Railroad Soc. Sec. equivalent ben. acct., Receipts from Federal old-age survivors ins. trust fund .....	3,493	3,672	3,649
1244	Railroad Soc. Sec. equivalent ben. acct., Receipts from Federal disability ins. trust fund .....	154	198	229
1299	Income under present law .....	5,429	5,657	5,653
Cash outgo during year:				
Current law:				
4500	Railroad social security equivalent benefit account .....	-5,326	-6,957	-5,651
7645	Transfers, net .....	-23	-24	-24
Unexpended balance, end of year:				
8700	Uninvested balance .....	14	.....	.....
8701	Federal securities: Par value .....	1,877	666	676
8705	Outstanding debt to Treasury .....	-3,154	-3,252	-3,284
8799	Total balance, end of year .....	-1,261	-2,585	-2,607

Object Classification (in millions of dollars)

Identification code 60-8010-0-7-601	2002 actual	2003 est.	2004 est.	
42.0	Benefit payments .....	5,113	5,305	5,348
Financial transfers:				
94.0	Financial transfers .....	1,466	149	.....

**General and special funds—Continued**

**RAILROAD SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT—Continued**

**Object Classification** (in millions of dollars)—Continued

Identification code 60-8010-0-7-601	2002 actual	2003 est.	2004 est.
94.0 Financial transfers .....	222	181	173
99.9 Total new obligations .....	5,335	6,952	5,670

**RESOLUTION TRUST CORPORATION**

*Federal Funds*

**Public enterprise funds:**

**RESOLUTION TRUST CORPORATION REVOLVING FUND**

**Program and Financing** (in millions of dollars)

Identification code 22-4055-0-3-373	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	4	
23.98 Unobligated balance expiring or withdrawn .....		-4	
24.40 Unobligated balance carried forward, end of year .....	4		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 established the Resolution Trust Corporation (RTC) as a temporary agency to dispose of insolvent thrift institutions. The Savings Association Insurance Fund took over responsibility for resolving failed thrifts on July 1, 1995, and the RTC's assets and liabilities were transferred to the FSLIC Resolution Fund on December 31, 1995.

Of \$18.3 billion appropriated to RTC in 1994 by the RTC Completion Act, the Thrift Depositor Protection Oversight Board determined that only \$4.6 billion was required and the excess was returned to Treasury on December 31, 1997. When the RTC terminated, the Oversight Board's primary function ceased. On October 29, 1998, the Board was abolished and its remaining responsibility to oversee the Resolution Funding Corporation (REFCORP), which provided financing for the RTC, was transferred to the Secretary of the Treasury.

**SECURITIES AND EXCHANGE COMMISSION**

*Federal Funds*

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, the rental of space (to include multiple year leases) in the District of Columbia and elsewhere, and not to exceed \$3,000 for official reception and representation expenses, \$841,507,200; of which not to exceed \$10,000 may be used toward funding a permanent secretariat for the International Organization of Securities Commissions; and of which not to exceed \$100,000 shall be available for expenses for consultations and meetings hosted by the Commission with foreign governmental and other regulatory officials, members of their delegations, appropriate representatives and staff to exchange views concerning developments relating to securities matters, development and implementation of co-operation agreements concerning securities matters and provision of technical assistance for the development of foreign securities markets, such expenses to include necessary logistic and administrative expenses and the expenses of Commission staff and foreign invitees in attendance at such consultations and meetings including: (1) such incidental expenses as meals taken in the course of such attendance;

(2) any travel and transportation to or from such meetings; and (3) any other related lodging or subsistence: Provided, That fees and charges authorized by sections 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)), and 13(e), 14(g), and 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78m(e), 78n(g), and 78ee) shall be credited to this account as offsetting collections: Provided further, That not to exceed \$841,500,000 of such offsetting collections shall be available until expended for necessary expenses of this account: Provided further, That the total amount appropriated under this heading from the general fund for fiscal year 2004 shall be reduced as such offsetting fees are received so as to result in a final total fiscal year 2004 appropriation from the general fund estimated at not more than \$0.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Unavailable Collections** (in millions of dollars)

Identification code 50-0100-0-1-376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....	1,411	1,954	2,718
<b>Receipts:</b>			
02.80 Salaries and expenses .....	1,014	1,333	1,543
04.00 Total: Balances and collections .....	2,425	3,287	4,261
<b>Appropriations:</b>			
05.00 Salaries and expenses .....	-471	-569	-842
05.99 Total appropriations .....	-471	-569	-842
07.99 Balance, end of year .....	1,954	2,718	3,419

**Program and Financing** (in millions of dollars)

Identification code 50-0100-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Full disclosure .....	69	87	130
00.02 Prevention and suppression of fraud .....	164	204	282
00.03 Supervision and regulation of securities markets .....	78	90	132
00.04 Investment management regulation .....	100	116	164
00.05 Legal and economic services .....	28	34	46
00.07 Program direction .....	49	62	87
09.01 Reimbursable program .....	1	1	1
10.00 Total new obligations .....	489	594	842
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	76	29	4
22.00 New budget authority (gross) .....	442	569	842
23.90 Total budgetary resources available for obligation	518	598	846
23.95 Total new obligations .....	-489	-594	-842
24.40 Unobligated balance carried forward, end of year .....	29	4	4

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
40.00 Appropriation .....	21		
40.36 Unobligated balance rescinded .....	-50		
43.00 Appropriation (total discretionary) .....	-29		
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	1,014	1,333	1,543
68.26 From offsetting collections (unavailable balances)	354		
68.45 Portion precluded from obligation (limitation on obligations) .....	-897	-764	-701
68.90 Spending authority from offsetting collections (total discretionary) .....	471	569	842
70.00 Total new budget authority (gross) .....	442	569	842

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	104	115	123
73.10 Total new obligations .....	489	594	842
73.20 Total outlays (gross) .....	-478	-586	-874
74.40 Obligated balance, end of year .....	115	123	91

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	376	489	724
86.93 Outlays from discretionary balances .....	102	97	150
87.00 Total outlays (gross) .....	478	586	874

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources .....	-1	-1
88.40	Non-Federal sources .....	-1,013	-1,332
			-1,542
88.90	Total, offsetting collections (cash) .....	-1,014	-1,333
			-1,543
Net budget authority and outlays:			
89.00	Budget authority .....	-572	-764
90.00	Outlays .....	-536	-747
			-669
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00	Budget authority .....		13
99.01	Outlays .....		13

The primary mission of the Securities and Exchange Commission (the Commission) is to administer and enforce the Federal securities laws in order to protect investors, and to maintain fair, honest, and efficient markets.

*Full disclosure.*—This program ensures that investors will be provided with material information in the public offering, trading, voting and tendering of securities. Standards of financial reporting are established and enforced to enhance the transparency, relevance, and reliability of financial reporting so that financial statements used by investors in making investment decisions are presented fairly and have credibility. Issuers that have conducted public offerings, have securities traded in the public markets, or have total assets and security holder populations of specified sizes, are required to furnish management, financial, and business information to investors and the Commission on a continuing basis in proxy materials and in annual and other periodic reports. The staff reviews these documents on a selected basis for compliance with the disclosure requirements. In addition, all registration statements of issuers that are making their initial public offerings of securities and all third party tender offer filings are reviewed by the staff. As a result of the review process, the staff may issue comments to issuers to elicit better compliance or, where appropriate, refer matters for enforcement action.

*Electronic filing (EDGAR).*—The Commission's EDGAR system provides the agency with the capability for electronic receipt, analysis, and dissemination of virtually all of its full disclosure filings. Since becoming operational in 1993, EDGAR has received and successfully processed and disseminated over 4.8 million documents submitted in approximately 1.8 million separate submissions from over 28,000 companies and funds registered with the SEC.

In order to take advantage of changes in technology, lower operational costs, integrate with other SEC systems, and respond to the demands of filers and investors, the SEC decided to modernize EDGAR. This modernization brings Internet technology, both hardware and software, to EDGAR, with such new features as: (1) a Filing Web Site (for filing, software distribution, and assistance), (2) a security infrastructure as secure as what is used today for Internet financial transactions across the world, (3) new data formats that promote readability of documents for multiple purposes, (4) new functionality as requested by our filing community, (5) an Enterprise Data Repository for centrally housing all SEC data, and (6) a new Public Dissemination System.

## SELECTED WORKLOAD DATA

	2002 actual	2003 est.	2004 est.
Filings of initial 1933 Act registration statements—other than investment companies .....	715	715	715
Filings of repeat 1933 Act registration statements and post-effective amendments—other than investment companies ..	3,570	3,570	3,570
Filings of annual and periodic reports—other than investment companies .....	103,555	104,000	105,000
Filings of Director and Officer ownership and transaction reports .....	271,000	285,000	285,000

*Prevention and suppression of fraud.*—This program investigates and prosecutes violations of the federal securities laws,

including financial fraud, illegal distribution of unregistered securities, fraudulent offerings, insider trading, market manipulation, and illegal conduct by broker-dealers and investment advisers. Enforcement actions include emergency actions halting ongoing violations, injunctions against future violations, and disgorgement orders. Financial penalties and bars from acting in a regulated capacity may also be obtained. Over \$3.0 billion in disgorgement and penalties has been collected in our actions since 1984. Because of the critical importance of criminal prosecutions as a deterrent to securities fraud, we refer cases to criminal authorities and detail staff to assist in criminal prosecutions.

## SELECTED WORKLOAD DATA

	2002 actual	2003 est.	2004 est.
Investigations opened .....	479	500	525
Administrative proceedings opened .....	281	270	280
Civil actions opened .....	317	310	320

*Supervision and regulation of securities markets.*—Trading in the securities markets is regulated to protect investors against fraud and manipulation and to ensure the maintenance of fair, orderly, efficient, and competitive markets. The Commission oversees the work of self-regulatory organizations, monitors securities markets and broker-dealer operations, and develops regulatory strategies for coping with market stress, promoting compliance, and meeting changing domestic and international conditions. The Commission also conducts examinations of broker-dealers and inspections of transfer agents, clearing agencies, and self-regulatory organizations.

## SELECTED WORKLOAD DATA

	2002 actual	2003 est.	2004 est.
Review of changes in the rules and procedures of self-regulatory organizations .....	680	775	830
Inspections of self-regulatory organizations .....	32	34	37
Broker-dealer registration applications .....	750	800	850
Broker-dealer oversight and cause examinations .....	626	620	785
Transfer agent and clearing agency examinations .....	141	144	143

*Investment management regulation.*—This program administers the Investment Company Act of 1940 and the Investment Advisers Act of 1940. Mutual funds and other investment companies manage over \$6.3 trillion for more than 54 million households. The staff reviews disclosure documents filed by investment companies and investment advisers and regulates and inspects investment companies and investment advisers to protect investors against fraud, self-dealing, inadequate disclosure, and other abuse. The staff refers serious violations for enforcement action. This program also is responsible for administering the Public Utility Holding Company Act of 1935.

## SELECTED WORKLOAD DATA

	2002 actual	2003 est.	2004 est.
Investment company assets inspected (\$ trillions) .....	1.3	2.3	2.5
Investment company portfolios and amendments filed .....	23,680	24,490	24,880
Investment company proxy statements filed .....	710	650	610
Investment advisers inspected .....	1,570	1,550	1,300
Investment adviser registration statements filed .....	900	950	1,000
Exemptive relief requests concluded .....	450	450	450
Public utility filings processed .....	85	120	130
Public utility annual and periodic reports examined .....	1,600	1,800	1,800

*Legal and economic services.*—This program provides a range of legal services and economic analyses to the Commission concerning its law enforcement, regulatory, and legislative activities, including: (i) prosecution of enforcement actions in appellate courts; (ii) representation of the Commission in all other appellate litigation, in private litigation where the Commission appears as *amicus curiae*, and in corporate reorganizations; (iii) representation of the Commission in actions brought against the Commission and its employees; (iv) preparation of Congressional testimony and comments and advice concerning proposed securities legislation; (v) advice to the

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

Commission concerning issues arising from its law enforcement and regulatory activities; (vi) preparation of draft opinions of adjudicatory decisions and advice to the Commission regarding its adjudicatory decisions; (vii) advice to the Commission regarding compliance with Government-wide statutes and the statutes and rules applicable to the agency's activities; and (viii) economic analyses of proposed regulations and legislation, litigation support in enforcement cases, and independent studies of issues affecting the securities markets. In addition, the administrative law judges conduct hearings and issue initial decisions in formal administrative proceedings where the Commission has determined that hearings are appropriate in the public interest and for the protection of public investors.

**SELECTED WORKLOAD DATA**

	2002 actual	2003 est.	2004 est.
Litigation matters opened .....	291	310	325
Adjudicatory matters received .....	51	60	66
Adjudicatory matters completed .....	39	72	75
Legislative matters .....	420	385	385
Chapter 11 disclosure statements commented on .....	204	210	210
Administrative proceedings disposed by Administrative Law Judges .....	65	60	60

*Program direction.*—This program assists the Commission in fulfilling its statutory requirements and in responding to changes in the securities industry by carefully evaluating priorities, formulating and implementing policies, and managing agency resources. The staff provides management direction and analysis, internal control, financial management, personnel management, data processing, public affairs, records management, information dissemination, general administrative services, and processing of equal employment opportunity complaints.

Pursuant to the fee provisions of the "Investor and Capital Markets Fee Relief Act (P.L. 107-123), the Commission will publish the fiscal 2004 fee rates for section 6(b) of the Securities Act of 1933, and sections 13(e), 14(g) and 31 of the Securities Exchange Act of 1934 in the Federal Register no later than April 30, 2003. These fee rates will be set so that, when applied to the baseline estimate of the aggregate dollar amount of relevant activities for fiscal 2004, the result will be aggregate fee collections equal to the target offsetting collection amounts projected for fiscal 2004.

Once the Commission receives a regular appropriation for 2003, the Section 6(b) fee rate paid by corporations to register securities with the Commission will be reduced from \$92 per \$1 million in 2002 to \$80.90 per \$1 million. The Section 31 transaction fee rate will be reduced from \$30.10 per \$1 million to \$25.20 per \$1 million. The Section 14(g) fee for proxy solicitations and statements in corporate control transactions will be reduced from \$92 per \$1 million to \$80.90 per \$1 million. The Section 13(e) fee for stock repurchase statements will be reduced from \$92 per \$1 million to \$80.90 per \$1 million. The Trust Indenture Act fee will be eliminated.

**Object Classification (in millions of dollars)**

Identification code 50-0100-0-1-376	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	260	323	424
11.3 Other than full-time permanent .....	4	4	6
11.5 Other personnel compensation .....	5	4	6
11.8 Special personal services payments .....	1	1	2
11.9 Total personnel compensation .....	270	332	438
12.1 Civilian personnel benefits .....	65	81	109
21.0 Travel and transportation of persons .....	9	10	12
23.2 Rental payments to others .....	28	49	61

23.3 Communications, utilities, and miscellaneous charges .....	15	16	25
24.0 Printing and reproduction .....	4	8	25
25.1 Advisory and assistance services .....	6	7	18
25.2 Other services .....	10	11	22
25.3 Other purchases of goods and services from Government accounts .....	4	2	3
25.4 Operation and maintenance of facilities .....	6	3	6
25.7 Operation and maintenance of equipment .....	41	53	80
26.0 Supplies and materials .....	4	4	5
31.0 Equipment .....	12	16	33
32.0 Land and structures .....	13	2	5
99.0 Direct obligations .....	487	594	842
99.5 Below reporting threshold .....	2		
99.9 Total new obligations .....	489	594	842

**Personnel Summary**

Identification code 50-0100-0-1-376	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	3,008	3,149	3,730
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	1	1	1

**Public enterprise funds:**

**INVESTMENT IN SECURITIES INVESTOR PROTECTION CORPORATION**

**Program and Financing (in millions of dollars)**

Identification code 50-4068-0-3-376	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1,000	1,000	1,000
24.40 Unobligated balance carried forward, end of year .....	1,000	1,000	1,000
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The Securities Investor Protection Corporation (SIPC) may borrow up to \$1 billion from the U.S. Department of the Treasury, through the Commission, in the event that the fund maintained by SIPC is insufficient to satisfy the claims of customers of failing brokerage firms. To date, SIPC has not needed these loans.

**PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD**

**Unavailable Collections (in millions of dollars)**

Identification code 95-5376-0-2-376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
Receipts:			
02.60 Registration fees, Public Company Accounting Oversight Board .....		4	3
02.61 Accounting support fees, Public Company Accounting Oversight Board .....		20	55
02.99 Total receipts and collections .....		24	58
Appropriations:			
05.00 Public Company Accounting Oversight Board .....		-24	-58
07.99 Balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 95-5376-0-2-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Accounting Oversight .....		24	58
10.00 Total new obligations (object class 25.2) .....		24	58

<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross)	24	58
23.95	Total new obligations	-24	-58
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20	Appropriation (special fund)	24	58
<b>Change in obligated balances:</b>			
73.10	Total new obligations	24	58
73.20	Total outlays (gross)	-24	-58
<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority	24	58
<b>Net budget authority and outlays:</b>			
89.00	Budget authority	24	58
90.00	Outlays	24	58

The Sarbanes-Oxley Act of 2002 (P.L. 107-204) established the Public Company Accounting Oversight Board (PCAOB) to oversee the audit of public companies that are subject to securities laws. The PCOAB was created to protect the interests of investors by regulating the preparation of informative, accurate, and independent audit reports for companies whose securities are sold to, and held by and for, public investors. Funding for the PCAOB comes from registration fees paid by public accounting firms and Accounting Support fees paid by public companies.

STANDARD SETTING BODY

Unavailable Collections (in millions of dollars)

Identification code 95-5377-0-2-376	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.60 Accounting support fees, standard setting body		19	27
Appropriations:			
05.00 Standard setting body		-19	-27
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 95-5377-0-2-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Advisory and assistance services		19	27
10.00 Total new obligations (object class 25.1)		19	27
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)		19	27
23.95 Total new obligations		-19	-27
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund)		19	27
<b>Change in obligated balances:</b>			
73.10 Total new obligations		19	27
73.20 Total outlays (gross)		-19	-27
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority		19	27
<b>Net budget authority and outlays:</b>			
89.00 Budget authority		19	27
90.00 Outlays		19	27

The Sarbanes-Oxley Act of 2002 (P.L. 107-204) authorizes the Securities and Exchange Commission (SEC) to designate a private entity as a standard setting body. This standard setting body will set accounting principles that will be "generally accepted" for the purposes of securities laws. Funding for the standard setting body comes from Accounting Support Fees, paid by public companies.

SMITHSONIAN INSTITUTION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed 30 years), and protection of buildings, facilities, and approaches; not to exceed \$100,000 for services as authorized by 5 U.S.C. 3109; up to five replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees, \$476,553,000; including such funds as maybe necessary to support Americans overseas research centers; of which not to exceed \$46,903,000 for the instrumentation program, collections acquisition, exhibition reinstallation, the National Museum of the American Indian, and the repatriation of skeletal remains program shall remain available until expended; and of which \$828,000 for fellowships and scholarly awards shall remain available until September 30, 2005; \$125,000 for the Council of American Overseas Research Centers: Provided, That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations: Provided further, That the Smithsonian Institution may expend Federal appropriations designated in this Act for lease or rent payments for long term and swing space, as rent payable to the Smithsonian Institution, and such rent payments may be deposited into the general trust funds of the Institution to the extent that federally supported activities are housed in the 900 H Street, N.W. building in the District of Columbia: Provided further, That this use of Federal appropriations shall not be construed as debt service, a Federal guarantee of, a transfer of risk to, or an obligation of, the Federal Government: Provided further, That no appropriated funds may be used to service debt which is incurred to finance the costs of acquiring the 900 H Street building or of planning, designing, and constructing improvements to such building.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 33-0100-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Exhibits	36	42	38
00.02 Education	29	27	31
00.03 Collections	59	58	61
00.04 Research	62	58	58
00.05 Facilities	98	110	137
00.06 Security	51	64	56
00.07 Information Technology	27	32	36
00.08 Finance/General Administration	46	60	61
10.00 Total new obligations	408	451	478
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	22	35	33
22.00 New budget authority (gross)	422	435	477
22.10 Resources available from recoveries of prior year obligations		14	
23.90 Total budgetary resources available for obligation	444	484	510
23.95 Total new obligations	-408	-451	-478
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	35	33	32
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	421	449	477
40.36 Unobligated balance rescinded		-14	
43.00 Appropriation (total discretionary)	421	435	477
68.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired)	1		

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 33-0100-0-1-503	2002 actual	2003 est.	2004 est.
70.00 Total new budget authority (gross) .....	422	435	477
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	67	71	60
73.10 Total new obligations .....	408	451	478
73.20 Total outlays (gross) .....	-401	-447	-474
73.40 Adjustments in expired accounts (net) .....	-4		
73.45 Recoveries of prior year obligations .....		-14	
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	3		
74.40 Obligated balance, end of year .....	71	60	64
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	366	378	415
86.93 Outlays from discretionary balances .....	35	69	59
87.00 Total outlays (gross) .....	401	447	474
<b>Offsets:</b>			
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	421	435	477
90.00 Outlays .....	401	447	474

The Smithsonian Institution conducts research in the natural and physical sciences and in the history of cultures, technology, and the arts. The Institution acquires and preserves for reference and study purposes over one hundred and forty million items of scientific, cultural, and historic importance. It maintains public exhibits in a variety of fields.

The Institution operates and maintains 16 museums; a zoological park and animal conservation and research center; research facilities; and supporting facilities.

Included in the presentation of the Salaries and Expenses account are data for the Canal Zone biological area fund. Donations, subscriptions, and fees are appropriated and used to defray part of the expenses of maintaining and operating the Canal Zone biological area (60 Stat. 1101; 20 U.S.C. 79, 79a).

Object Classification (in millions of dollars)

Identification code 33-0100-0-1-503	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	209	221	224
11.3 Other than full-time permanent .....	4	5	5
11.5 Other personnel compensation .....	13	9	9
11.9 Total personnel compensation .....	226	235	238
12.1 Civilian personnel benefits .....	55	61	61
21.0 Travel and transportation of persons .....	3	4	4
22.0 Transportation of things .....	1	1	1
23.2 Rental payments to others .....	7	7	7
23.3 Communications, utilities, and miscellaneous charges .....	38	45	48
24.0 Printing and reproduction .....	2	2	2
25.2 Other services .....	41	61	81
25.3 Other purchases of goods and services from Government accounts .....	1	1	1
26.0 Supplies and materials .....	17	13	15
31.0 Equipment .....	16	13	20
32.0 Land and structures .....	1	8	
99.9 Total new obligations .....	408	451	478

Personnel Summary

Identification code 33-0100-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	4,155	4,583	4,825

FACILITIES CAPITAL

For necessary expenses of repair, revitalization, and alteration of facilities owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), and for construction, including necessary personnel, including not to exceed \$10,000 for services as authorized by 5 U.S.C. 3109, \$89,970,000, to remain available until expended. Provided, That contracts awarded for environmental systems, protection systems, and repair or restoration of facilities of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 33-0103-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.10 Revitalization .....	70	80	72
00.20 Construction .....	37	15	11
00.30 Facilities Planning & Design .....			7
10.00 Total new obligations .....	107	95	90
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	20	12	10
22.00 New budget authority (gross) .....	98	93	90
23.90 Total budgetary resources available for obligation .....	118	105	100
23.95 Total new obligations .....	-107	-95	-90
24.40 Unobligated balance carried forward, end of year .....	12	10	10
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	98	93	90
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	98	111	118
73.10 Total new obligations .....	107	95	90
73.20 Total outlays (gross) .....	-95	-88	-96
74.40 Obligated balance, end of year .....	111	118	112
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	23	22	23
86.93 Outlays from discretionary balances .....	72	66	73
87.00 Total outlays (gross) .....	95	88	96
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	98	93	90
90.00 Outlays .....	95	88	96

Distribution of Budget Authority and Outlays (in millions of dollars)

	2002 actuals	2003 est.	2004 est.
<b>Repair, Restoration and Alteration of Facilities:</b>			
Budget Authority .....	68	81	80
Outlays .....	59	56	76
<b>Construction</b>			
Budget Authority .....	30	12	10
Outlays .....	36	32	20
<b>Total:</b>			
Budget Authority .....	98	93	90
Outlays .....	95	88	96

Note.—The repair, restoration and construction activities previously financed under Smithsonian Institution, Repair, Restoration and Alteration of Facilities account and Construction account in 2002 and 2003 are combined in these schedules and are proposed to be financed in this account in 2004.

This account provides funding for major new construction projects to support the Smithsonian's existing and future programs in research, collections management, public exhibitions and education. This account also includes major repairs, revitalization, code compliance changes, minor construction, alterations and modifications, and building system renewals of Smithsonian museum buildings and facilities for storage and conservation of collections, research, and support. The Facilities Capital Account covers planning and design related to these activities as well. The 2004 budget request provides funds to begin construction of Pod 5 of the Museum Support Center in Suitland, Maryland. Current long-term projects supported by the Administration in this account include ongoing renovations at the Patent Office Building, the National Zoological Park, the National Museum of American History-Behring Center, and the National Museum of Natural History.

**Object Classification** (in millions of dollars)

Identification code 33-0103-0-1-503	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	2	4	3
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	104	89	86
26.0 Supplies and materials .....	1	1	1
99.9 Total new obligations .....	107	95	90

**Personnel Summary**

Identification code 33-0103-0-1-503	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	25	65	42

**MUSEUM PROGRAMS AND RELATED RESEARCH (SPECIAL FOREIGN CURRENCY PROGRAM)**

**Program and Financing** (in millions of dollars)

Identification code 33-0102-0-1-503	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1	1	1
24.40 Unobligated balance carried forward, end of year .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

This account supports a program of grants to U.S. universities, museums, and other institutions of higher learning, paid for by excess U.S.-owned foreign currencies. Areas of research include archeology and related disciplines, systematic and environmental biology, astrophysics and Earth sciences, and museum programs.

**JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS  
OPERATIONS AND MAINTENANCE**

*For necessary expenses for the operation, maintenance and security of the John F. Kennedy Center for the Performing Arts, \$16,560,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 33-0302-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	16	16	17

10.00 Total new obligations .....	16	16	17
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		3	3
22.00 New budget authority (gross) .....	19	16	17
23.90 Total budgetary resources available for obligation .....	19	19	20
23.95 Total new obligations .....	-16	-16	-17
24.40 Unobligated balance carried forward, end of year .....	3	3	3
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	19	16	17
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4	3	3
73.10 Total new obligations .....	16	16	17
73.20 Total outlays (gross) .....	-18	-16	-17
74.40 Obligated balance, end of year .....	3	3	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	15	12	13
86.93 Outlays from discretionary balances .....	3	4	4
87.00 Total outlays (gross) .....	18	16	17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	19	16	17
90.00 Outlays .....	17	16	17

This appropriation provides for the operating and maintenance expenses of the John F. Kennedy Center for the Performing Arts, including maintenance, security, memorial interpretation, janitorial, short-term repair, and other services.

**Object Classification** (in millions of dollars)

Identification code 33-0302-0-1-503	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	3	3	3
23.3 Communications, utilities, and miscellaneous charges .....	3	3	4
25.2 Other services .....	9	9	9
99.0 Direct obligations .....	15	15	16
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	16	16	17

**Personnel Summary**

Identification code 33-0302-0-1-503	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	45	55	55

**JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS  
CONSTRUCTION**

*For necessary expenses for capital repair and restoration of the existing features of the building and site of the John F. Kennedy Center for the Performing Arts, \$16,000,000, to remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 33-0303-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	19	18	16
10.00 Total new obligations (object class 25.2) .....	19	18	16
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	11	11	12

**General and special funds—Continued**

**JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS—Continued**

**CONSTRUCTION—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 33-0303-0-1-503	2002 actual	2003 est.	2004 est.
22.00 New budget authority (gross) .....	19	18	16
22.10 Resources available from recoveries of prior year obligations .....	1	1	1
23.90 Total budgetary resources available for obligation .....	31	30	29
23.95 Total new obligations .....	-19	-18	-16
24.40 Unobligated balance carried forward, end of year .....	11	12	13
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	19	18	16
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	29	33	29
73.10 Total new obligations .....	19	18	16
73.20 Total outlays (gross) .....	-15	-21	-25
73.45 Recoveries of prior year obligations .....	-1	-1	-1
74.40 Obligated balance, end of year .....	33	29	19
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	15	11	10
86.93 Outlays from discretionary balances .....	10	10	15
87.00 Total outlays (gross) .....	15	21	25
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	19	18	16
90.00 Outlays .....	15	21	25

This appropriation provides for the repair, restoration and renovation of the Kennedy Center building, including major projects related to plumbing and electrical systems, air handling systems, and major repair of interior spaces, including access for persons with disabilities. The Kennedy Center plans to continue Phase II of the renovation of the interior of the presidential memorial.

**NATIONAL GALLERY OF ART  
SALARIES AND EXPENSES**

*For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901-5902); purchase or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, \$88,849,000, of which not to exceed \$3,026,000 for the special exhibition program shall remain available until expended.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 33-0200-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity .....	71	80	89
10.00 Total new obligations .....	71	80	89
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		1	
22.00 New budget authority (gross) .....	72	78	89
23.90 Total budgetary resources available for obligation .....	72	79	89
23.95 Total new obligations .....	-71	-80	-89
24.40 Unobligated balance carried forward, end of year .....	1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	71	78	89
68.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired) .....	1		
70.00 Total new budget authority (gross) .....	72	78	89
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	6	4	6
73.10 Total new obligations .....	71	80	89
73.20 Total outlays (gross) .....	-72	-78	-88
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	4	6	7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	67	72	81
86.93 Outlays from discretionary balances .....	5	6	7
87.00 Total outlays (gross) .....	72	78	88
<b>Offsets:</b>			
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	71	78	89
90.00 Outlays .....	72	78	88
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....			4
99.01 Outlays .....			4

The National Gallery of Art receives, holds, and administers works of art acquired for the Nation by the Gallery's board of trustees. It also maintains the Gallery buildings to give maximum care and protection to art treasures and to enable these works of art to be exhibited.

**Object Classification (in millions of dollars)**

Identification code 33-0200-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	38	41	43
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	3	4	4
11.9 Total personnel compensation .....	42	46	48
12.1 Civilian personnel benefits .....	10	12	13
22.0 Transportation of things .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	5	6	7
25.2 Other services .....	7	8	8
25.4 Operation and maintenance of facilities .....	2	3	5
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	2	2	4
99.0 Direct obligations .....	71	80	88
99.5 Below reporting threshold .....			1
99.9 Total new obligations .....	71	80	89

**Personnel Summary**

Identification code 33-0200-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	761	845	845

**NATIONAL GALLERY OF ART**

**REPAIR, RESTORATION AND RENOVATION OF BUILDINGS**

*For necessary expenses of repair, restoration and renovation of buildings, grounds and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, \$11,600,000, to remain available until expended: Provided, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 33-0201-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	13	18	13
10.00 Total new obligations .....	13	18	13
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	4	4	3
22.00 New budget authority (gross) .....	14	16	12
23.90 Total budgetary resources available for obligation .....	18	20	15
23.95 Total new obligations .....	-13	-18	-13
24.40 Unobligated balance carried forward, end of year .....	4	3	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	14	16	12
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	8	12	11
73.10 Total new obligations .....	13	18	13
73.20 Total outlays (gross) .....	-10	-17	-17
74.40 Obligated balance, end of year .....	12	11	7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3	3	2
86.93 Outlays from discretionary balances .....	10	14	15
87.00 Total outlays (gross) .....	10	17	17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	14	16	12
90.00 Outlays .....	10	17	17

This account encompasses repairs, alterations, and improvements; additions, renovations, and restorations of a long-term nature and utility; and facilities planning and design. The funds are used to keep National Gallery of Art facilities in good repair and efficient operating condition.

**Object Classification (in millions of dollars)**

Identification code 33-0201-0-1-503	2002 actual	2003 est.	2004 est.
32.0 Direct obligations: Land and structures .....	13	17	12
99.5 Below reporting threshold .....	1	1	1
99.9 Total new obligations .....	13	18	13

**Personnel Summary**

Identification code 33-0201-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	2	3	3

**WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS**

**SALARIES AND EXPENSES**

*For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356) including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, \$8,604,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 33-0400-0-1-503	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	8	8	8
10.00 Total new obligations .....	8	8	8
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	8	8	9
23.95 Total new obligations .....	-8	-8	-8
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	8	8	9
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2	2	3
73.10 Total new obligations .....	8	8	8
73.20 Total outlays (gross) .....	-8	-8	-9
74.40 Obligated balance, end of year .....	2	3	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	5	5	6
86.93 Outlays from discretionary balances .....	3	3	3
87.00 Total outlays (gross) .....	8	8	9
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	8	8	9
90.00 Outlays .....	7	8	9

The Woodrow Wilson Center facilitates scholarship of the highest quality in the social sciences and humanities and communicates that scholarship to a wide audience within and beyond Washington. This is accomplished through a resident body of fellowship awardees, conferences, publication, and dialogue.

**Object Classification (in millions of dollars)**

Identification code 33-0400-0-1-503	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent .....	3	3	3
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	3	3	3
41.0 Grants, subsidies, and contributions .....	1	1	1
99.9 Total new obligations .....	8	8	8

**Personnel Summary**

Identification code 33-0400-0-1-503	2002 actual	2003 est.	2004 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	42	50	50

**STATE JUSTICE INSTITUTE**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

**Program and Financing** (in millions of dollars)

Identification code 48-0052-0-1-752	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	9		
10.00 Total new obligations (object class 41.0) .....	9		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	8	2	2
22.00 New budget authority (gross) .....	3		
23.90 Total budgetary resources available for obligation	11	2	2
23.95 Total new obligations .....	-9		
24.40 Unobligated balance carried forward, end of year .....	2	2	2
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	3		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		2	1
73.10 Total new obligations .....	9		
73.20 Total outlays (gross) .....	-7	-1	
74.40 Obligated balance, end of year .....	2	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	3		
86.93 Outlays from discretionary balances .....	4	1	
87.00 Total outlays (gross) .....	7	1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3		
90.00 Outlays .....	7	1	

The State Justice Institute was established by the Congress in 1984 as a private, non-profit corporation to make grants and undertake other activities designed to improve the administration of justice in the United States.

**TENNESSEE VALLEY AUTHORITY**

*Federal Funds*

**Public enterprise funds:**

TENNESSEE VALLEY AUTHORITY FUND

**Program and Financing** (in millions of dollars)

Identification code 64-4110-0-3-999	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
Power program:			
09.01 Power program: Operating expenses .....	5,451	5,314	5,949
09.02 Power program: Capital expenditures .....	1,798	1,322	1,091
09.09 Total power program .....	7,249	6,636	7,040
10.00 Total new obligations .....	7,249	6,636	7,040
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	291	199	519
22.00 New budget authority (gross) .....	7,157	6,956	7,007
23.90 Total budgetary resources available for obligation	7,448	7,155	7,526
23.95 Total new obligations .....	-7,249	-6,636	-7,040
24.40 Unobligated balance carried forward, end of year .....	199	519	486
<b>New budget authority (gross), detail:</b>			
Mandatory:			
67.10 Authority to borrow .....	320	320	
69.00 Offsetting collections (cash) .....	7,031	7,068	7,278

69.27 Capital transfer to general fund .....	-50	-48	-47
69.47 Portion applied to repay debt .....	-120	-375	-191
69.53 Portion substituted for borrowing authority .....	-24	-9	-33
69.90 Spending authority from offsetting collections (total mandatory) .....	6,837	6,636	7,007
70.00 Total new budget authority (gross) .....	7,157	6,956	7,007

<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	562	656	335
73.10 Total new obligations .....	7,249	6,636	7,040
73.20 Total outlays (gross) .....	-7,155	-6,957	-7,032
74.40 Obligated balance, end of year .....	656	335	343

<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	3	1	1
86.97 Outlays from new mandatory authority .....	6,837	6,636	6,947
86.98 Outlays from mandatory balances .....	315	320	84
87.00 Total outlays (gross) .....	7,155	6,957	7,032

<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-72	-82	-82
88.40 Non-Federal sources .....	-6,959	-6,986	-7,196
88.90 Total, offsetting collections (cash) .....	-7,031	-7,068	-7,278

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	126	-112	-271
90.00 Outlays .....	124	-111	-246

Note.—Authority to borrow available to the Tennessee Valley Authority continues to be available on a permanent, indefinite basis. This authority is limited only in that the amount of borrowing outstanding at any time cannot exceed \$30 billion.

**Status of Direct Loans** (in millions of dollars)

Identification code 64-4110-0-3-999	2002 actual	2003 est.	2004 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans .....			
1131 Direct loan obligations exempt from limitation .....	10	19	20
1150 Total direct loan obligations .....	10	19	20
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	51	46	51
1231 Disbursements: Direct loan disbursements .....	10	19	20
1251 Repayments: Repayments and prepayments .....	-14	-13	-15
1263 Write-offs for default: Direct loans .....	-1	-1	-1
1290 Outstanding, end of year .....	46	51	55

The Tennessee Valley Authority (TVA) was created in 1933 as a Government-owned corporation for the unified development of a river basin comprised of parts of seven States. The agency finances its program primarily from proceeds available from current power operations and borrowings against future power revenues.

*TVA's nonpower programs.*—As a Federal corporation, TVA serves national interests by operating infrastructure services for the production of electricity, economic development and the stewardship of natural resources in 201 counties in seven States.

TVA has a statutory obligation to operate 54 dams and reservoirs to regulate stream-flow for the multi-purpose objectives of navigation, flood control, recreation and aquatic habitat conservation; perform cyclic maintenance and repair of 14 navigation locks, maintain dam machinery and spillway gates; perform channel, lock and mooring modifications to maintain safety and passability for increasingly larger cargo vessels; conserve and improve water quality and supply in 12 watersheds and dam tailwaters for fisheries and potable supply for 4 million people; control mosquitoes and plant pests; prevent shoreline erosion and manage residential development in riparian zones; plan for and manage 550,000 hec-

tares (1.4 million acres) of land; provide services and education to watershed communities; operate public recreation areas; and, meet Federal regulatory law requirements. The Budget proposes that in 2004, these services be funded entirely by TVA's power revenues, user fees and sources other than appropriations.

**TVA's Power Program.**—TVA's role as the sole supplier of electric power to an area of 80,000 square miles in the seven Tennessee Valley States is being reviewed as the Nation considers ways to restructure the electric power industry. Income from power operations, net of interest charges and depreciation, and other operating expenses is estimated at \$20 million in 2004. Power generating facilities are financed from power proceeds and borrowings. To position TVA for a more competitive electricity market and achieve a sounder business risk profile, the Administration will identify a TVA debt reduction path over the coming year in concert with a new TVA business plan. The significant debt reduction envisioned will encompass all TVA long-term liabilities, not just traditional TVA notes and bonds. To this end, the Budget proposes legislation that will make explicit that TVA financial transactions that result in increasing long-term liabilities will count toward TVA's statutory debt limit of \$30 billion. For example, TVA lease/leasebacks, in which TVA receives a lump sum for leasing out one or more of its assets and then leases the assets back at a fixed annual payment for a number of years, would count as TVA debt against its cap. Debt reduction and a sound strategic plan are key elements needed to ensure that TVA continues to aid economic development in its service territory in the future.

**Financing.**—Amounts estimated to become available in 2004 are to be derived from power revenues and receipts of \$7,278 million.

**Operating results and financial conditions.**—Payments to the Treasury from power proceeds in 2004 are estimated at \$47 million—\$27 million as a dividend (return on the appropriation investment in the power program) and \$20 million as a reduction in the appropriation investment in the power program. Outstanding borrowings for the power program are expected to decrease by \$231 million during 2004.

Total assets are estimated to decrease by \$202 million during 2004. The estimate of liabilities at September 30, 2004, is \$135 million less than the estimate at September 30, 2003. Total Government equity at September 30, 2004, is estimated to be \$67 million less than that at September 2003. This change includes the net income from power operations, less payments to the Treasury.

#### Statement of Operations (in millions of dollars)

Identification code 64-4110-0-3-999	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	6,999	6,806	7,068	7,278
0102 Expense .....	-10,310	-6,733	-7,005	-7,258
0105 Net income or loss (-) .....	-3,311	73	63	20

#### Balance Sheet (in millions of dollars)

Identification code 64-4110-0-3-999	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
<b>Federal assets:</b>				
1101 Fund balances with Treasury .....	166	21	20	20
Investments in US securities:				
1106 Receivables, net .....	36	19	20	20
<b>Non-Federal assets:</b>				
1201 Investments in non-Federal securities, net .....	724	659	720	795
1206 Receivables, net .....	684	636	733	673
1207 Advances and prepayments .....	4	8	4	4
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	161	174	180	163

1603 Allowance for estimated uncollectible loans and interest (-) .....	-12	-13	-13	-13
1604 Direct loans and interest receivable, net .....	149	161	167	150
1699 Value of assets related to direct loans .....	149	161	167	150
<b>Other Federal assets:</b>				
1801 Cash and other monetary assets .....	1,884	2,531	2,063	1,978
1802 Inventories and related properties .....	438	470	452	452
1803 Property, plant and equipment, net .....	26,358	26,384	27,220	27,105
1999 Total assets .....	30,443	30,889	31,399	31,197
<b>LIABILITIES:</b>				
<b>Federal liabilities:</b>				
2101 Accounts payable .....	209	208	205	200
2102 Interest payable .....				
<b>Non-Federal liabilities:</b>				
2201 Accounts payable .....	555	714	844	903
2202 Interest payable .....	389	397	378	441
2203 Debt .....	25,647	25,816	25,745	25,514
2207 Other .....	2,195	2,338	2,879	2,858
2999 Total liabilities .....	28,995	29,473	30,051	29,916
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	1,448	1,416	1,348	1,281
3999 Total net position .....	1,448	1,416	1,348	1,281
4999 Total liabilities and net position .....	30,443	30,889	31,399	31,197

#### Object Classification (in millions of dollars)

Identification code 64-4110-0-3-999	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	780	714	758
11.5 Other personnel compensation .....	112	103	109
11.9 Total personnel compensation .....	892	817	867
12.1 Civilian personnel benefits .....	340	311	330
21.0 Travel and transportation of persons .....	35	32	34
22.0 Transportation of things .....	355	325	345
23.2 Rental payments to others .....	203	186	197
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	994	910	965
25.2 Other services .....	1,878	1,719	1,822
25.7 Operation and maintenance of equipment .....	636	582	618
26.0 Supplies and materials .....	17	16	17
31.0 Equipment .....	217	199	211
32.0 Land and structures .....	10	9	10
33.0 Investments and loans .....	-9	-89	-94
41.0 Grants, subsidies, and contributions .....	328	300	319
42.0 Insurance claims and indemnities .....	23	21	22
43.0 Interest and dividends .....	1,417	1,297	1,376
99.9 Total new obligations .....	7,249	6,636	7,040

#### Personnel Summary

Identification code 64-4110-0-3-999	2002 actual	2003 est.	2004 est.
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	13,473	13,580	13,430

## UNITED MINE WORKERS OF AMERICA BENEFIT FUNDS

### Trust Funds

#### UNITED MINE WORKERS OF AMERICA COMBINED BENEFIT FUND

#### Unavailable Collections (in millions of dollars)

Identification code 95-8295-0-7-551	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....			
<b>Receipts:</b>			
02.00 Premiums, combined benefit fund & 1992 pension plan, UMWA .....	124	152	116
02.40 Transfers from abandoned mine reclamation fund .....	90	56	59
02.99 Total receipts and collections .....	214	208	175
<b>Appropriations:</b>			
05.00 United mine workers of America 1992 benefit plan .....	-14	-14	-14

UNITED MINE WORKERS OF AMERICA COMBINED BENEFIT FUND—  
Continued

Unavailable Collections (in millions of dollars)—Continued

Identification code 95-8295-0-7-551	2002 actual	2003 est.	2004 est.
05.01 United mine workers of America combined benefit fund .....	-200	-194	-161
05.99 Total appropriations .....	-214	-208	-175
07.99 Balance, end of year .....			

Note.—The unavailable collections table (above) includes entries that pertain both to the Combined Benefit Fund and the 1992 Benefit Plan.

Program and Financing (in millions of dollars)

Identification code 95-8295-0-7-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	200	194	161
10.00 Total new obligations (object class 42.0) .....	200	194	161
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	200	194	161
23.95 Total new obligations .....	-200	-194	-161
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	200	194	161
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	200	194	161
73.20 Total outlays (gross) .....	-200	-194	-161
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	200	194	161
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	200	194	161
90.00 Outlays .....	200	194	161

The Combined Benefit Fund was established by the Coal Industry Retiree Health Benefit Act of 1992 to take over paying for medical care of retired miners and their dependents who were eligible for health care from the private 1950 and 1974 United Mine Workers of America Benefit Plans. The Fund's trustees represent the United Mine Workers of America and coal companies. The Fund is financed by assessments on current and former signatories to labor agreements with the United Mine Workers; past transfers from an overfunded United Mine Workers pension fund; and transfers from the Abandoned Mine Land Reclamation fund.

UNITED MINE WORKERS OF AMERICA 1992 BENEFIT PLAN

Program and Financing (in millions of dollars)

Identification code 95-8260-0-7-551	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	14	14	14
10.00 Total new obligations (object class 42.0) .....	14	14	14
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	14	14	14
23.95 Total new obligations .....	-14	-14	-14
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....	14	14	14
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	14	14	14
73.20 Total outlays (gross) .....	-14	-14	-14

<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	14	14	14
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	14	14	14
90.00 Outlays .....	14	14	14

The 1992 Benefit Plan was established by the Coal Industry Retiree Health Benefit Act of 1992. It pays for health care for those miners who retired between July 21, 1992 and September 30, 1994, and their dependents, who are eligible for benefits under an employer plan and cease to be covered, usually because an employer is out of business. Plan trustees are appointed by the United Mine Workers of America and the Bituminous Coal Operators Association, a coal industry bargaining group. The Plan is supported by signers of the 1988 labor agreement with the United Mine Workers of America.

UNITED STATES ENRICHMENT CORPORATION

Federal Funds

Public enterprise funds:

UNITED STATES ENRICHMENT CORPORATION FUND

Program and Financing (in millions of dollars)

Identification code 95-4054-0-3-271	2002 actual	2003 est.	2004 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	1,239	1,258	1,329
22.00 New budget authority (gross) .....	19	71	75
23.90 Total budgetary resources available for obligation .....	1,258	1,329	1,404
24.40 Unobligated balance carried forward, end of year .....	1,258	1,329	1,404
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	19	71	75
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.20 Total outlays (gross) .....			
74.40 Obligated balance, end of year .....	1	1	1
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.20 Offsetting collections (cash) from: Interest on Federal securities .....	-19	-71	-75
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-19	-71	-75
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	1,242	1,259	1,380
92.02 Total investments, end of year: Federal securities:			
Par value .....	1,259	1,380	1,380

The funds in this account may be used without further appropriation only for paying any remaining expenses associated with the transfer of ownership of the United States Enrichment Corporation to private investors. These expenses are estimated to total less than \$1 million. There are no other authorized uses for these funds.

**UNITED STATES HOLOCAUST MEMORIAL MUSEUM**

*Federal Funds*

**General and special funds:**

HOLOCAUST MEMORIAL MUSEUM

For expenses of the Holocaust Memorial Museum, as authorized by Public Law 106-292 (36 U.S.C. 2301-2310), \$39,997,000, of which \$1,900,000 for the museum's repair and rehabilitation program and \$1,264,000 for the museum's exhibitions program shall remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 95-3300-0-1-808	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	45	48	48
10.00 Total new obligations .....	45	48	48
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	4	4	3
22.00 New budget authority (gross) .....	45	48	49
23.90 Total budgetary resources available for obligation	49	52	52
23.95 Total new obligations .....	-45	-48	-48
24.40 Unobligated balance carried forward, end of year .....	4	3	4
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	36	39	40
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	9	9	9
70.00 Total new budget authority (gross) .....	45	48	49
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	12	10	13
73.10 Total new obligations .....	45	48	48
73.20 Total outlays (gross) .....	-46	-45	-45
73.40 Adjustments in expired accounts (net) .....	-1		
74.40 Obligated balance, end of year .....	10	13	16
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	37	38	39
86.93 Outlays from discretionary balances .....	9	7	6
87.00 Total outlays (gross) .....	46	45	45
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-9	-9	-9
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	36	39	40
90.00 Outlays .....	36	36	36
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The Museum operates a permanent living memorial to the victims of the Holocaust. The memorial museum, which opened in April 1993, also provides for appropriate ways for the Nation to commemorate the Days of Remembrance.

**Object Classification** (in millions of dollars)

Identification code 95-3300-0-1-808	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	13	14	14
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	14	15	15
12.1 Civilian personnel benefits .....	3	4	4

21.0	Travel and transportation of persons .....	1	1	1
23.1	Rental payments to GSA .....	1	1	1
23.3	Communications, utilities, and miscellaneous charges	4	5	5
24.0	Printing and reproduction .....	2	2	2
25.2	Other services .....	15	15	15
25.4	Operation and maintenance of facilities .....	2	2	2
26.0	Supplies and materials .....	2	2	2
31.0	Equipment .....	1	1	1
99.9	Total new obligations .....	45	48	48

**Personnel Summary**

Identification code 95-3300-0-1-808	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	223	248	248

**UNITED STATES INSTITUTE OF PEACE**

*Federal Funds*

**General and special funds:**

OPERATING EXPENSES

For necessary expenses of the United States Institute of Peace as authorized in the United States Institute of Peace Act, \$17,200,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing** (in millions of dollars)

Identification code 95-1300-0-1-153	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....	15	16	17
10.00 Total new obligations .....	15	16	17
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	15	16	17
23.95 Total new obligations .....	-15	-16	-17
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	15	16	17
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	15	16	17
73.20 Total outlays (gross) .....	-15	-16	-17
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	14	15	16
86.93 Outlays from discretionary balances .....	1	1	1
87.00 Total outlays (gross) .....	15	16	17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	15	16	17
90.00 Outlays .....	15	16	17

The United States Institute of Peace was established by Congress to help strengthen the Nation's capacity to promote peaceful resolution of international conflicts. Program activity includes policy assessments for the Executive and Legislative Branches; conflict resolution training for foreign affairs professionals; facilitation of dialogue among parties to conflicts; summer institutes and educational materials for teachers at high school and undergraduate levels; grants and fellowships; publications; a research library; a national student essay contest; and, other programs to increase public understanding about the nature of international conflicts.

**General and special funds—Continued**

**OPERATING EXPENSES—Continued**

**Object Classification (in millions of dollars)**

Identification code 95-1300-0-1-153	2002 actual	2003 est.	2004 est.
11.8 Personnel compensation: Special personal services payments .....	5	6	7
12.1 Civilian personnel benefits .....	1	1	1
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	3	2	2
41.0 Grants, subsidies, and contributions .....	5	6	6
99.9 Total new obligations .....	15	16	17

**UNITED STATES—CANADA ALASKA RAIL COMMISSION**

*Federal Funds*

**General and special funds:**

**SALARIES AND EXPENSES**

**Program and Financing (in millions of dollars)**

Identification code 48-2993-0-1-401	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct obligation .....		4	
10.00 Total new obligations (object class 25.2) .....		4	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....		4	
22.00 New budget authority (gross) .....	2		
23.90 Total budgetary resources available for obligation .....	2	4	
23.95 Total new obligations .....		-4	
24.40 Unobligated balance carried forward, end of year .....	4		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2		
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		4	
73.20 Total outlays (gross) .....		-4	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....		4	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2		
90.00 Outlays .....		4	

The Commission was authorized by the Congress in 2000 to study the feasibility and advisability of linking the rail system in Alaska to the nearest appropriate point on the North American continental rail system.

**VIETNAM EDUCATION FOUNDATION**

*Federal Funds*

**General and special funds:**

**VIETNAM DEBT REPAYMENT FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 95-5365-0-2-154	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year .....		-2	

<b>Receipts:</b>			
02.40 Vietnam debt repayment fund .....	3	7	5
04.00 Total: Balances and collections .....	3	5	5
<b>Appropriations:</b>			
05.00 Vietnam debt repayment fund .....	-5	-5	-5
07.99 Balance, end of year .....	-2		

**Program and Financing (in millions of dollars)**

Identification code 95-5365-0-2-154	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity .....		2	2
10.00 Total new obligations (object class 25.2) .....		2	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....			3
22.00 New budget authority (gross) .....	5	5	5
23.90 Total budgetary resources available for obligation .....	5	5	8
23.95 Total new obligations .....		-2	-2
24.40 Unobligated balance carried forward, end of year .....		3	6

**New budget authority (gross), detail:**

<b>Mandatory:</b>			
60.20 Appropriation (special fund) .....	5	5	5

**Change in obligated balances:**

73.10 Total new obligations .....		2	2
73.20 Total outlays (gross) .....	-1	-2	-5
74.40 Obligated balance, end of year .....			-3

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	1		2
86.98 Outlays from mandatory balances .....		2	3
87.00 Total outlays (gross) .....	1	2	5

**Net budget authority and outlays:**

89.00 Budget authority .....	5	5	5
90.00 Outlays .....		2	5

The Vietnam Education Foundation Act of 2000 (Title II of Public Law 106-554) created the Vietnam Education Foundation to administer an international fellowship program under which Vietnamese nationals can undertake graduate and post-graduate level studies in the sciences (natural, physical, and environmental), mathematics, medicine, and technology, and American citizens can teach in these fields in appropriate Vietnamese institutions. The Act also authorized the establishment of the Vietnam Debt Repayment Fund, in which all payments (including interest payments) made by the Socialist Republic of Vietnam under the United States-Vietnam debt agreement shall be deposited as offsetting receipts. Beginning with 2002, and each subsequent year through 2018, \$5 million of the amounts deposited into the fund (or accrued interest) each year shall be available to the Foundation.

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## OTHER MATERIALS

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# AMENDMENTS TO AND REVISIONS IN BUDGET AUTHORITY FOR 2003

(Between the Transmittal of the 2003 and 2004 Budgets)

A statement of all amendments to or revisions in budget authority requested between transmittal of the 2003 Budget and the 2004 Budget is presented below. This statement is included in the budget in accordance with the Congressional Budget Act of 1974 (31 U.S.C. 1105(d)).

The modifications to requests for 2003 budget authority that were made through the course of the past year took two forms:

- If the Congress had not yet acted on a pending request, the President sent amendments to the budget requests transmitted on February 4, 2002.
- If necessary, the President made available certain emergency funding. The availability of these funds was made contingent upon the President submitting a budget request to the Congress and designating the amounts requested as an emergency requirement.

Amendments and releases of contingent emergency funds are printed in the documents of the House of Representatives that are identified on the following listing.

Transmitted to Congress on	Agencies affected	Printed as
March 14, 2002 .....	Department of Commerce ..... Department of Defense Department of Labor Department of Transportation Department of the Treasury Environmental Protection Agency Federal Emergency Management Agency Legislative Branch	H. Doc. No. 107-189
May 29, 2002 .....	Department of Defense .....	H. Doc. No. 107-219
July 3, 2002 .....	Department of Defense .....	H. Doc. No. 107-241
July 12, 2002 .....	Department of Agriculture ..... Department of Commerce Department of Housing and Urban Development Securities and Exchange Commission	H. Doc. No. 107-243
August 2, 2002 .....	Department of Energy .....	H. Doc. No. 107-255
September 3, 2002 .....	Department of Health and Human Services ..... Department of Transportation International Assistance Programs	H. Doc. No. 107-260
September 13, 2002 .....	Department of Agriculture ..... Department of Energy Department of the Interior Department of Transportation International Assistance Programs National Capital Planning Commission	H. Doc. No. 107-262
October 3, 2002 .....	Department of the Treasury .....	H. Doc. No. 107-271
November 13, 2002 .....	Department of Justice ..... National Aeronautics and Space Administration	H. Doc. No. 107-281
November 18, 2002 .....	Department of the Treasury .....	H. Doc. No. 107-283
January 7, 2003 .....	Department of Agriculture ..... Department of Health and Human Services Department of the Interior Department of Labor Department of the Treasury Corps of Engineers Equal Employment Opportunity Commission Federal Trade Commission	H. Doc. No. 108-2



## ADVANCE APPROPRIATIONS, ADVANCE FUNDING, AND FORWARD FUNDING

I. An advance appropriation is one made to become available one fiscal year or more beyond the fiscal year for which the appropriation act is passed. Advance appropriations in fiscal year 2004 appropriations acts will become available for programs in 2005 or beyond. Since these appropriations are not available until after fiscal year 2004, the amounts will not be included in fiscal year 2004 budget totals, but will be reflected in the budget totals for the fiscal year for which they are requested.

The Congressional Budget Act of 1974 (31 U.S.C. 1105(a)(17)) requires inclusion in the budget of "information on estimates of appropriations for the fiscal year following the fiscal year for which the budget is submitted for grants, contracts, and other payments under each program for which there is an authorization of appropriations for that following fiscal year when the appropriations are authorized to be included in an appropriation law for the fiscal year before the fiscal year in which the appropriation is to be available for obligation." In fulfillment of this requirement, the table below lists those accounts authorized to receive, in fiscal year 2004, advance appropriations for fiscal year 2005 and beyond and cites the authorizing statute. Part A shows the amounts of advance appropriations included in the 2004 Budget. Part B shows the accounts for which 2004 or 2005 advance appropriations were provided but for which no new advance appropriations are requested.

Part C of the table completes OMB's statutory requirements by providing a listing of accounts for which advance appropriations are authorized but not requested in the 2004 Budget.

### A. Accounts for which advance appropriations are included in the 2004 Budget:

- Department of Education (20 U.S.C. 1223 and 29 U.S.C. 703):
  - Education for the disadvantaged: \$7,383 million for 2005
  - School improvement programs: \$1,435 million for 2005
  - Safe Schools and Citizenship Education: \$330 million for 2005
  - Special education: \$5,072 million for 2005
- Department of Health and Human Services:
  - Grants to States for medicaid (42 U.S.C. 1396): \$58,416 million for 2005
  - Payments to States for child support enforcement and family support programs (24 U.S.C. Ch. 9): \$1,200 million for 2005
  - Payments to States for foster care and adoption assistance (P.L. 96-272): \$1,822 million for 2005
  - Children and families services program (42 U.S.C. 9834): \$1,400 million for 2005
- Department of Housing and Urban Development:
  - Housing assistance for needy families: \$4,200 million for 2005
- Department of Labor:
  - Training and employment services (29 U.S.C. 2801 et seq.): \$2,463 million for 2005
  - Special benefits for disabled coal miners (30 U.S.C. 921): \$88 million for 2005
- Postal Service:
  - Payment to the Postal Service fund (39 U.S.C. 2401): \$37 million for 2005
- Social Security Administration:
  - Supplemental security income program (42 U.S.C. 1381): \$12,590 million for 2005

### B. Accounts for which 2004 or 2005 advance appropriations were provided, but for which no new advance appropriations are requested:

Corporation for Public Broadcasting (Communications Act of 1934)

### C. Accounts authorized to receive advance appropriations but for which none were provided and none are requested in the 2004 Budget:

Department of Agriculture:

- Food program administration (42 U.S.C. 1752)
- Child nutrition programs (42 U.S.C. 1752)

Department of Education (20 U.S.C. 1223 and 29 U.S.C. 703):<sup>1</sup>

- Impact aid
- Innovation and Improvement
- Indian education
- English language acquisition
- American Printing House for the Blind
- National Technical Institute for the Deaf
- Gallaudet University
- Rehabilitation services and disability research
- Student Financial Assistance
- Federal family education loans
- Federal direct student loan program
- Higher education
- Higher education facilities loans
- College housing and academic facilities loans
- Howard University
- Historically black college and university capital financing program
- Institute of Education Sciences

<sup>1</sup>These statutes erroneously refer to "advance funding." Since these statutes describe and clearly intend to provide advance appropriations, the affected accounts are listed here.

II. Advance funding is budget authority that is to be charged to the appropriation in the succeeding year but which authorizes obligations to be incurred in the last quarter of the fiscal year if necessary to meet higher than anticipated benefit payments in excess of the specific amount appropriated for the year. When such budget authority is used, an adjustment is made to increase the budget authority for the fiscal year in which it is used and to reduce the budget authority of the succeeding fiscal year. Essentially, this is a device for avoiding supplemental requests late in the fiscal year for certain programs, should the appropriations for the current year prove to be low. The table below lists those accounts for which advance funding authority is requested in the 2004 Budget.

Department of Labor:

- Special benefits for disabled coal miners
- Federal unemployment benefits and allowances

III. Forward funding is budget authority that is made available for obligation beginning in the last quarter of the fiscal year for the financing of ongoing grant programs during the next succeeding fiscal year. The budget authority for such programs is included in the budget totals for the year in which it is appropriated. This device is often used for education programs, so that grants can be made on a school year basis. The language providing forward funding for education programs will specify that amounts appropriated, in most but not all cases, will not be available until some time into the year of the appropriation (e.g., July 1, 2004) and in most cases will specify that such amounts will remain available until the end of the succeeding fiscal year. In other cases (e.g., Federal Pell grants), the funds become available on October 1st but are not normally obligated until July 1st or later and are available for obligation for an additional year. The table below lists those accounts for which forward funding exists or is requested in whole or in part in the 2004 Budget.

Department of Education:  
Education for the disadvantaged  
School improvement programs  
Safe Schools and Citizenship Education  
Special education  
Vocational and adult education  
Student financial assistance  
Institute of Education Sciences  
English language acquisition  
Department of the Interior:  
Operation of Indian programs

In the training and employment area, forward funding for youth training grant programs provides appropriations for a program year that starts on April 1st of the fiscal year of the appropriation. Financing extends through June 30th of

the following fiscal year. For most other training and employment programs, forward funding provides appropriations for a program year that starts on July 1st of the fiscal year of the appropriation. Financing extends through June 30th of the following fiscal year. Program years are authorized for training programs under the Workforce Investment Act and operation of the State Employment Service under section 6 of the Wagner-Peyser Act. The table below lists accounts for which forward funding is requested in the 2004 Budget.

Department of Labor:  
Training and employment services  
State unemployment insurance and employment service operations  
Veterans employment and training

## FINANCING VEHICLES AND THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE

This chapter contains descriptions of and data on financing vehicles and the Board of Governors of the Federal Reserve listed below.

- The Financing Corporation functions as a financing vehicle for the FSLIC Resolution Fund. It operates under the supervision and control of the Federal Housing Finance Board.
- The Resolution Funding Corporation provided financing for the Resolution Trust Corporation (RTC) and is subject to the general oversight and direction of the Secretary of the Treasury.

The Board of Governors of the Federal Reserve System's transactions are not included in the budget because of its unique status in the conduct of monetary policy. The Board provides data on its administrative budget on a calendar year basis, which is included here for information. Its budget schedules and statements are not subject to review by the President.

### FINANCING VEHICLES

#### FINANCING CORPORATION

The Financing Corporation (FICO) is a mixed-ownership government corporation, chartered by the Federal Home Loan Bank Board pursuant to the Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987, as amended (the "Act"). FICO's sole purpose was to function as a financing vehicle for the FSLIC Resolution Fund, formerly the Federal Savings and Loan Insurance Corporation (FSLIC). FICO operates under the supervision and control of the Federal Housing Finance Board (the "Finance Board"). Pursuant to the Act, FICO was authorized to issue debentures, bonds and other obligations subject to limitations contained in the Act, the net proceeds of which were to be used solely to purchase capital certificates issued by the FSLIC Resolution Fund, or to refund any previously issued obligations. The Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 terminated the FICO's borrowing authority.

The Act provided formulas pursuant to which the Federal Home Loan Banks made capital contributions to FICO at the direction of the Finance Board for the purchase of FICO capital stock. FICO used the proceeds received from the sales of such capital stock to purchase non-interest bearing securities for deposit in a segregated account as required by the Act. The non-interest bearing securities held in the segregated account will be the primary source of repayment of the principal of the FICO obligations. Securities in the segregated account are kept separate from other FICO accounts and funds but are not specifically pledged as collateral for the payment of obligations. The primary source of payment of interest on the obligations is the receipt of assessments imposed on and collected from institutions' accounts which are insured by the Bank Insurance Fund (the "BIF") and the Savings Association Insurance Fund (the "SAIF").

#### Statement of Operations (in millions of dollars)

Identification code 99-4033-0-3-373	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	966	983	996	1,014
0102 Expense .....	-795	-795	-795	-795
0105 Net income or loss (-) .....	171	188	201	219

#### Balance Sheet (in millions of dollars)

Identification code 99-4033-0-3-373	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Investments in US securities:				
1102 Segregated accounts investment, net	2,118	2,258	2,459	2,677
1801 Cash, cash equivalents, and interest receivable .....	157	283	283	283
1901 Other assets .....	9	9	8	8
1999 Total assets .....	2,284	2,550	2,750	2,968
<b>LIABILITIES:</b>				
2202 Interest payable .....	156	235	236	236
2203 Debt .....	8,149	8,150	8,151	8,152
2207 Other .....	30	76	74	72
2999 Total liabilities .....	8,335	8,461	8,461	8,460
<b>NET POSITION:</b>				
3100 FICO capital stock purchased by FHLBanks .....	680	680	680	680
Cumulative results of operations:				
3300 Cumulative results of operations .....	1,439	1,579	1,779	1,998
3300 FSLIC capital certificates .....	-8,170	-8,170	-8,170	-8,170
3999 Total net position .....	-6,051	-5,911	-5,711	-5,492
4999 Total liabilities and net position .....	2,284	2,550	2,750	2,968

#### RESOLUTION FUNDING CORPORATION

The Resolution Funding Corporation (the "REFCORP") is a mixed-ownership government corporation established by Title V of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The sole purpose of REFCORP was to provide financing for the Resolution Trust Corporation (the "RTC"). Pursuant to FIRREA, REFCORP was authorized to issue debentures, bonds, and other obligations, subject to limitations contained in the Act and regulations established by the Thrift Depositor Protection Oversight Board. The proceeds of the debt (less any discount, plus any premium, net of issuance cost) were used solely to purchase nonredeemable capital certificates of the RTC or to refund any previously issued obligations.

Until October 29, 1998, REFCORP was subject to the general oversight and direction of the Thrift Depositor Protection Oversight Board. At that time, the Oversight Board was abolished and its authority and duties were transferred to the Secretary of the Treasury. The day-to-day operations of REFCORP are under the management of a three-member Directorate comprised of the Director of the Office of Finance of the Federal Home Loan Banks and two members selected from among the presidents of the twelve Federal Home Loan Banks ("the FHLBanks"). Members of the Directorate serve without compensation, and REFCORP is not permitted to have any paid employees.

FIRREA, as amended, and the regulations adopted by the Thrift Depositor Protection Oversight Board and the Secretary of the Treasury provide formulas pursuant to which the Federal Home Loan Banks made capital contributions to REFCORP's Principal Fund and continue to make interest payments on outstanding REFCORP obligations. FIRREA also provides that the U.S. Treasury cover any interest shortfall. Funds designated for the Principal Funds were used to purchase zero-coupon bonds. The zero-coupon bonds will be held in the Principal Fund and are the primary source of repayment of the principal of the obligations at maturity.

RESOLUTION FUNDING CORPORATION—Continued

Statement of Operations (in millions of dollars)

Identification code 99-4029-0-3-373	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	3,059	3,094	3,126	3,167
0102 Expense .....	-2,626	-2,626	-2,626	-2,626
0105 Net income or loss (-) .....	433	468	500	541

Balance Sheet (in millions of dollars)

Identification code 99-4029-0-3-373	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Investments in US securities:				
1102 Principal fund account investment, net .....	5,802	6,149	6,646	7,185
1206 Assessments receivable for interest expense .....	886	888	888	888
1999 Total assets .....	6,688	7,037	7,534	8,073
<b>LIABILITIES:</b>				
2202 Accrued interest payable on long-term obligations .....	888	886	888	888
2203 Debt .....	30,060	30,061	30,058	30,055
2999 Total liabilities .....	30,948	30,947	30,946	30,943
<b>NET POSITION:</b>				
3100 Nonvoting capital stock issued to FHLBanks .....	2,513	2,513	2,513	2,513
Cumulative results of operations:				
3300 Cumulative results of operations .....	3,456	3,806	4,304	4,846
3300 RTC nonredeemable capital certificates .....	-31,286	-31,286	-31,286	-31,286
3300 Contributed capital—principal fund assessments .....	1,057	1,057	1,057	1,057
3999 Total net position .....	-24,260	-23,910	-23,412	-22,870
4999 Total liabilities and net position .....	6,688	7,037	7,534	8,073

**BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM**

Program and Financing (in millions of dollars)

Identification code 99-4450-0-3-803	2001 actual	2002 est.	2003 est.
<b>Obligations by program activity:</b>			
09.01 Monetary and economic policy .....	95	97	106
09.02 Services to financial institutions and the public .....	5	5	5
09.03 Supervision and regulation of financial institutions .....	89	91	100
09.04 System policy direction and oversight .....	36	36	40
09.09 Subtotal: Board operating expenses .....	225	229	251
09.10 Office of Inspector General operating expenses .....	3	4	4
09.11 Building acquisition .....	66		
10.00 Total new obligations .....	294	233	255
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	294	233	255
23.95 Total new obligations .....	-294	-233	-255
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	294	233	255
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	26	26	26
73.10 Total new obligations .....	294	233	255
73.20 Total outlays (gross) .....	-294	-233	-255
74.40 Obligated balance, end of year .....	26	26	26

**Outlays (gross), detail:**

86.97 Outlays from new mandatory authority .....	279	218	240
86.98 Outlays from mandatory balances .....	15	15	15
87.00 Total outlays (gross) .....	294	233	255

**Offsets:**

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-294	-233	-255

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....			

The figures presented may differ from other Board financial material because they are prepared in accordance with OMB guidelines which vary from the Board's budget and accounting procedures.

The Federal Reserve System operates under the provisions of the Federal Reserve Act of 1913, as amended, and other acts of Congress.

**Program.**—To carry out its responsibilities under the Act, the Board determines general monetary, credit, and operating policies for the System as a whole and formulates the rules and regulations necessary to carry out the purposes of the Federal Reserve Act. The Board's principal duties consist of exerting an influence over credit conditions and supervising the Federal Reserve banks and member banks.

**Financing.**—Under the provisions of section 10 of the Federal Reserve Act, the Board of Governors levies upon the Federal Reserve banks, in proportion to their capital and surplus, an assessment sufficient to pay its estimated expenses. The Board, under the Act, determines and prescribes the manner in which its obligations are incurred and its expenses paid. Funds derived from assessments are deposited in the Federal Reserve Bank of Richmond, and the Act provides that such funds "shall not be construed to be Government funds or appropriated moneys." No Government appropriation is required to support operations of the Board.

The information presented pertains to Board operations only. Expenditures made on behalf of the Federal Reserve banks for production, issuance, retirement, and shipment of Federal Reserve notes are not included, since they are reimbursed in full by the Federal Reserve banks.

**Object Classification (in millions of dollars)**

Identification code 99-4450-0-3-803	2001 actual	2002 est.	2003 est.
<b>Reimbursable obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	125	133	144
11.3 Other than full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	130	138	149
12.1 Civilian personnel benefits .....	22	21	30
21.0 Travel and transportation of persons .....	4	6	6
22.0 Transportation of things .....		1	1
23.3 Communications, utilities, and miscellaneous charges .....	11	8	8
24.0 Printing and reproduction .....	2	2	2
25.1 Advisory and assistance services .....	5	5	5
25.2 Other services .....	23	21	23
26.0 Supplies and materials .....	8	8	8
31.0 Equipment .....	20	19	19
32.0 Land and structures .....	66		
99.0 Reimbursable obligations .....	291	229	251
25.2 Allocation Account: Other services .....	3	4	4
99.9 Total new obligations .....	294	233	255

## GOVERNMENT-SPONSORED ENTERPRISES

This chapter contains descriptions of and data on the Government-sponsored enterprises listed below. These enterprises were established and chartered by the Federal Government for public policy purposes. They are not included in the Federal budget because they are private companies. However, because of their public purpose, detailed statements of financial operations and condition are presented, to the extent such information is available, on a basis that is as consistent as practicable with the basis for the budget data of Government agencies. These statements are not reviewed by the President; they are presented as submitted by the enterprises.

- The Student Loan Marketing Association is a for-profit financial corporation chartered by Congress in 1972 under the Higher Education Act (HEA) to help increase the availability of student loans. Sallie Mae carries out secondary market and other functions.
- The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation provide assistance to the secondary market for residential mortgages. Both are supervised by the Department of Housing and Urban Development for their roles in helping to finance low-, moderate-, and middle-income housing; both are regulated for financial safety and soundness by the Office of Federal Housing Enterprise Oversight.
- Institutions of the Farm Credit System the Agricultural Credit Bank and Farm Credit Banks—provide financial assistance to agriculture. They are supervised by the Farm Credit Administration.
- The Federal Agricultural Mortgage Corporation, under the supervision of the Farm Credit Administration, provides a secondary mortgage market for agricultural real estate and rural housing loans as well as for farm and business loans guaranteed by the U.S. Department of Agriculture.
- The Federal Home Loan Banks assist thrift institutions, banks, insurance companies, and credit unions in providing financing for housing and community development and are supervised by the Federal Housing Finance Board.

### STUDENT LOAN MARKETING ASSOCIATION

#### STUDENT LOAN MARKETING ASSOCIATION

##### Status of Direct Loans (in millions of dollars)

Identification code 99-1500-0-3-502	2002 actual	2003 est.	2004 est.
1111 Limitation on direct loans .....			
1131 Direct loan obligations .....	13,245	15,272	17,230
1150 Total direct loan obligations .....	13,245	15,272	17,230
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	41,032	41,932	27,965
1231 Disbursements: Direct loan disbursements .....	13,245	15,272	17,230
<b>Repayments:</b>			
1251 Repayments and prepayments .....	-1,921	-5,240	-3,657
1252 Proceeds from loan asset sales or discounted .....	-10,425	-24,000	-23,000
1264 Write-offs for default: Other adjustments, net .....	1	1	1
1290 Outstanding, end of year .....	41,932	27,965	18,539

The Student Loan Marketing Association (Sallie Mae) was created as a shareholder-owned government sponsored enterprise (GSE) by the Education Amendments of 1972 to expand funds available for student loans by providing liquidity to lenders engaged in the Federal Family Education Loan Program (FFELP), formerly the guaranteed student loan program (GSLP). Sallie Mae was privatized in 1997 pursuant to the authority granted by the Student Loan Marketing Association Reorganization Act of 1996. The GSE is a wholly owned subsidiary of SLM Corporation and must wind down and be liquidated by September 30, 2008. In January 2002, the GSE's board of directors announced that it expects to complete the dissolution of the GSE by September 30, 2006. Under legislation passed in 1998, if USA Education, Inc. affiliates with a depository institution, the GSE must wind down within two years (unless such period is extended by the Department of the Treasury).

The GSE provides liquidity through direct purchase of insured student loans from eligible lenders and through warehousing advances, which are loans to lenders secured by insured student loans, Government or agency securities, or other acceptable collateral. In capital shortage areas, the GSE is authorized, at the request of Federal officials, to make insured loans directly to students. The GSE is authorized to advance funds to State agencies that will provide loans to students. The GSE is also authorized to provide a secondary market for noninsured loans; to serve as a guarantee agency in support of loan availability at the request of the Secretary of Education; to purchase and underwrite student loan revenue bonds; to provide certain additional services as determined by its board of directors to be supportive of the credit needs of students generally; and to provide financing for academic facilities and equipment. As described below, however, many of these activities are limited or precluded under the privatization legislation.

The GSE is authorized by the Health Professions Educational Assistance Act of 1976 to provide a secondary market for federally insured loans to graduate health professions students.

Generally, under the privatization legislation, the GSE cannot engage in any new business activities or acquire any additional program assets other than purchasing student loans and serving, at the request of the Secretary of Education, as a lender-of-last-resort. The GSE can continue to make warehousing advances under contractual commitments existing on August 7, 1997.

*Operations.*—The forecast data with respect to operations are based on certain general economic and specific FFELP loan volume assumptions and should not be relied upon as an official forecast of the corporation's future business.

#### ANNUAL LOAN ACTIVITY

Guaranteed student loans:	2002 actual	2003 est.	2004 est.
Stafford:			
Purchased .....	8,098	8,489	9,577
Warehoused .....	670	—	—
PLUS/SL: Purchased .....	880	1,114	1,257
Subtotal, Guaranteed student loans .....	9,648	9,603	10,834
Other .....	3,597	5,669	6,396
Total .....	13,245	15,272	17,230

*Financing.*—The GSE is financed by borrowing in the private debt markets and securitizing its assets. The GSE must

## STUDENT LOAN MARKETING ASSOCIATION—Continued

wind down and be liquidated by September 30, 2008 although the GSE has announced that it expects to complete the wind-down and liquidation two years earlier. All obligations of the GSE remaining upon liquidation must be placed into a defeasance trust. The GSE's outstanding adjustable rate cumulative preferred stock, which was required to be redeemed prior to such date was redeemed on December 10, 2001.

The financial data contained in this material relating to future periods represents estimates that have been prepared specifically for inclusion in the President's Budget. These data should not be viewed as official forecasts of the corporation's future position, nor should they be used as a basis for making financial or investment decisions relating to the corporation. The data have been developed on the basis of certain economic assumptions that are subject to periodic review and revision. Consequently, the estimates are subject to forecast error and actual results from future business operations are likely to differ from these data.

## Statement of Operations (in millions of dollars)

Identification code 99-1500-0-3-502	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	2,952	2,527	.....	.....
0102 Expense .....	-2,850	-1,861	.....	.....
0105 Net income or loss (-) .....	102	666	.....	.....

## Balance Sheet (in millions of dollars)

Identification code 99-1500-0-3-502	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Investments in US securities:				
1102 Treasury securities, par .....	1,597	1,727	1,624	1,543
1104 Agency securities, par .....	.....	.....	.....	.....
1106 Receivables, net .....	1,207	953	658	605
1201 Investments in other securities, net .....	4,829	2,442	2,319	2,498
1206 Receivables, net .....	1,669	1,865	1,287	1,184
1207 Advances and prepayments .....	11	58	40	37
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	41,185	42,094	28,073	18,611
1603 Allowance for estimated uncollectible loans and interest (-) .....	-153	-162	-108	-72
1699 Value of assets related to direct loans .....	41,032	41,932	27,965	18,539
1801 Cash and other monetary assets .....	71	70	49	45
1803 Property, plant and equipment, net * .....	.....	.....	.....	.....
1901 Other assets .....	310	524	361	332
1999 Total assets .....	50,726	49,571	34,303	24,783
<b>LIABILITIES:</b>				
2202 Interest payable .....	332	311	218	157
2203 Debt .....	47,321	45,720	32,100	22,964
2207 Other .....	1,762	1,633	1,143	823
2999 Total liabilities .....	49,415	47,664	33,461	23,944
<b>NET POSITION:</b>				
3300 Invested Capital .....	1,311	1,907	842	839
3999 Total net position .....	1,311	1,907	842	839
4999 Total liabilities and net position .....	50,726	49,571	34,303	24,783

\*In the first quarter of 2001, in accordance with the Privatization Act, the GSE transferred substantially all of its fixed assets and real estate to certain private non-GSE entities in USA education.

## FEDERAL NATIONAL MORTGAGE ASSOCIATION

## PORTFOLIO PROGRAMS

## Status of Direct Loans (in millions of dollars)

Identification code 99-2500-0-3-371	2002 actual	2003 est.	2004 est.
1131 Direct loan obligations .....	345,928	459,822	229,093
1150 Total direct loan obligations .....	345,928	459,822	229,093
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	700,484	759,733	885,814
Disbursements:			
1231 Direct loan disbursements .....	294,678	439,638	229,961
1232 Purchase of loans assets .....	9,790	1,561	1,053
1251 Repayments: Repayments and prepayments .....	-249,905	-315,118	-127,135
1264 Write-offs for default: Other adjustments, net .....	4,686	.....	.....
1290 Outstanding, end of year .....	759,733	885,814	989,693

The Federal National Mortgage Association (Fannie Mae) is a federally-chartered, privately-owned company with a public mission to provide stability and to increase the liquidity of the residential mortgage market and to help increase the availability of mortgage credit to low- and moderate-income families and in underserved areas. In carrying out its mission, Fannie Mae engages primarily in two forms of business: investing in portfolios of residential mortgages and guaranteeing residential mortgage securities. As of September 30, 2002, Fannie Mae held a net mortgage portfolio totaling \$751 billion and had net outstanding guaranteed mortgage-backed securities of \$990 billion.

Through a federal charter, Congress has equipped Fannie Mae with certain attributes to help it carry out its public mission. These include an exemption from state and local taxes (except real property taxes), and an exemption of its debt and mortgage securities from Securities and Exchange Commission registration requirements. An additional advantage is that the Secretary of the Treasury may purchase and hold up to \$2.25 billion of securities issued by Fannie Mae under terms and conditions and at prices determined by the Secretary to be appropriate. Securities guaranteed by Fannie Mae and debt issued by the company are solely the corporation's obligations and are not backed by the full faith and credit of the U.S. Government. The common stock of the corporation is owned by the public, is fully transferable, and trades on the New York, Midwest, and Pacific stock exchanges.

Fannie Mae was established in 1938 to assist private markets in providing a steady supply of funds for housing. Fannie Mae was originally a subsidiary of the Reconstruction Finance Corporation and was permitted to purchase only loans insured by the Federal Housing Administration (FHA). In 1954, Fannie Mae was restructured as a mixed ownership (part government, part private) corporation. Congress sold the government's remaining interest in Fannie Mae in 1968 and completed the transformation to private shareholder ownership in 1970. Using the proceeds from the sale of subordinated debentures, Fannie Mae paid the Treasury \$216 million for the government's preferred stock, which was retired, and for the Treasury's interest in the corporation's earned surplus. As a result, the corporation was taken off the federal budget.

In 1992, Congress reaffirmed and clarified Fannie Mae's role in the housing finance system through charter act amendments included in the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 ("The Act"). Fannie

Mae's charter purposes, as amended by the Act, are: "to provide stability in the secondary market for residential mortgages; respond appropriately to the private capital market; provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities); and promote access to mortgage credit throughout the Nation (including central cities, rural areas, and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital for residential mortgage financing."

In December 1995, the U.S. Department of Housing and Urban Development (HUD) set affordable housing goals for 1996–1999 and established the requirements for counting mortgage purchases to low- and moderate-income families and families living in underserved areas with specific census tract and minority concentration requirements. Under that regulations, the low- and moderate-income goal was 42 percent; the geographically targeted goal was 24 percent and the special affordable housing goal was 14 percent. These goals were also in effect for 2000. Fannie Mae exceeded all of the housing goals in 2000 with low- and moderate-income purchases at 49 percent, geographically targeted purchases at 31 percent, and special affordable housing purchases at 19 percent.

In October 2000, HUD set new affordable housing goals for the period covering 2001 to 2003. The goals are 50 percent for the low- and moderate-income goal, 31 percent for the geographically targeted goal, and 20 percent for the special affordable housing goal.

In 2001, Fannie Mae dramatically expanded the financing it provided for low- and moderate-income households, and for minority households. In 2001, Fannie Mae financed over \$87 billion in loans to nearly 680,000 minority families. It also financed over \$132 billion in loans to over 1,500,000 low- and moderate-income families. Fannie Mae exceeded all of the housing goals in 2001. From 1996 to 2001, Fannie Mae increased its low- and moderate-income purchases from 45.4 percent to 52.0 percent, its underserved areas purchases from 28.2 percent to 32.5 percent, and its purchases for the special affordable goal from 17.4 percent to 21.6 percent.

The Act also established the Office of Federal Housing Enterprise Oversight (OFHEO), an independent office within HUD, headed by a Director who reports directly to the Congress. OFHEO has statutory responsibility for ensuring that Fannie Mae is adequately capitalized and operating in a safe and sound manner. Included among the express statutory authorities of the Director is the authority to conduct examinations of the financial health of the company and to issue minimum and risk-based capital standards. The minimum capital requirements are computed from statutorily established ratios that are applied to the assets and off-balance sheet risks of Fannie Mae. The risk-based capital standard determines the amount of capital that Fannie Mae must hold to withstand the impact of simultaneous adverse credit and interest rate stresses over a 10-year period, plus an additional 30 percent to cover management and operations risk. Total capital (shareholder's equity plus allowance for loan losses) at the end of September 2002 was \$27.278 billion. The company has continued to remain in compliance with applicable capital standards and has been deemed adequately capitalized by OFHEO since its first classification in June 1993.

On September 30, 2002, OFHEO implemented its risk-based capital stress test for the first time, finding that as of that date Fannie Mae's total capital of \$27.278 billion exceeded the risk based capital requirement by \$5.838 billion. In addition, responding to the President's call for corporate leaders to provide the most accurate, timely, and useful information, Fannie Mae made a voluntary and irrevocable decision to register its common stock with the Securities and

Exchange Commission under the Securities and Exchange Act of 1934.

For the four quarters ending September 2002, Fannie Mae earned \$6.2 billion.

The financial data contained in this material relating to future periods represent estimates that have been prepared specifically for inclusion in the President's Budget. These data should not be viewed as an official forecast of the corporation's future position, nor should they be used as a basis for making financial or investment decisions relating to the corporation. The data have been developed on the basis of certain economic assumptions that are subject to periodic review and revision. Consequently, the estimates are subject to forecast error and actual results from future business operations are likely to differ from these data.

#### Balance Sheet (in millions of dollars)

Identification code 99-2500-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101 Fund balances .....	267	10		
Investments in US securities:				
1102 Treasury securities, par .....	1,325	1,600		
1104 Other .....	58,342	51,758	56,255	71,067
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans (net of discount) .....	655,318	728,723	880,524	972,594
1602 Federal Agencies .....	31,684	29,428	9,903	21,372
1603 Allowance for estimated uncollectible loans and interest (-) .....	-201	-220	-260	-273
1699 Value of assets related to direct loans .....	686,801	757,931	890,167	993,693
1801 Cash and other monetary assets .....	19,686	26,141	7,417	10,741
1803 Property, plant and equipment, net .....	229	271		
1999 Total assets .....	766,650	837,711	953,839	1,075,501
<b>LIABILITIES:</b>				
2101 Accounts payable .....	727	702		
2102 Accrued interest payable .....	8,628	9,248	10,011	11,029
2105 Other .....	17	16		
2203 Debt .....	726,992	800,255	909,686	1,023,547
2204 Estimated liability for loan guarantees .....	15,374	12,081	9,959	9,888
2206 Pension and other actuarial liabilities .....	402	444		
2207 Subtotal, Federal taxes payable .....	730	1		
2999 Total liabilities .....	752,870	822,747	929,656	1,044,464
<b>NET POSITION:</b>				
Cumulative results of operations:				
3300 Cumulative results of operations .....	24,541	28,779		
3300 Change in Stockholder Equity .....	-10,763	-13,815	24,183	31,037
3999 Total net position .....	13,778	14,964	24,183	31,037
4999 Total liabilities and net position .....	766,650	837,711	953,839	1,075,501

#### MORTGAGE-BACKED SECURITIES

##### Status of Direct Loans (in millions of dollars)

Identification code 99-2501-0-3-371	2002 actual	2003 est.	2004 est.
1131 Direct loan obligations .....	649,569	768,572	388,794
1150 Total direct loan obligations .....	649,569	768,572	388,794
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1,228,131	1,458,945	1,637,638
1231 Disbursements: Direct loan disbursements .....	623,991	768,572	388,794
1251 Repayments: Repayments and prepayments .....	-393,177	-589,879	-259,625
1290 Outstanding, end of year .....	1,458,945	1,637,638	1,766,807

According to accounting practices for private corporations, the mortgages in the pools of loans supporting the mortgage-backed securities are considered to be owned by the holders of these securities. Consequently, on the books of the Federal National Mortgage Association (Fannie Mae), these mortgages

PORTFOLIO PROGRAMS—Continued  
MORTGAGE-BACKED SECURITIES—Continued

are not considered assets and the securities outstanding are not considered liabilities. However, the concepts of the budget of the U.S. Government consider these mortgages and mortgage-backed securities to be assets and liabilities, respectively, of Fannie Mae. For the purposes of this document, therefore, they are presented as assets and liabilities in the accompanying schedules. On the schedule of Status of direct loans for mortgage-backed securities, the items labeled “New loans” and “Recoveries: Repayments and prepayments” are budgetary terms. However, from the Corporation’s perspective, these items are “Amounts issued” and “Amounts passed through to the holders of securities”, respectively.

The financial data contained in this material relating to future periods represent estimates that have been prepared specifically for inclusion in the President’s Budget. These data should not be viewed as an official forecast of the corporation’s future position, nor should they be used as a basis for making financial or investment decisions relating to the corporation. The data have been developed on the basis of certain economic assumptions that are subject to periodic review and revision. Consequently, the estimates are subject to forecast error and actual results from future business operations are likely to differ from these data.

**Balance Sheet** (in millions of dollars)

Identification code 99-2501-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:			
1601 Direct loans, gross .....	1,228,734	1,459,533	1,638,221	1,767,397
1603 Allowance for estimated uncollectible loans and interest (-) .....	-603	-588	-583	-590
1699 Value of assets related to direct loans .....	1,228,131	1,458,945	1,637,638	1,766,807
1999 Total assets .....	1,228,131	1,458,945	1,637,638	1,766,807
<b>LIABILITIES:</b>				
2104 Resources payable .....	1,020,828	1,458,945	1,637,638	1,766,807
2999 Total liabilities .....	1,020,828	1,458,945	1,637,638	1,766,807

**FEDERAL HOME LOAN MORTGAGE CORPORATION**

PORTFOLIO PROGRAMS

**Status of Direct Loans** (in millions of dollars)

Identification code 99-4420-0-3-371	2002 actual	2003 est.	2004 est.
1131 Direct loan obligations .....	199,904	257,422	162,859
1150 Total direct loan obligations .....	199,904	257,422	162,859
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	470,850	530,694	586,800
1231 Disbursements: Direct loan disbursements .....	199,904	257,422	162,859
1251 Repayments: Repayments and prepayments .....	-140,060	-201,316	-101,959
1290 Outstanding, end of year .....	530,694	586,800	647,700

The Federal Home Loan Mortgage Corporation (Freddie Mac), is a federally-chartered, shareholder-owned, private company with a public mission to provide stability and increase the liquidity of the residential mortgage market, and to help increase the availability of mortgage credit to low- and moderate-income families and in underserved areas. In carrying out its mission, Freddie Mac engages primarily in two forms of business: investing in portfolios of residential mortgages

and guaranteeing residential mortgage securities. As of September 30, 2002, Freddie Mac held a net mortgage portfolio totaling \$531 billion and had net outstanding guaranteed mortgage-backed securities of \$730 billion.

Through a federal charter, Congress has equipped Freddie Mac with certain advantages over wholly private firms in carrying out these activities. These advantages include an exemption from state and local taxes (except real property taxes), and an exemption for their debt and mortgage securities from SEC filing registration requirements. An additional advantage is that the Secretary of the Treasury may purchase and hold up to \$2.25 billion of securities issued by Freddie Mac under terms and conditions and at prices determined by the Secretary to be appropriate. Securities guaranteed by Freddie Mac and debt issued by the company are explicitly not backed by the full faith and credit of the U.S. Government. The common stock of the corporation is owned by private shareholders is fully transferable, and trades on the New York and Pacific stock exchanges.

Freddie Mac was established in 1970 under the Emergency Home Finance Act. Congress chartered Freddie Mac to provide mortgage lenders with an organized national secondary market enabling them to manage their conventional mortgage portfolio more effectively and gain indirect access to a ready source of additional funds to meet new demands for mortgages. Freddie Mac serves as a conduit facilitating the flow of investment dollars from the capital markets to mortgage lenders, and ultimately, to homebuyers, increasing the amount of mortgage credit available and making it more affordable.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) significantly changed the corporate governance of Freddie Mac. The company’s three member Board of Directors, which had corresponded with the Federal Home Loan Bank Board, was replaced with an eighteen member Board of Directors. Thirteen board members are elected annually by shareholders and five are annually appointed by the President of the United States. In addition, FIRREA converted Freddie Mac’s 60 million shares of non-voting, senior participating preferred stock into voting common stock. As a result, the corporation was taken off the federal budget.

FIRREA also clarified Freddie Mac’s role in the housing finance delivery system through amendments to its charter act. Specifically, FIRREA established Freddie Mac’s public mission: “to provide stability in the secondary market for residential mortgages; respond appropriately to the private capital market; and provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities.” The Federal Housing Enterprise Financial Safety and Soundness Act of 1992 (“The Act”) added to Freddie Mac’s public mission the promotion of “access to mortgage credit throughout the Nation (including central cities, rural areas, and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital for residential mortgage financing.”

The Act also established affordable housing goals that are designed to improve the flow of mortgage funds to low- and moderate-income families and families in central cities, rural areas, and other underserved areas. In December 1995, the U.S. Department of Housing and Urban Development (HUD) affordable housing goals for 1996-1999 and established the requirements for counting mortgage purchases for meeting these goals. The goals provide that, of the total number of dwelling units financed by Freddie Mac’s mortgage purchases, 42 percent meet the low- and moderate-income goal, 24 percent meet the geographically targeted goal, and 14 percent

meet the special affordable goal. Additionally, within the special affordable goal was a multifamily mortgage purchase target for Freddie Mac of \$1.0 billion. In an October 2000 rule, HUD applied the 1996–1999 goals to 2000 and established new goals for 2001–2003: 50 percent for the low- and moderate-income goal, 31 percent for the geographically targeted goal, 20 percent for the special affordable housing goal and a multifamily target for Freddie Mac of \$2.1 billion.

Freddie Mac exceeded all of the housing goals in 2001 with low- and moderate-income purchases of 53.4 percent, geographically targeted purchases of 31.7 percent, special affordable purchases of 22.6 percent, and the multifamily portion of the special affordable purchases of \$4.7 billion in qualifying multifamily mortgages.

The Act also enhanced the regulatory oversight of Freddie Mac by establishing the Office of Federal Housing Enterprise Oversight (OFHEO), an independent office within HUD, headed by a Director appointed by the President. OFHEO is responsible for ensuring that Freddie Mac is adequately capitalized and operating in a safe and sound manner. Included among the express statutory authorities of the Director is the authority to conduct examinations of the financial health of the company and to issue minimum and risk-based capital standards. The minimum capital requirements are computed from statutorily established ratios that are applied to the assets and off-balance sheet risks of Freddie Mac. The risk-based capital standard determines the amount of capital that Freddie Mac must hold to withstand the impact of simultaneous adverse credit and interest rate stresses over a 10-year period, plus an additional amount to cover management and operations risk. OFHEO published risk-based capital standards in September 2001 that became fully enforceable in September 2002.

On September 30, 2002, OFHEO implemented its risk-based capital stress test for the first time. On December 30, 2002, OFHEO announced that as of September 30, Freddie Mac's total capital of \$23.101 billion exceeded its risk-based capital requirement by \$18.182 billion and that Freddie Mac's core capital of \$22.656 billion exceeded its minimum capital requirement by \$2.118 billion. In addition, responding to the President's call for the corporate leader to provide the most accurate, timely, and useful information, Freddie Mac made a voluntary and irrevocable decision to register its common stock with the Securities and Exchange Commission under the Securities and Exchange Act of 1934.

For the four quarters ending September 2002, Freddie Mac recorded net income of \$4.75 billion.

The financial data contained in this material relating to future periods represent estimates that have been prepared specifically for inclusion in the President's budget. These data should not be viewed as an official forecast of the corporation's future position, nor should they be used as a basis for making financial or investment decisions relating to the corporation. The data have been developed on the basis of certain economic assumptions that are subject to periodic review and revision. Consequently, the estimates are subject to forecast error and actual results from future business operations are likely to differ from these data.

According to generally accepted accounting principles utilized by private corporations, the mortgages in the pools of loans supporting PCs are considered to be owned by the holder of these securities. Therefore, Freddie Mac does not show these mortgages as assets. However, the budget philosophy of the United States Government includes these mortgages and mortgages pass-through securities as assets and liabilities, respectively, of Freddie Mac. For the purpose of this document, therefore, they are presented as assets and liabilities in the accompanying schedules. On the Status of Direct Loans schedule for mortgage pass-through securities, the items labeled "Disbursements" and "Repayments" are bud-

etary terms. However, from Freddie Mac's perspective, these amounts represent "Sales of PCs" and "Amounts passed through to PC holders," respectively.

#### Balance Sheet (in millions of dollars)

Identification code 99-4420-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1201 Investments in other securities, net .....	65,964	89,355	70,422	78,038
1206 Receivables, net .....	22,762	31,024	23,732	22,020
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Retained mortgage inventory .....	475,213	542,568	595,562	655,901
1603 Allowances (-) .....	-327	-153	-168	-185
1699 Value of assets related to direct loans .....	474,886	542,415	595,394	655,716
1801 Cash and other monetary assets .....	583	7,116	5,608	6,215
1803 Property, plant and equipment, net .....	774	1,095	838	777
1901 Other assets .....	6,938	10,975	8,396	7,790
1999 Total assets .....	571,907	681,980	704,390	770,556
<b>LIABILITIES:</b>				
2101 Accounts payable .....	763	530	546	599
2202 Interest payable .....	4,452	5,243	5,403	5,925
2203 Debt .....	531,312	618,651	637,561	699,126
2207 Other Liabilities .....	20,874	34,990	36,060	39,541
2999 Total liabilities .....	557,401	659,414	679,570	745,191
<b>NET POSITION:</b>				
3100 Invested capital .....	14,506	22,566	24,820	25,365
3999 Total net position .....	14,506	22,566	24,820	25,365
4999 Total liabilities and net position .....	571,907	681,980	704,390	770,556

#### MORTGAGE-BACKED SECURITIES

##### Status of Direct Loans (in millions of dollars)

Identification code 99-4440-0-3-371	2002 actual	2003 est.	2004 est.
1131 Direct loan obligations .....	342,244	431,996	209,536
1150 Total direct loan obligations .....	342,244	431,996	209,536
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	635,844	730,341	853,209
1231 Disbursements: Direct loan disbursements .....	342,244	431,996	209,536
1251 Repayments: Repayments and prepayments .....	-247,747	-309,128	-144,713
1290 Outstanding, end of year .....	730,341	853,209	918,032

#### Balance Sheet (in millions of dollars)

Identification code 99-4440-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1901 Underlying Mortgages .....	635,844	730,341	853,209	918,032
1999 Total assets .....	635,844	730,341	853,209	918,032
<b>LIABILITIES:</b>				
2104 Resources payable .....	635,844	730,341	853,209	918,032
2999 Total liabilities .....	635,844	730,341	853,209	918,032

## FARM CREDIT SYSTEM

The Farm Credit System is a government sponsored enterprise that provides privately financed credit to agricultural and rural communities. The major functional entities of the system are: (1) Agricultural Credit Bank (ACB), (2) Farm Credit Banks (FCB), and (3) direct lender associations. The history and specific functions of the bank entities are discussed after the presentation of financial schedules for each bank entity. As part of the Farm Credit System (FCS), these entities are regulated and examined by the Farm Credit Administration (FCA), an independent Federal agency. The ad-

ministrative costs of FCA are financed by assessments of system institutions. System banks finance loans from sales of bonds to the public and their own capital funds. The system bonds issued by the banks are not guaranteed by the U.S. Government either as to principal or interest. The bonds are backed by an insurance fund, administered by the Farm Credit System Insurance Corporation (FCSIC), an independent Federal agency that collects insurance premiums from member banks to pay its administrative expenses and fund insurance reserves. All of the banks' current operating expenses are paid from their own income and do not require budgetary resources from the Federal Government.

#### AGRICULTURAL CREDIT BANK

CoBank, ACB is headquartered in Denver, Colorado and serves eligible cooperatives nationwide, and provides funding to Agricultural Credit Associations (ACAs) in one of its regions. CoBank, ACB is the only Agricultural Credit Bank in the Farm Credit System. An ACB operates under statutory authority that combines the authorities of a FCB and a Bank for Cooperatives (BC). In exercising its FCB authority, CoBank ACB's charter limits its lending to ACAs located in the region previously served by the Farm Credit Bank of Springfield. As an entity lending to Cooperatives, CoBank is independently chartered to provide credit and related services nationwide to eligible cooperatives primarily engaged in farm supply, grain, marketing and processing (including sugar and dairy). CoBank also makes loans to rural utilities, including telecommunications companies and it provides international loans for the financing of agricultural exports.

#### Status of Direct Loans (in millions of dollars)

Identification code 99-4130-0-3-351	2002 actual	2003 est.	2004 est.
1131 Direct loan obligations .....	71,546	75,000	75,000
1150 Total direct loan obligations .....	71,546	75,000	75,000
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	19,588	20,466	23,878
1231 Disbursements: Direct loan disbursements .....	71,491	75,000	75,000
1251 Repayments: Repayments and prepayments .....	-70,538	-71,646	-74,115
Write-offs for default:			
1263 Direct loans .....	-75		
1264 Other adjustments, net .....		58	70
1290 Outstanding, end of year .....	20,466	23,878	24,833

#### Statement of Operations (in millions of dollars)

Identification code 99-4130-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
0101 Total interest income .....	1,689	1,226	1,456	1,514
0102 Total interest expense .....	-1,223	-672	-926	-963
0105 Net income or loss (-) .....	466	554	530	551
0111 Other income .....	41	52	42	43
0112 Other expense .....	-301	-374	-320	-333
0115 Net income or loss (-) .....	-260	-322	-278	-290
0191 Total revenues .....	1,730	1,278	1,498	1,557
0192 Total expenses .....	-1,524	-1,046	-1,246	-1,296
0195 Total income or loss (-) .....	206	232	252	261
0199 Total comprehensive income .....	206	232	252	261

#### Balance Sheet (in millions of dollars)

Identification code 99-4130-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
1201 Cash and investment securities .....	4,775	5,269	5,805	6,037
1206 Accrued interest receivable on loans .....	174	135	137	143

Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	19,588	20,466	23,878	24,833
1603 Allowance for estimated uncollectible loans and interest (-) .....	-324	-379	-411	-421
1699 Value of assets related to direct loans .....	19,264	20,087	23,467	24,412
1803 Property, plant and equipment, net .....	450	476	438	432
1999 Total assets .....	24,663	25,967	29,847	31,024
LIABILITIES:				
2104 Resources payable .....	363	417	276	298
Accounts payable:				
2201 Consolidated systemwide and other bank bonds .....	21,275	22,513	26,199	27,247
2201 Notes payable and other interest-bearing liabilities .....	604	601	610	626
2202 Accrued interest payable .....	222	149	152	155
2999 Total liabilities .....	22,464	23,680	27,237	28,326
NET POSITION:				
3300 Cumulative results of operations .....	2,199	2,287	2,610	2,698
3999 Total net position .....	2,199	2,287	2,610	2,698
4999 Total liabilities and net position .....	24,663	25,967	29,847	31,024

#### Statement of Changes in Net Worth (in millions of dollars)

99-4130	2001 actual	2002 actual	2003 est.	2004 est.
Beginning balance of net worth .....	1,753	2,199	2,287	2,610
Capital stock and participations issued .....	300	0	230	1
Capital stock and participations retired .....	58	72	75	82
Net income .....	207	232	252	262
Cash/Dividends/Patronage Distributions .....	(48)	(79)	(84)	(93)
Other, net .....	45	7	0	0
Ending balance of net worth .....	2,199	2,287	2,610	2,698

#### Financing Activities (in millions of dollars)

99-4130	2001 actual	2002 actual	2003 est.	2004 est.
Beginning balance of outstanding system obligations .....	20,971	21,275	22,513	26,199
Consolidated systemwide and other bank bonds issued .....	7,038	9,680	10,000	10,500
Consolidated systemwide and other bank bonds retired .....	6,897	8,252	6,324	9,462
Consolidated systemwide notes, net .....	162	12	10	10
Other (Net) .....	0	(201)	0	0
Ending balance of outstanding system obligations .....	21,275	22,513	26,199	27,247

#### FARM CREDIT BANKS

#### Status of Direct Loans (in millions of dollars)

Identification code 99-4160-0-3-371	2002 actual	2003 est.	2004 est.
1131 Direct loan obligations .....	65,114	60,122	59,567
1150 Total direct loan obligations .....	65,114	60,122	59,567
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	52,445	58,165	60,690
1231 Disbursements: Direct loan disbursements .....	65,102	59,034	58,426
1251 Repayments: Repayments and prepayments .....	-59,380	-56,509	-56,259
1264 Write-offs for default: Other adjustments, net .....	-2		
1290 Outstanding, end of year .....	58,165	60,690	62,857

Note.—Loans outstanding at end of year do not include nonaccrual loans and sales contracts.

The Agricultural Credit Act of 1987 (1987 Act) required the Federal Land Banks (FLBs) and Federal Intermediate Credit Banks (FICBs) to merge into a Farm Credit Bank (FCB) in each of the 12 Farm Credit districts. The FCBs

operate under statutory authority that combines the prior authorities of the FLB and the FICB. No merger occurred in the Jackson district in 1988 because the FLB was in receivership. Pursuant to section 410(e) of the 1987 Act, as amended by the Farm Credit Banks Safety and Soundness Act of 1992, the FICB of Jackson merged with the FCB of Columbia on October 1, 1993. Mergers and consolidations of FCBs across district lines, that began in 1992 continued through mid-1995. As a result of this restructuring activity, 6 FCBs headquartered in the following cities, remain: AgFirst FCB, Columbia, South Carolina; AgriBank FCB, St. Paul, Minnesota; FCB of Wichita, Wichita, Kansas; FCB of Texas, Austin, Texas; and Western FCB, Sacramento, California.

The FCBs serve as discount banks and as of October 1, 2002 provided funds to 15 Federal Land Credit Associations (FLCA), 3 Production Credit Associations (PCAs), and 85 Agricultural Credit Associations (ACAs). These direct lender associations, in turn, make short-term production loans (PCAs and ACAs) and long-term real estate loans (FLCAs and ACAs) to eligible farmers and ranchers. FCBs can also lend to local financing institutions, including commercial banks, as authorized by the Farm Credit Act of 1971, as amended.

All the capital stock of the FICB's, from organization in 1923 to December 31, 1956, was held by the U.S. Government. The 1956 Act provided a long-range plan for the eventual ownership of the credit banks by the production credit associations and the gradual retirement of the Government's investment in the banks. This retirement was accomplished in full on December 31, 1968. The last of the Government capital that had been invested in the FLB's was repaid in 1947.

Statement of Operations (in millions of dollars)

Identification code 99-4160-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
0101 Total interest income .....	3,631	2,646	2,607	2,826
0102 Total interest expense .....	-3,076	-2,093	-2,077	-2,285
0105 Net income or loss (-) .....	555	553	530	541
0111 Other income .....	79	96	67	60
0112 Other expenses .....	-225	-133	-221	-217
0115 Net income or loss (-) .....	-146	-37	-154	-157
0191 Total revenues .....	3,710	2,742	2,674	2,886
0192 Total expenses .....	-3,301	-2,226	-2,298	-2,502
0195 Total income or loss (-) .....	409	516	376	384
0199 Total comprehensive income .....	409	516	376	384

Balance Sheet (in millions of dollars)

Identification code 99-4160-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1201 Cash and investment securities .....	10,431	10,514	11,769	12,335
1206 Accrued Interest Receivable .....	677	530	511	535
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	52,446	58,169	61,873	65,281
1603 Allowance for estimated uncollectible loans and interest (-) .....	-252	-153	-153	-154
1699 Value of assets related to direct loans .....	52,194	58,016	61,720	65,127
1803 Property, plant and equipment, net .....	396	412	349	357
1999 Total assets .....	63,698	69,472	74,349	78,354
<b>LIABILITIES:</b>				
2104 Resources payable .....	443	513	517	517
Accounts payable:				
2201 Consolidated systemwide and other bank bonds .....	58,010	63,794	68,438	72,203
2201 Notes payable and other interest-bearing liabilities .....	360	370	297	301
2202 Accrued interest payable .....	447	367	398	416

2999 Total liabilities .....	59,260	65,044	69,650	73,437
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	4,437	4,428	4,699	4,917
3999 Total net position .....	4,437	4,428	4,699	4,917
4999 Total liabilities and net position .....	63,697	69,472	74,349	78,354

Statement of Changes in Net Worth (in millions of dollars)

99-4160	2001 actual	2002 actual	2003 est.	2004 est.
<b>Beginning balance of net worth .....</b>	<b>4,377</b>	<b>4,437</b>	<b>4,428</b>	<b>4,699</b>
Capital stock and participations issued .....	93	80	109	82
Capital stock and participations retired .....	142	260	29	27
Surplus Retired .....	9	2	16	0
Net income .....	409	516	375	384
Cash/Dividends/Patronage Distributions .....	(289)	(247)	(222)	(229)
Other, net .....	(1)	(97)	54	9
<b>Ending balance of net worth .....</b>	<b>4,437</b>	<b>4,428</b>	<b>4,699</b>	<b>4,917</b>

Financing Activities (in millions of dollars)

99-4160	2001 actual	2002 actual	2003 est.	2004 est.
<b>Beginning balance of outstanding system obligations .....</b>	<b>52,115</b>	<b>58,010</b>	<b>64,029</b>	<b>70,077</b>
Consolidated systemwide and other bank bonds issued .....	38,723	50,737	52,063	55,383
Consolidated systemwide and other bank bonds retired .....	34,342	44,692	47,184	50,841
Consolidated systemwide notes, net .....	1,514	(26)	1,169	(453)
<b>Ending balance of outstanding system obligations .....</b>	<b>58,010</b>	<b>64,029</b>	<b>70,077</b>	<b>74,165</b>

FEDERAL AGRICULTURAL MORTGAGE CORPORATION  
(FARMER MAC)

Farmer Mac is authorized under the Farm Credit Act of 1971 (the Act), as amended by the Agricultural Credit Act of 1987, to create a secondary market for agricultural real estate and rural home mortgages. The Farmer Mac title of the Act was amended by the 1990 farm bill to authorize Farmer Mac to purchase, pool, and securitize the guaranteed portions of farmer program, rural business and community development loans guaranteed by the United States Department of Agriculture (USDA). The Farmer Mac title was further amended in 1991 to clarify Farmer Mac's authority to issue debt obligations, provide for the establishment of minimum capital standards, establish the Office of Secondary Market Oversight at the Farm Credit Administration (FCA), and expand the agency's rulemaking authority. Most recently, the Farm Credit System Reform Act of 1996 (1996 Act) amended the Farmer Mac title to allow Farmer Mac to purchase loans directly from lenders and to issue and guarantee mortgage-backed securities without requiring that a minimum cash reserve or subordinated (first loss) interest be maintained by poolers as had been required under its original authority. The 1996 Act expanded FCA's regulatory authority to include provisions for establishing a conservatorship or receivership, if necessary, and provided for increased core capital requirements at Farmer Mac phased in over three years.

Farmer Mac operates through two programs, "Farmer Mac I," which involves mortgage loans secured by first liens on agricultural real estate or rural housing (qualified loans), and "Farmer Mac II," which involves the guaranteed portions of USDA guaranteed loans. Farmer Mac operates by: (i) purchasing, or committing to purchase, newly originated or existing qualified loans or guaranteed portions from lenders; (ii) purchasing "AgVantage" bonds backed by qualified loans or guaranteed portions from lenders; and (iii) exchanging qualified loans or guaranteed portions for guaranteed securities.

## (FARMER MAC)—Continued

Loans purchased by Farmer Mac are aggregated into pools that back Farmer Mac guaranteed securities which are held by Farmer Mac or sold into the capital markets. Farmer Mac is intended to attract new capital for financing qualified loans and guaranteed portions, foster increased long-term, fixed-rate lending, and provide greater liquidity to agricultural and rural lenders.

Farmer Mac is governed by a 15 member Board of Directors. Ten Board members are elected by stockholders, including five by the Farm Credit System and five by commercial lenders. Five are appointed by the President, subject to Senate confirmation.

## FINANCING

Financial support and funding for Farmer Mac's operations come from several sources: sale of common and preferred stock; issuance of debt obligations; and net income from operations. Under procedures specified in the Act, Farmer Mac may issue obligations to the U.S. Treasury in a cumulative amount not to exceed \$1.5 billion to fulfill its guarantee obligations.

As of September 30, 2002, Farmer Mac's core capital exceeded statutory requirements. Additionally, Farmer Mac's regulatory capital (core capital plus the allowance for loan losses) exceeded the amount of required regulatory capital as determined by the risk-based capital rule, with which Farmer Mac was required to be in compliance on May 23, 2002.

## GUARANTEES

Farmer Mac provides a guarantee of timely payment of principal and interest on securities backed by qualified loans or pools of qualified loans. These securities are not guaranteed by the United States, and are not "government securities".

Farmer Mac is subject to reporting requirements under securities laws and its guaranteed mortgage-backed securities are subject to registration with the Securities and Exchange Commission under the 1933 and 1934 Securities Acts.

## REGULATION

Farmer Mac is federally regulated by the FCA's Office of Secondary Market Oversight (OSMO). OSMO is responsible for the supervision, examination of and rulemaking for Farmer Mac.

## Status of Guaranteed Loans (in millions of dollars)

Identification code 99-4180-0-3-351	2002 actual	2003 est.	2004 est.
2131 Guaranteed loan commitments .....	2,306	1,000	1,000
2150 Total guaranteed loan commitments .....	2,306	1,000	1,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	4,894	6,000	6,000
2231 Disbursements of new guaranteed loans .....	2,306	1,000	1,000
2251 Repayments and prepayments .....	-1,200	-1,000	-1,000
2290 Outstanding, end of year .....	6,000	6,000	6,000
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	6,000	6,000	6,000

## Statement of Operations (in millions of dollars)

Identification code 99-4180-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
Revenue:				
0101 Net Interest Income .....	22	25	25	30
0101 Guarantee Fee Income .....	10	12	12	15
0102 Expense .....	-23	-27	-27	-30
0105 Net income or loss (-) .....	9	10	10	15
0199 Total comprehensive income .....	9	10	10	15

## Balance Sheet (in millions of dollars)

Identification code 99-4180-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
1201 Investment in securities .....	853	853	853	1,000
1206 Receivables, net .....	4	4	4	50
1207 Advances and prepayments .....	18	18	18	50
Net value of assets related to direct loans receivable:				
1401 Direct loans receivable, gross .....	1,998	2,198	2,198	2,000
1402 Interest receivable .....	46	55	55	75
1499 Net present value of assets related to direct loans .....	2,044	2,253	2,253	2,075
1801 Cash and other monetary assets .....	89	100	100	500
1999 Total assets .....	3,008	3,228	3,228	3,675
LIABILITIES:				
2201 Accounts payable .....	6	7	7	25
2202 Interest payable .....	18	21	21	75
2203 Debt .....	2,870	3,074	3,064	3,385
2204 Liabilities for loan guarantees .....	9	11	11	20
2999 Total liabilities .....	2,903	3,113	3,103	3,505
NET POSITION:				
3300 Invested capital .....	105	115	125	170
3999 Total net position .....	105	115	125	170
4999 Total liabilities and net position .....	3,008	3,228	3,228	3,675

## FEDERAL HOME LOAN BANK SYSTEM

## FEDERAL HOME LOAN BANKS

## Status of Direct Loans (in millions of dollars)

Identification code 99-4200-0-3-371	2002 actual	2003 est.	2004 est.
1111 Limitation on direct loans .....			
1131 Direct loan obligations .....	3,684,259	3,684,259	3,684,259
1150 Total direct loan obligations .....	3,684,259	3,684,259	3,684,259
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	489,413	537,812	537,812
1231 Disbursements: Direct loan disbursements .....	3,684,259	3,684,386	3,684,386
1251 Repayments: Repayments and prepayments .....	3,644,317	-	-
		3,684,386	3,684,386
1264 Write-offs for default: Other adjustments, net .....	8,457		
1290 Outstanding, end of year .....	537,812	537,812	537,812

The 12 Federal Home Loan Banks were chartered by the Federal Home Loan Bank Board under the authority of the Federal Home Loan Bank Act of 1932 (the Act). The FHLBanks are under the supervision of the Federal Housing Finance Board. The common mission of the FHLBanks is to facilitate the extension of credit through their members. To accomplish this mission, the FHLBanks make loans, called advances, and provide other credit products and services to their 7,992 member commercial banks, savings associations, insurance companies, and credit unions. Advances and letters of credit must be fully secured by eligible collateral and long-term advances may be made only for the purpose of providing funds for residential housing finance. However, "community financial institutions" may also use long-term advances to finance small businesses, small farms, and small agribusinesses. Additionally, specialized advance programs provide funds for community reinvestment and affordable housing programs. All regulated financial depositories and insurance companies engaged in residential housing finance are eligible for membership. Each FHLBank operates in a geographic district designated by the Board and together the

FHLBanks cover all of the United States as well as the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

Advances outstanding on September 30, 2002 totaled approximately \$491 billion, a net increase of approximately \$24 billion from the September 30, 2001 level of \$469 billion.

The principal source of funds for the lending operation is the sale of consolidated obligations to the public. On September 30, 2002, \$611 billion of these obligations were outstanding. The consolidated obligations are not guaranteed by the U.S. Government as to principal or interest. Other sources of lendable funds include members' deposits and capital. Deposits totaled \$29 billion and total capital amounted to \$36 billion as of September 30, 2002. Funds not immediately needed for advances to members are invested.

The capital stock of the Federal Home Loan Banks is owned entirely by the members. Initially the U.S. Government purchased stock of the banks in the amount of \$125 million. The banks had repurchased the Government's investment in full by mid-1951.

The operating expenses of the FHLBanks are paid from their own income and are not included in the Budget of the United States. Included in these expenses are the assessments by the Finance Board to cover its administrative and other costs. The Finance Board's budget and expenditures, however, are included in the budget of the United States.

The Act, as amended in 1989, requires each FHLBank to operate an Affordable Housing Program (AHP). Each FHLBank provides subsidies in the form of direct grants or below-market rate advances for members that use the funds for qualifying affordable housing projects. The FHLBank System sets aside for its AHPs the greater of \$100 million annually or 10 percent of net income. The Act, as amended in 1999, also requires that the FHLBanks contribute 20 percent of net earnings annually to assist in the payment of interest on bonds issued by the Resolution Funding Corporation.

The forecast data for 2003 and 2004 contained in this material represents estimates and should not be construed as an official forecast of the FHLBanks System's future position.

#### Statement of Operations (in millions of dollars)

Identification code 99-4200-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	36,404	26,247	26,247	26,247
0102 Expense (excludes payments to REFCORP) .....	-34,312	-23,830	-23,830	-23,830
0105 Net income or loss (-) .....	2,092	2,417	2,417	2,417

#### Balance Sheet (in millions of dollars)

Identification code 99-4200-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Investments in US securities:				
1102 Treasury securities, net .....	206	206	206	206
1201 Investments in other securities, net .....	193,470	215,261	215,261	215,261
1206 Accounts receivable .....	3,248	3,014	3,014	3,014
1401 Net value of assets related to direct loans receivable: Direct loans receivable, gross .....	489,413	537,812	537,812	537,812
1801 Cash and other monetary assets .....	1,013	573	573	573
1803 Property, plant and equipment, net .....	126	140	140	140
1901 Other assets .....	3,712	4,223	4,223	4,223
1999 Total assets .....	691,188	761,229	761,229	761,229
<b>LIABILITIES:</b>				
2101 REFCORP and Affordable Housing Program .....	778	822	822	822
2202 Interest payable .....	5,538	5,383	5,383	5,383
2203 Debt .....	611,338	667,561	667,561	667,561
Other:				
2207 Deposit funds and other borrowings .....	29,571	30,197	30,197	30,197
2207 Other .....	10,839	21,312	21,312	21,312
2999 Total liabilities .....	658,064	725,275	725,275	725,275
<b>NET POSITION:</b>				
3100 Invested capital .....	33,124	35,954	35,954	35,954
3999 Total net position .....	33,124	35,954	35,954	35,954
4999 Total liabilities and net position .....	691,188	761,229	761,229	761,229



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